

19TH ANNUAL REPORT

2018-2019



SOUTHERN POWER

DISTRIBUTION COMPANY OF TELANGANA LIMITED



TELANGANA



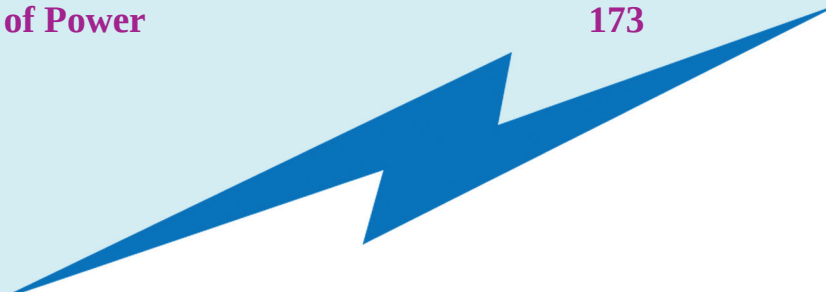
TSSPDCL

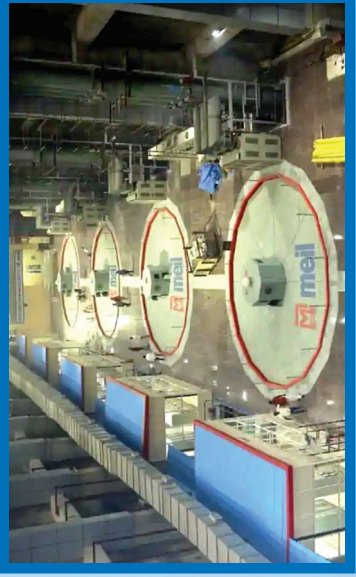
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- ▶ Rangareddy
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- ▶ Siddipet
- ▶ Vikarabad
- ▶ Mahabubnagar
- ▶ Narayanpet
- ▶ Wanaparthy
- ▶ Nagarkurnool
- ▶ Gadwal
- ▶ Nalgonda
- ▶ Suryapet
- ▶ Yadadri



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Kaleshwaram Project



Sri Kalvakuntla Chandrashekar Rao
Hon'ble Chief Minister of Telangana



NOTICES





NOTICE OF THE ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON FRIDAY, 27TH DAY OF DECEMBER, 2019 AT 02.15 P.M AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, Statement of Profit & Loss and Cash flow Statement as at 31st March, 2019 along with Statutory Auditors Report, Secretarial Audit Report, Directors Report and along with the comments of the Comptroller and Auditor General of India thereon.
2. To take note on 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 2019- 20 and authorized the Board 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)/258 dated 02.08.2019 appointed M/s. Ramanatham & Rao, (HY0142), Chartered Accountants as Statutory Auditors of the Company for the financial year 2019-20.

Draft resolution

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

“RESOLVED THAT the appointment of M/s. Ramanatham & Rao (HY0142), Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2019-20 by the Office of the Comptroller and Auditor General of India vide their letter No/CA.V/COY/TELANGANA,CENPOW(1)/258, dt: 02.08.2019 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 2019-20 if any.”

SPECIAL BUSINESS:

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

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2019-20 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 2019-20.”

4. APPOINTMENT OF SRI JALA SRINIVASA REDDY, DIRECTOR OPERATIONS OF THE COMPANY WHO ATTAINED THE AGE OF 70 YEARS AS ON 12.09.2015.

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

“**RESOLVED THAT** in pursuant to the provisions of Sections 196, and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 the approval of the members of the Company be and is hereby accorded to the re-appointment of Sri Jala Srinivasa Reddy (DIN - 07040399) as Whole-time Director of the Company, who attained the age of 70 years w.e.f 12.09.2015 on such terms and conditions of the orders issued by the Government of Telangana from time to time.”

5. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

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

**Date: 19.12.2019
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 2018-19 will be placed at the Annual General Meeting of the Company.

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

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

The Board considered the recommendation of Audit Committee in regard to the appointment of M/s. B.V.S. & Co., Cost Accountants, Hyderabad, as Cost Auditor for the F.Y.2019-20 and it was decided to pay the remuneration of Rs.60,000 (all inclusive).

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

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

APPOINTMENT OF SRI JALA SRINIVASA REDDY AS DIRECTOR OF THE COMPANY WHO ATTAINED THE AGE OF 70 YEARS AS ON 12.09.2015.

The Government of Telangana in the G.O.Rt. No. 43, Energy (HR.A1) Department Dt: 26.11.2014 issued orders for appointment of Sri. Jala Srinivasa Reddy as a Director for the period of two years and has been extended for one more year w.e.f. 25.11.2017 vide orders of Government of Telangana in the G.O.Rt. No. 72 Energy (HR.A1) Department date 25.11.2017 & G.O.Rt. No.29, Energy (HR.A1) Department date 29.05.2019 was extended until further orders.

Sri Jala Srinivasa Reddy has attained the age of 70 years on 12.09.2015.

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

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

Except Sri Jala Srinivasa Reddy, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item. No.4.

The Board recommends the Resolution for your approval as Special Resolution.

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

Date: 19.12.2019
Place: Hyderabad

Sd/-
ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Route Map





NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

To **ANNEXURE - A**
The Members of the Company
Southern Power Distribution Company of Telangana Limited.

NOTICE IS HEREBY GIVEN THAT THE EXTRA ORDINARY GENERAL MEETING OF THE COMPANY WILL BE HELD AT SHORTER NOTICE ON WEDNESDAY THE 20TH DAY OF MARCH, 2019 AT 11.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT 6-1-50, MINT COMPOUND, HYDERABAD TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

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

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

“RESOLVED THAT in supersession of the Resolution passed by the Shareholders of the Company at the Annual General Meeting held on 26-12-2013, and pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to borrow money, from time to time at its discretion either from the Company’s Bank or any other bank, financial institutions or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rs.15,000 Crore [Rupees Fifteen Thousand Crore only] notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that it is to say, reserves not set apart for any specific purpose.”

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

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

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other provisions, if any, of the Companies Act, 2013 to mortgaging and/or charging by the Board of Directors of the Company of all or any part of the immovable properties of the Company whatsoever situate both present and future of every nature and kind whatsoever and creating a floating charge on all or any of the movable properties of the Company and the whole of undertaking of the company to or in favour of financial institutions for borrowing from time to time such sums of money as they deem requisite for the purpose of the business of the Company notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not exceed the sum of rupees Rs.15,000 Crore [Rupees Fifteen Thousand Crore only] at any time.”

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

3. ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIRMAN

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

Sd/-

ANIL KUMAR VORUGANTI
COMPANY SECRETARY

Date: 07.03.2019.

Place: Hyderabad

NOTE:

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

STATEMENT OF MATERIAL FACTS OF SPECIAL BUSINESSES REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013:**1. TO AUTHORISE THE BOARD TO BORROW MONIES UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013**

Section 180(1)(c) of the Companies Act, 2013 provides that a Company shall not borrow funds in excess of its paid-up share capital and free reserves, except with the approval of the Shareholders by a Special Resolution passed in a General Meeting. Earlier, in the Annual General Meeting held on 26.12.2013, consent of the Members has been obtained by the Directors to borrow up to maximum amount of Rs. 9,000 Crore exceeding paid-up share capital and free reserves of the Company. The Company would need substantial amount of funds to meet its various requirements. In view of the above, the borrowing limit may exceed the permissible limits under section 180(1)(c) of the Companies Act, 2013. It is therefore proposed to increase the borrowing limits up to Rs. 15,000 Crore.

The Board recommends the Resolution for your approval as Special Resolution.

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

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

The borrowings of the Company are in general required to be secured by mortgages/ Charges/hypothecation or encumbrances on all or any of the movable or immovable properties of the Company. Consent of the Members is being sought in terms of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create charge, hypothecate, mortgage, pledge on any movable, immovable properties of the Company, both present and future and on the whole or substantially the whole of the undertaking or undertaking of the Company and wherever situated and to authorize the Board to take necessary action in this regard shall not exceed the sum of rupees Rs. 15,000 Crore [Rupees Fifteen Thousand Crore Only] at any time.

The Board recommends the Resolution for your approval as Special Resolution.

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

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

Date: 07.03.2019.
Place: Hyderabad

Sd/-
ANIL KUMAR VORUGANTI
COMPANY SECRETARY



BOARD OF DIRECTORS

BOARD OF DIRECTORS



SRI G. RAGHUMA REDDY
Chairman & Managing Director



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



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



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



SRI T. SRINIVAS
Director (Projects & IT)



SRI J. SRINIVASA REDDY
Director (Operations)



SRI P. NARASIMHA RAO
Director (Finance)



SRI G. PARVATHAM
Director (HR & IR)



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



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



SRI S. SWAMY REDDY
Director (IPC & RAC)

COMPANY SECRETARY

SRI. ANIL KUMAR VORUGANTI

STATUTORY AUDITORS

M/S. BRAHMAYYA & CO., CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA

FINANCIAL INSTITUTIONS

**REC LIMITED
POWER FINANCE CORPORATION LIMITED (PFC)
PTC INDIA FINANCIAL SERVICES LTD.**

REGISTERED OFFICE:

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



**Sri G. Raghuma Reddy, CMD/TSSPDCL & Sri D. Prabhakar Rao, CMD/TS TRANSCO
& TS GENCO with Hon'ble C.M. Sri K. Chandrashekar Rao**



CMD's LETTER TO STAKE HOLDERS





Sri G. Raghuma Reddy, CMD/TSSPDCL with Sri G. Jagadish Reddy, Minister for Energy TS. & Sri D. Prabhakar Rao, CMD/TS TRANSCO & TS GENCO and Sri C. Srinivas Rao, JMD TS. TRANSCO



Chairman and Managing Director Letter to Stakeholders

Dear Stakeholders,

I am glad to present the 19th (Nineteenth) Annual Report of Southern Power Distribution Company of Telangana Limited, Hyderabad for the Financial Year 2018-19.

About TSSPDCL:

- ❖ F.Y. 2018-19 was our 5th continuous year of operation after the formation of State of Telangana. Being the largest DISCOM, we served 89.85 Lakh consumers including 11.84 agricultural consumers.
- ❖ We clocked a maximum demand of 6961 MW and handled 44997 MUs of energy purchased in F.Y. 2018-19 to cater to the demand of the consumers.
- ❖ TSSPDCL is one of the best performers in the country in several operational parameters having low Distribution losses also and high collection efficiency. The company has also one of the lowest Distribution losses in the country maintaining it below 11%.
- ❖ Per-capita consumption of TS for F.Y. 2018-19 is 1,896 units as against a national average of 1,181 units.

Providing Reliable and uninterrupted Power:

- ❖ We have come a long way from the days of giving 4-8 hours of load relief to domestic and other consumers and a day power holiday to industries, to providing 24 hour, un-interrupted, quality power supply to all consumers of the DISCOM including the agricultural consumers.
- ❖ The Discoms in Telangana have been successfully meeting the demand in the State without any load shedding since 20.11.2014, as we believe that availability of quality, un-interrupted power is a key prerequisite for ensuring the desired economic growth in the state.
- ❖ TSSPDCL, supplied 44997.11 MUs of energy during the period April 2018 - March 2019 as compared to 40147.47 MUs during the same period of last year. This implies an increase of around 12.07 % over last year. The Peak (Maximum) Demand met by TSSPDCL in 2018-19 was 6961 MW as compared to 6576 MW in the previous year with an increase of 5.85%.

Providing 24 Hrs Power supply to Agriculture sector:

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

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

- ❖ TSSPDCL has pro-actively undertaken network strengthening activities to deliver on this task. We have taken various measures to strengthen the power distribution system.
- ❖ TSSPDCL developed the system by providing 210 No's of 33 KV lines involving bay extension at EHT Substation for length of 1990 km. We further strengthened the distribution system infrastructure way of capacity addition of 2613.30 MVA, enhancement of 351 No's of PTRs and addition of new 394 No's of PTRs of various capacities. TSSPDCL has so far allocated a budget of Rs.704 Crore to all the rural circles for these works.
- ❖ As a part of works undertaken for the Development of infrastructure, TSSPDCL have spent an amount of Rs. 8153.07 Crore in the last 5 years after Telangana formation.

Major infrastructure developments after Telangana formation till 31st March 2019 in TSSPDCL:

- ❖ There are 1593 No.s of 33/11 KV substations as on 31st March, 2019, out of which 409 No.s of substations were charged after Telangana formation.
- ❖ There are 13,165 km of 33 kV lines as on 31st March, 2019, out of which 4,346 Km of 33KV (UG+OH) line were commissioned after Telangana formation.
- ❖ There are 88,371 Km of 11 kV (UG+OH) lines as on 31st March, 2019, out of which 28,085 km lines length were charged after Telangana formation.
- ❖ There are 3,059 No.s of PTRs as on 31st March, 2019, out of which 1,154 No.s PTRs were commissioned after Telangana formation.
- ❖ There are 4,11,372 No.s of DTRs as on 31st March, 2019, out of which 1,49,439 No.s DTRs were erected and charged after Telangana formation.
- ❖ There are 11,84,138 No.s of AGL services as on 31st March, 2019, out of which 2,88,793 agricultural services were released after Telangana formation.

Ujwal Discom Assurance Yojana (UDAY):

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

- ★ Installation of smart meters for all consumers other than agricultural consumers consuming above 500 Units/month by 31st December 2018 and consumers consuming above 200 Units/month by 31st December 2019.
- ❖ TSSPDCL has done well in the areas of ACS-ARR Gap, The ACS-ARR gap of SPDCL is INR 0.39/ KWh. It is close to the national average of INR 0.38/ kWh. It has completed its targets for Feeder Metering for Urban feeders connected to National Power Plant (NPP), Distribution Transform (DT) Metering, Domestic connections, LED street lighting, Feeder Improvement and UJALA and it is lagging behind the targets in the areas of Feeder Audit, Smart Metering and replacement of Agl. Pump sets because of various reasons including requirement of financial support.
- ❖ TSSPDCL has done well in terms of AT&C loss reduction. The AT&C loss of TSSPDCL is 11.23%.

Deendayal Upadhyaya Gram JyotiYojana (DDUGJY) Scheme:

- ❖ REC vide letter dated 10.5.2016 has approved the DDUGJY Scheme for an amount of Rs. 336.66 Crore + 1.68 Crore (PMA cost) for erstwhile 4 Rural districts of TSSPDCL i.e. Mahabubnagar, Nalgonda, Rangareddy and Medak and permission to execute the works on Partial turnkey/departmental basis, with scheme completion period up to Dated 31.03.2019.
- ❖ All the works are completed within completion period with an expenditure of Rs. 391.73 Crore against the scheme cost of Rs. 336.65 Crore with total 48 substations charged, 5659 Nos. DTRs erected and 3,89,176 No's. Below Poverty Line (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. In the above 35 No's Towns all the works are completed with an expenditure of Rs. 634.00 Crore against the scheme cost of Rs. 472.84 Crore to maintain uninterrupted supply in the towns.

SC / ST Sub Plan:

- ❖ Under SC Sub plan, till August, 2018 there were 78,517 consumers who are consuming electricity up to 50 units per month. Later the benefit has been extended to 1,24,896 consumers as on 31st March, 2019 who are consuming electricity up to 100 units per month with an amount of Rs.124.56 Crore.
- ❖ Under ST Sub plan, till August, 2018 there were 26,769 consumers who are consuming electricity up to 50 units per month. Later the benefit has been extended to 36,574 consumers as on 31st March, 2019 who are consuming electricity up to 100 units per month with an amount of Rs.39.22 Crore.

Operations Improvement:

- ❖ TSSPDCL is one of the best performing DISCOM in the country in terms of operational efficiency and has continued its improvement in Key Performance Indicator's.
- ❖ PTR failure rate has decreased from 2.10 % in F.Y. 2017-18 to 1.60 % in F.Y. 2018-19.
- ❖ DTR failure rate has decreased from 8.61% in F.Y. 2017-18 to 7.20 % in F.Y. 2018-19.
- ❖ TSSPDCL has reduced the energy losses to 10.34 % in F.Y. 2018-19
- ❖ Total 51,956 No's of Agriculture Connections were released during 2018-19.

- ❖ Percentage of complaints resolved within the Standard Operating Procedure (SOP) timelines has increased from 83% in F.Y. 2014-15 to 91% in F.Y. 2018-19.
- ❖ Percentage of new services released within the SOP stipulated timeline is 96% in F.Y. 2018-19 as against a level of 80% in F.Y. 2014-15.
- ❖ All these operational efficiencies have increased despite an increase of 13% in sales over last year.
- ❖ Total sales are increased to 40,342.5 MU during F.Y. 2018-19 which is 13% higher than the last financial year (i.e. 35,589.90 MU).
- ❖ Revenue Demand has increased from 15,324 Crore in F.Y. 2013-14 to 21,161.09 Crore in F.Y. 2018-19.
- ❖ Metered sales are increased to 27704.72 MU during F.Y. 2018-19 which is 14% higher than the last financial year (i.e. 24,269.99 MU).

Promotion of Solar energy

- ❖ TSSPDCL has taken proactive measures in harnessing the solar potential in the State including the notification of forward looking solar policy in June, 2015. This has created a stable and a conducive environment for expedited addition of solar capacities in the State.
- ❖ Telangana has a total installed Renewable Energy (RE) Capacity of 3862.87MW by the end of March, 2019, 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 72.82 MW of solar rooftop capacity by end of March, 2019.
- ❖ I am happy to note that in a short span, TSSPDCL has been able to show substantial progress in adding solar capacities. This is amongst the highest in the country.

Smart Grid Pilot Project in TSSPDCL:

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

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 56,21,765 consumers as on 31st March, 2019 which is 78.82% of the total metered consumers.

Prepaid Meters

- ❖ Telangana Discoms has Pre-payment mechanism using special type of energy meter which can be installed with a prepayment or pay as you go tariff. As on 31st March, 2019, 11,013 No's of Prepaid meters were installed across Government offices.

New Technologies in TSSPDCL:

❖ Online New connection Application tracking

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

❖ Ease of doing business (TS-iPASS)

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

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

❖ SASA Mobile App

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

❖ URJA Mitra app

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

❖ Digital Payments

Telangana Discoms have implemented cashless payment modules through various Payment Gateway Interfaces.

TSSPDCL engages 8 different Online Collection Agencies for increasing ease of transactions and facilitate a cashless society. 35% to 40% of TSSPDCL consumers are utilizing these agencies for paying their electricity bills as well as new service connection registrations every month.

❖ 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 No's.) for improved convenience to the consumers. Now, the consumers have the facility to pay the Electricity Bills at any nearby ERO Counters, without delay.

❖ **Ease in HT Consumer billing**

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

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.

Abolition of Contract and Outsourcing System in Power Sector.

- ❖ TSSPDCL has absorbed 10,169 No's outsourced personnel working as on 04.12.2016 as Artisans in various grades as per their educational qualifications.
- ❖ The Artisans were given various benefits such as, a) Implemented Revised Pay Scales along with all the allowances. b) To Open Service Registers. C) To consider Compassionate appointments. D) Sanction Funeral charges of Rs. 20,000 to the families of the Artisans deceased while in service.

Awards/Recognition for TSSPDCL Initiatives during F.Y. 2018-19:

❖ **Smart Cities India Award:**

TSSPDCL was presented with the prestigious award “Smart Cities India Award” for “Solar Rooftops” under the category of “Clean & Green City Award” at the “5th Smart Cities India 2019” for achievements in adoption, promotion & integration of renewable energy and rooftop solar etc., under distributed generation model.

- ❖ **“ICC- 5th Innovation with Impact Award 2018”**, TSSPDCL was presented with the 4 No's prestigious awards at the **“ICC- 6th Innovation with Impact Award 2018” under the following categories** on 14.11.2018.

1st place of Overall winner: Innovation with Impact award for its excellent performance across the categories of Green grid, quality of service, efficient Distribution operation.

1st place of Green grid awards for its achievements in promotion & Integration of Renewable Energy & Implementation of Energy Efficiency Initiatives.

2nd place of Quality of Service Award for its initiatives related to improvement in Customer satisfaction, Consumer friendly bill payment system, improvement in Service Standard since last three years in CSC and NSC and improvement in SAIDI & SAIFI parameters which measure quality & continuity of supply.

3rd place of Efficient Distribution Operation award for its performance in improving operational efficiency parameters like reduction in DTR failures, reduction of Distribution losses, power factor improvement initiatives etc.

❖ **TS-iPASS Award-2018:**

TSSPDCL has also been awarded in recognition of outstanding performance in “**Disposal of Applications on the same day**” under TS-iPASS. The award was presented by Hon’ble Governor of Telangana State on 69th Republic Day held on 26.01.2018 at Parade grounds.

❖ **5 No’s IPPAI Power Awards 2017 (“Innovation”).**

TSSPDCL has bagged “5 No’s Independent Power Producers Association Of India (IPPAI) Power Awards 2017” under the category of “Innovation” towards various innovative steps taken under Energy Efficiency programs like Distributed Solar Generation, Agl. Demands side Management (DSM) Measures, Distribution of LED Bulbs, Installation of HVDS System and Reduction of Distribution Losses. The award ceremony was held on 28th October, 2017 at Belgaum, Karnataka during the 18th Regulators & Policymakers Retreat

❖ **“ICC- 5th Innovation with Impact Award 2017” (Most Innovative Discom for the year 2017”)**

TSSPDCL was taken “ICC-5th Innovation with Impact Award 2017” under the category of “Most Innovative Discom for the year 2017” towards various innovative steps taken in the company like Distributed Solar Generation, promotion of solar rooftop, Best practices adopted for customer satisfaction, installation of smart meters and Prepaid meters, Distribution of LED Bulbs, Installation of HVDS System and Reduction of Distribution Losses. This shows that, TSSPDCL is a pioneer in adopting the latest technologies, & implementing IT enabled consumer centric initiatives. The award ceremony was held on 29th November, 2017 at New Delhi during the 11th India Energy summit

❖ **Renewable Energy Awards - 2017**

TSSPDCL has bagged Renewable Energy Awards 2017" under the category of “Leading State Discoms” towards recognizing Energy Efficiency Programs, Renewable Energy Injected into the grid and installed capacity, Renewable Purchase Obligation (RPO) Achievements. The award ceremony was held on 19th September, 2017 at New Delhi during the Renewable Energy India Expo.

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

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

Thank You,

Sd/-

Raghuma Reddy Gauravaram
Chairman and Managing Director/TSSPDCL



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



DIRECTOR'S REPORT



DIRECTOR'S REPORT

To
The Members
Southern Power Distribution Company of Telangana Limited,

The Directors are pleased to present the Nineteenth Annual Report on the business and operations of your company together with the Audited Statements of Accounts for the year ended on 31st March, 2019.

1. FINANCIAL RESULTS:

The financial results of the Company for the year ended 31st March, 2019 the Company could earn an aggregate income of **Rs. 24131.08 Crore**. The financial performance of the Company is as follows:

S.No	Particulars	2018-19 (in Crore)	2017-18 (in Crore)
1.	Revenue from Operations	23899.76	20062.46
2.	Other Income	231.32	76.83
	Total Income	24131.08	20139.29
3.	Power Purchase Cost	24837.33	20639.57
4.	Employee Benefit expense	2134.86	1876.93
5.	Operation and Other Expenses	269.16	232.06
6.	Interest and Finance Charges	1296.09	948.54
7.	Depreciation	855.80	772.14
8.	Exceptional items	16.94	142.55
9.	FSA Written off	-	-
10.	Fixed Assets RESCOs- Write Off	-	-
11.	FSA and Other Provisions	-	-
12.	Provision for Govt. Receivables	-	-
	Total Expenses	29410.18	24611.79
13.	Profit/(Loss) Before Tax	(5279.10)	(4472.50)
14.	Provision for Income Tax	-	-
15.	Deferred Tax Income Provision	311.83	547.73
	Net Profit/(Loss)	(4967.27)	(3924.77)

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.

MoU was entered by Ministry of Power, Central Government, Govt. of Telangana State and the TS DISCOMS on 4th January, 2017.

The borrowings made by the State to takeover DISCOMs debt, shall transfer to DISCOMS as a mix of grant, loan or equity described in the following table:

Year	Total Debt Taken Over	Transfer to DISCOM in the form of Grants	Transfer to DISCOM in the form of Loans	Transfer to DISCOM in the form of Equity	Outstanding State Loan of the DISCOMs
(a)	(b)	(c)	(d)	(e)	(f)
Year -1	75% of the total debt i.e., 8923 Crs	50% of Rs. 8,923 Crs – Rs. 4,462 Crs to be taken over in 2016-17	25% of Rs. 8,923 Crs – Rs. 2230 Crs	25% of Rs. 8,923 Crs – Rs. 2230 Crs will be issued in 2016-17	Rs. 2230 Crs

The Government of Telangana has taken over an amount of Rs. 4,876.83 Crore under the Ujwal Discom Assurance Yojana (UDAY) Scheme.

3. FINANCIAL RESTRUCTURING:

As per the Financial Restructuring Scheme announced and implemented by Ministry of Power during October, 2012, AP Discoms were permitted to restructure its Short Term Loans and Power Purchase Payables beyond 60 days. As per the Scheme, during the year 2012-13, 50% of Short Term Liabilities were swapped by issue of Bonds by DISCOMs to Banks, AP Genco and AP Transco amounting to Rs. 2,809 Crore which will be taken over by State Government over a period of four years in lieu of receivables from them. State Government will be funding for Interest payable on Bonds issued by DISCOMs. Balance of 50% were restructured as Term Loans with Government Guarantee, vide G.O. Ms. No.11, dated 18.02.2014 amounting to Rs. 1,225 Crore.

4. 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 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 8.4 million consumers.

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

TELANGANA STATE

TSSPDCL Districts

- ❖ Hyderabad
- ❖ Sangareddy
- ❖ Medak
- ❖ Siddipet
- ❖ Mahabubnagar
- ❖ Wanaparthy
- ❖ Nagarkurnool
- ❖ Gadwal
- ❖ Nalgonda
- ❖ Suryapet
- ❖ Yadadri
- ❖ Rangareddy
- ❖ Vikarabad
- ❖ Medchal
- ❖ Narayanpet



OPERATIONAL PERFORMANCE

Significant achievements during F.Y. 2018-19 are given below

- ❖ The Company achieved metered sales of 27704.72 MU in F.Y. 2018-19 as against 24269.99 MU recorded in F.Y. 2017-18. The metered sales percentage to energy input was at 61.57% in F.Y. 2018-19 as compared to 60.45% in F.Y. 2017-18.
- ❖ Energy input is at 44997.10 MU in Current Financial Year (CFY) as against 40147.48 MU in the Previous Financial Year (PFY).
- ❖ The peak period demand met in CFY is 6961 MW as against the PFY 6576 MW.
- ❖ The Company has supplied 12637.78 MU Energy to the Agriculture Sector as against 11318.48 MU in the previous year. The energy supplied to agricultural sector constitutes 28.09% of total energy input in F.Y. 2018-19. Assessment of agricultural energy is being done by ISI methodology approved by Electricity Regulatory Commission from F.Y. 2013-14.
- ❖ The maximum consumption on a day was 154.48 MU as against 147.45 MU in the previous year.

REDUCTION OF ENERGY LOSSES:

During F.Y. 2018-19, a number of measures were adopted that contributed to the on-going efforts to reduce energy losses. The initiatives include:

- ❖ Energy Audit of 49 Towns feeders and 177 Mandal Head Quarter feeders.

- ❖ Impact of above measures is apparent. The Energy losses in F.Y. 2018-19 are significantly lower than the previous year. The Energy Losses to Energy Input percentage decreases to 10.34% in F.Y. 2018-19 as against 11.36% in F.Y. 2017-18.
- ❖ Arrested the theft of power by regular Detection of Pilferage of Energy (DPE) wings by conducting inspections and special intensive inspections with the DPE & Operation Wings of all circles. During the F.Y. 2018-19, In both HT< connections Total 148540 No. of cases were booked for theft, Unauthorized usage, Back billing/Short billing and non payment of Development Charges.

PROJECTS DATA

During F.Y. 2018-19 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 31.03.2018	Achievement in F.Y. - 2018-2019	Total as on 31.03.2019
1	No. of 33 / 11 KV Substations	1488	105	1593
2	Lines (in KM)			
	33KV	12649.81	514.21	13164.02
	11KV	83435.16	4934.33	88369.49
	Low Tension	182020.80	5698.60	187719.58
3	High Voltage Distribution System (HVDS) for (DTRs)	31833.00	803.00	32636.00
	High Voltage Distribution System (HVDS) for Agriculture Pump Sets	92772.00	2447.00	95219.00

ON GOING PROJECTS & SCHEMES STATUS AS ON 30.08.2019

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

- ❖ As per R-APDRP guide lines, implementation of SCADA/DMS project in the towns which have population of 4 lakh and above (as per census 2001) and the energy consumption of 350 MU and above as on date. Hyderabad city was eligible for the project as per the above criteria.
- ❖ Scheme cost: Rs. 90.64 Crore. PFC loan amount: Rs. 65.15 Crore.
DISCOM contribution: Rs. 25.33 Crore
- ❖ No of towns sanctioned: 1 No. (HUA)
- ❖ Date of sanction: 30.06.2011. Scheduled date of completion: 30.09.2018. Extension of project timelines up to March, 2019 is requested from M/s. PFC.
- ❖ The salient features of the scheme are: 1) SCADA control for all 228 No's. of 33/11KV Sub-Stations. 2) Distribution Management System (DMS) for operation of 156 Nos. 11KV feeders in core city of Hyderabad. 3) Communication System.
- ❖ FAT for 228 No's RTUs was completed. M/s. Chemtrols has supplied 228 No's RTUs and installed 228 No's.

- ❖ Erection and commissioning of control centre was completed in March, 2016.
- ❖ The completion of project works is intimated to M/s. PFC dated 25.03.2018.
- ❖ The third party verification of the project was done by M/s. PGCIL in July, 2019.

II. Integrated Power Development Scheme (IPDS)

- ❖ Power Finance Corporation (PFC) has sanctioned 6 No's. Detailed Project Reports (DPRs) covering Distribution network strengthening works in 35 No's. Towns of TSSPDCL for an amount of Rs. 472.84 Crore vide Letters dated 16.03.2016, dated 20.07.2017 & dated 28.03.2018 and to execute the works on Partial turnkey/departmental basis, with scheme completion period up to dated 31.03.2019.
- ❖ The declaration of completion of IPDS works was communicated to the Executive Director/IPDS/PFC on dated 30.03.2019 stating that 100% works were completed.

Works completed as on 31.03.2019 are as detailed below:

- ❖ Out of 33 No's. SS, 33 No's. SS Charged, 106.0 Km of 33 KV Line, 218.96 Km of UG Cable, 6470 No's. DTRs, 599.40 Km of new 11KV line, 325.45 Km of Augmentation of 11 KV line 1167.52 Km new LT line, 1681.40 Km of Bifurcation/ augmentation of LT line, 422.7 Km of AB Cable and 159 No's. RMUs are erected.
- ❖ So far, grants released from MoP are Rs. 220.49 Crore against 60% GoI grant of Rs. 228.10 Crore (i.e., 90% of Rs. 253.45 Crore) Counter Part (CP) Loan released by PFC is Rs. 107.72 Crore against Rs. 136.23 Crore.
- ❖ The expenditure incurred by TSSPDCL is Rs. 603.20 Crore against the scheme cost of Rs. 472.84 Crore.

III. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

- ❖ REC vide letter dated 10.05.2016 has approved the DDUGJY Scheme for an amount of Rs. 336.66 Crore + 1.68 Crore (PMA cost) for 4 Rural Districts of TSSPDCL i.e., Mahabubnagar, Nalgonda, Rangareddy and Medak and permission to execute the works on Partial turnkey/departmental basis, with scheme completion period up to dated 30.09.2019.

The works progress of DDUGJY Scheme is as detailed below:

- ❖ Out of 48 No's SS, 48 Nos. SS Charged 1158 Km 11KV line, 211 Km 33KV line, 5,599 No's. DTRs are erected. 3,86,701 No's. BPL HHs services released against target of 2,85,240 No's. BPL services. Infra works under the scheme are completed.
- ❖ So far, grants released from MoP are Rs. 103.21 Crore against 60% Government of India (GoI) grant of Rs. 201.99 Crore and the expenditure incurred by TSSPDCL is Rs. 335.19 Crore against the scheme cost of Rs. 336.65 Crore.

IV. JICA Aided Projects in TSSPDCL

- ❖ Rural High Voltage Distribution System Project is implemented in TSSPDCL with financial assistance from Japan International Co-operation Agency (JICA) and scheme is completed in September, 2018 with project cost of Rs. 468.78 Crore. Under this scheme the following works are executed:

- ❖ 221 No's 11Kv Agl. feeders are taken up for Low Voltage Distribution System (LVDS) to HVDS under which 95219 No's pump sets are connected to 32636 No's 3 phase, 25KVA Transformers (allied infra works) are deployed.
- ❖ JICA portion is 384.73Crores and JICA made payment.

V. Smart Grid Pilot Project in TSSPDCL

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

VI. 24 Hours Power Supply to Agriculture

- ❖ M/s REC has sanctioned 5 Nos. P:SI schemes 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 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 Mission Bhagiratha:

- ❖ The Water Grid Programme aimed at supplying drinking water to all households in the State has been named Telangana Drinking Water Project. For executing the project, the State Government has decided to set up Telangana Drinking Water Supply Corporation Limited.
- ❖ The Rural Water Supply (RWS) officials and DISCOM officials were conducted joint inspection and identified 16 No's. 33 KV locations (33 KV level) and 60 No's. 11 KV locations (11 KV Level).
- ❖ All the estimates have been prepared and sanctioned for Water Grid locations in various Circles of TSSPDCL.
- ❖ The Brief Abstract of work involved pertains to TSSPDCL is as follows:

★ 33/11 KV New Substations:-

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

★ **33 KV Line Works:-**

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

★ **11 KV Line Works:-**

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

★ **Distribution Transformers:-**

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

- ❖ The Chief Secretary has instructed the RWS&S Officials that Rs. 100 Crore may be deposited to Distribution Companies based on the prorata basis.
- ❖ An amount of Rs. 96.09 Crore (33.00 + 13.09 + 50.00) have been received in TSSPDCL Banking & Resources (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, V Floor, Errum-Manzil Colony, Hyderabad.

S. No.	Name of the Circle	Amount Utilized so far (Rs.)
1.	Mahabubnagar	19,28,75,093
2.	Nagarkurnool	10,66,95,900
3.	Gadwal	7,98,50,397
4.	Wanaparthy	14,82,65,023
5.	Nalgonda	30,18,64,518
6.	Suryapet	8,54,62,130
7.	Yadadri	1,73,08,814
8.	Medak	2,70,55,833
9.	Siddipet	3,57,85,307
10.	Sangareddy	17,87,93,062
11.	Cybercity	1,27,01,736
12.	Rajendranagar	19,31,55,172

13.	Vikarabad	8,77,86,841
14.	Medchal	2,01,99,166
	Total	148,77,98,992
	or say in (Crore)	148.78
	Amount received	96.09
	Balance to be received	52.69

5. Telangana Solar Power Policy 2015:

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

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

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

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

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

ABSTRACT OF INSTALLED CAPACITIES as on 21.08.2019:

Power Generation Installed Capacity:

S.No.	Type of Power House		Total Installed Capacity in MW	Telangana Share in MW	TSSPDCL allocation in MW
1#	Thermal	APGENCO	2810.00	0.00	0.00
		TSGENCO	3682.50	3682.50	2598.00
2	Hydel		2572.20	2389.91	1686.08
3	Central Sector		15575.00	2581.65	1840.26
4	Joint Sector		272.00	24.51	17.29
5	IPPs		0.00	0.00	0.00
6*	Non Conventional (Sale to)		3634.47	3634.47	2539.81
7**	Others		3820.00	3589.45	2144.33
	Total		32341.50	15877.82	10811.13

Thermal Power has to be shared between the Telangana and Andhra Pradesh in ratio of 53.89% and 46.11%. But due to the issue related to receivables and Stoppage notices issued by both states, the power now is being used completely by the respective states.

* Synchronized to grid values

** 550 MW Power is not being supplied by M/s. PTC India Ltd. as per Power Switching Assembly (PSA).

Solar and Wind Power Projects Synchronized to the grid as on 21.08.2019:

Solar Power Projects	Sale to Discom in MW		Third Party & Captive in MW	Solar Net Meter (Roof top) in MW	Total (MW)
	Solar	Wind			
	3280	100.80	250.29	95.82	3726.91

Long Term Power Procurement of power 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	Remarks
1	M/s. Sembcorp Energy India Ltd.	500	269.45	190.10	3.675	PPA Dated 18.02.2016	Commenced supply from 30.03.2016
2	M/s. Sembcorp Energy India Ltd.	570	570	402.14	4.150	PPA Dated 01.04.2014	Commenced supply from 21.05.2016

Statement of Purchase Orders issued under Short Term Basis for supply of power for 2018-19
Details of Short Term Tenders called for in 2018-19

Tender No.	Date of RfP	Duration	Period Sought for	Period Sought for	Duration	Capacity Called for	Capacity Taken	Price range	
01/18-19	08.06.2018	Non RTC	16.07.2018 to 30.09.2018	16.07.2018 to 30.09.2019	06:00 to 09:00 Hrs	1000	530	4.89 to 5.75	
					16:00 to 22:00 Hrs	1000	400	5.50 to 5.75	
02/18-19	27.06.2018	RTC	16.07.2018 to 31.07.2018	16.07.2018 to 31.07.2018	RTC	1000	200	4.8	
					01.08.2018 to 31.08.2018	RTC	1000	797	4.54 to 4.69
					01.09.2018 to 30.09.2018	RTC	1000	812	4.35
03/18-19	20.09.2018	RTC	01.10.2018 to 10.10.2019	01.10.2018 to 10.10.2019	RTC	1000	225	4.99 to 5.60	
05/18-19	04.10.2018	RTC	11.10.2018 to 31.10.2018	13.10.2018 to 31.10.2018	RTC	1000	155	4.9 to 5.20	
				16.10.2018 to 30.11.2018	RTC		20	4.90	
				12.10.2018	18:00 to 24:00		50	5.20	
				16.10.2018 to 30.11.2018	OPEN OFFER		2.2	4.90	
06/18-19	20.10.2018	RTC	15.01.2018 to 30.04.2019	15.01.2018 to 30.04.2019	RTC	1000	821	5.22 to 6.50	

6. DIVIDEND

As there is no Profits from operations, the Directors do not recommend any dividend in the F.Y. 2018-19.

7. 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, 2019.

8. 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. 46

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

The Number of Board Meeting held during the Financial Year and as on 31.03.2019 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.	02.05.2018	6	6	100%
2.	26.07.2018	6	6	100%
3.	13.11.2018	11	11	100%
4.	31.12.2018	11	11	100%
5.	07.03.2019	11	11	100%

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. 2018-19 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 at Annexure –B. Page No. 64

Secretarial Auditor Report along with Management Reply is enclosed at Annexure – C. Page No. 66

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 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 June 5, 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. (4967.26) Crore was carried to Reserves for the F.Y.2018-19

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

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. 88

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. 4,967.26 Crore and long term borrowings amounting to Rs. 8,202.69 Crore as on 31.3.2019. The Financial Restructuring Package (FRP-2012) of Govt. of India & 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 &3 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 Ajay Misra, IAS,	Special Chief Secretary to Govt., Energy Dept.
2	Sri C. Srinivasa Rao, IRAS	JMD/TSTRANSCO
3	Sri G.S.Ram Mohan Rao	Additional Secretary to Govt., Finance Dept.
4	Sri P. Narasimha Rao, IRS	Director/Finance/TSSPDCL

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

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

19. 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 of Rs. 4,967.26 Crore the company couldn't spend any amount on CSR. Hence this clause is not applicable.

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

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

Name of the Director	Nominee Director	Date of appointment	Date of cessation, if applicable
Sri G. Raghuma Reddy	Chairman and Managing Director	26/11/2014	NA
Sri P. Narasimha Rao, IRS	Director/Finance	06/09/2018	NA
Sri T. Srinivas	Director/Projects & IT	31/07/2013	NA
Sri J. Srinivas Reddy	Director/operations	26/11/2014	NA
Sri G. Parvatham	Director/HR & IR	01/09/2018	NA
Sri K. Ramulu	Director/(Commercial), DPE, Assessment and Energy Audit	01/09/2018	NA
Sri Ch. Madan Mohan Rao	Director/P&MM	01/09/2018	NA
Sri S. Swamy Reddy	Director/IPC & RAC	01/09/2018	NA
Sri Ajay Misra, IAS	Director /(Non- Whole Time)	20/12/2016	NA
Sri C. Srinivasa Rao, IRAS	Director /(Non- Whole Time)	04/03/2017	NA
Sri G.S.Ram Mohan Rao	Director /(Non- Whole Time)	02/07/2014	NA
Sri V. Anil Kumar	Company Secretary	21/07/2015	NA

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

NIL.

22. 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.,

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

Statement showing the service wise details of court cases amount pending as on dated 31.03.2019.

(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	76	34.79	93	34.85
2	CYBERCITY	0	0.00	69	11.94	69	11.94
3	GADWAL	0	0.00	4	0.01	4	0.01
4	HABSIGUDA	36	0.32	129	6.63	165	6.94

S.No.	Circle	LT		HT		TOTAL	
		No. of Services	Rs. in crore	No. of Services	Rs. in crore	No. of Services	Rs. in crore
5	HYDERABAD CENTRAL	29	0.20	65	14.17	94	14.37
6	HYDERABAD SOUTH	55	0.19	26	2.44	81	2.63
7	MAHABOONNAGAR	0	0.00	62	27.17	62	27.17
8	MEDAK	0	0.00	28	32.93	28	32.93
9	MEDCHAL	22	0.02	179	45.02	201	45.04
10	NAGARKURNOOL	0	0.00	10	3.62	10	3.62
11	NALGONDA	82	0.54	168	74.92	250	75.46
12	RAJENDRA NAGAR	381	3.48	227	122.34	608	125.82
13	SANGAREDDY	0	0.00	200	83.46	200	83.46
14	SAROORNAGAR	70	0.13	30	7.17	100	7.30
15	SECUNDERABAD	40	0.01	86	5.53	126	5.54
16	SIDDIPET	0	0.00	18	14.61	18	14.61
17	SURYAPET	18	0.03	110	53.70	128	53.80
18	VIKARABAD	0	0.00	10	73.59	10	73.59
19	WANAPARTHY	0	0.00	5	0.02	5	0.02
20	YADADRI	15	0.07	69	19.57	84	19.65
	Total	765	5.04	1571	633.72	2336	638.75

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

Present Audit Committee composition is as follows:

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

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

The Board has considered and accepted all the recommendations of the Audit Committee and there are no recommendations which were not accepted during the F.Y. 2018-19.

25. PARTICULARS OF THE EMPLOYEES & EMPLOYEE WELFARE

- 1. Manpower:** The manpower (officers and staff) stood at 9,398 for the F.Y. 2018-19 when compared to the 8,944 for the F.Y. 2017-18.

The category wise employee's filled is indicated below:

Sl. No	Name of the Category	F.Y. 2018-19	F.Y. 2017-18
1	Engineering service	2365	1,733
2	Accounts and P&G service	1868	1,964
3	O&M and construction service	5088	5,151
4	Others (including deputations)	77	96
	Total	9398	8,944

- 2. Training to Employees:** During F.Y. 2018-19 training has been imparted to 4,034 employees on new technologies in Power sector, IT initiative, HR activities.
- 3. Employees welfare:** Total 61 (Sixty One) dependents of deceased employees have been provided employment in the company under compassionate grounds.

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

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

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

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

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

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

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

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

The following officers were nominated for the Complaints Committee:

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

28. INTERNAL AUDIT

The Board approved the following firms as Internal Auditors for the F.Y. 2018-19 at the Board Meeting held on 07.03.2019.

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

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

Statutory Auditor

M/s. BRAHMAYYA & CO (SR0013), Chartered Accountants, were appointed by the Comptroller and Auditor General of India (CAG) as Statutory Auditors of the Company for the F.Y. 2018 -19.

Secretarial Auditor:

M/s. KCC & Associates, Company Secretaries was appointed as Secretarial Auditors of the Company for the F.Y. 2018-19.

Cost Auditor:

M/s. BVR & Associates, Cost Accountants was appointed as Cost Auditors of the Company for the F.Y. 2018-19.

30. ACKNOWLEDGEMENTS

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

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

We also wish to congratulate all the employees as well as the Employee's Unions and the Engineers' and Officers' Associations 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 : 11.09.2019

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 31.03.2019

[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 Exchange(s)	No
vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
	Company Name	Southern Power Distribution Company of Telangana Limited.
	Address	Corporate office, # 6-1-50, Mint Compound, Lakdikapool
	Town / City	Hyderabad
	State	Telangana State
	Pin Code:	500063
	Country Name :	India
	Country Code	+91
	Telephone (With STD Area Code Number)	040-23431011
	Fax Number :	NA
	Email Address	cs@tssouthernpower.com
	Website	www.tssouthernpower.com
	Name of the Police Station having jurisdiction where the registered office is situated	Saifabad Police Station

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	72,84,79,600	7,28,47,96,000	99.99%	0	10,61,79,30,297	1,06,17,93,02,970	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	72,84,79,609	7,28,47,96,090	100%	0	10,61,79,30,306	1,06,17,93,03,060	100%	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	72,84,79,609	7,28,47,96,090	100%	0	10,61,79,30,306	1,06,17,93,03,060	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	72,84,79,600	100 %	0	10,61,79,30,297	100 %	0	100
	Total	72,84,79,600	100 %	0	10,61,79,30,297	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 (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Sri Ajay Misra, IAS Secretary to Energy Dept, Govt of Telangana	2	0	0	2	0	0	0
2.	Sri D. Prabhakara Rao, Chairman and Managing Director/TSTRANSCO & TSGenco	1	0	0	1	0	0	0
3.	Sri C. Srinivasa Rao, IRAS JMD/TSTRANSCO	1	0	0	1	0	0	0
4.	Sri G. Raghuma Reddy Chairman and Managing Director /TSSPDCL	2	0	0	2	0	0	0
5.	Sri J. Srinivasa Reddy, Director /Operations / TSSPDCL	1	0	0	1	0	0	0
6.	Sri T. Srinivas Director (Projects & IT) /TSSPDCL	1	0	0	1	0	0	0
7.	Sri Mir Kamaluddin Ali Khan, Director /HR&IR/TSSPDCL	1	0	0	0	0	0	0
8.	Sri P. Narasimha Rao Director/Finance/ TSSPDCL	0	0	0	1	0	0	0

9.	Sri G. Devender Reddy, Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana	72,84,79,600	0	0	10,61,79,30,297	0	0	0
Total		72,84,79,609	100%		10,61,79,30,306	100%		

D) Shareholding Pattern of top ten Shareholders: 31.03.2019

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

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors				
1.	Sri G. Devender Reddy, Assistant Secretary to Govt., Energy Department, Government of Telangana, Representative on behalf of Governor of Telangana)				
A	At the beginning of the year	72,84,79,600	99.99%	72,84,79,600	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	0
C	At the end of the year	10,61,79,30,297	99.99%	10,61,79,30,297	99.99%

E) Shareholding of Directors and Key Managerial Personnel: 31.03.2019

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

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	71,34,38,96,665	30,28,47,34,690	-	1,01,62,86,31,355
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	71,34,38,96,665	30,28,47,34,690	-	1,01,62,86,31,355
Change in Indebtedness during the financial year				
* Addition	43,50,94,34,523	5,85,57,00,000	-	49,36,51,34,523
* Reduction	23,58,51,32,688	7,23,76,31,915	-	30,82,27,64,603
Net Change	19,92,43,01,835	(1,38,19,31,915)	-	18,54,23,69,920
Indebtedness at the end of the financial year				
i) Principal Amount	91,26,81,98,500	28,90,28,02,775	-	1,20,17,10,01,275
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	91,26,81,98,500	28,90,28,02,775	-	1,20,17,10,01,275

Note: Includes the balances of Anantapur and Kurnool.

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	G. Raghuma Reddy (CMD)	T. Srinivas (D/P)	J. Srinivas Reddy, D(O)	G. Parvatham (Dir/HR&IR)	K. Ramulu (Dir/Comm.)	Swamy Reddy Singireddy(Dir/IPC & RAC)	Ch. Madan Mohan Rao Dir/(P&MM)	P. Narasimha Rao, Dir/Fin
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary undersection 17(3) Income-tax Act, 1961	32,71,565	29,95,380	28,55,625	16,32,410	27,54,689	25,65,734	12,60,000	13,50,187

2.	Stock Option	NA	NA	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA	NA	NA	NA
5.	Others, please specify (Total deductions Professional Tax & Income Tax)	13,32,504	11,92,860	9,69,235	6,50,896	9,98,250	10,09,206	4,64,290	5,74,655
Total(A)		19,39,061	18,02,520	18,86,390	9,81,515	17,56,440	15,56,529	7,95,710	7,75,532
Ceiling as per the Act		The Ministry of Corporate Affairs(MCA) vide notification dated 5 th June, 2015, has exempted the Government Companies from ceiling on remuneration under Section 197 of the Companies Act, 2013.							

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

S.No.	Particulars of Remuneration	Name of the Director	Name of the Director	Name of the Director
		Sri Ajay Misra, IAS, Special Chief Secretary to Govt., Energy Dept., Director (Non-Whole Time)/ TSSPDCL of Telangana	Sri G.S.Ram Mohan Rao, Additional Secretary to Govt., Finance Dept, Director (Non-Whole Time)/ TSSPDCL	Sri C. Srinivasa Rao, IRAS, JMD/ TSTRANSCO/ (Non-whole time) /TSSPDCL
	2. Non whole time Directors Fee for attending board and committee meetings Commission Others, please specify	NA	NA	NA
Total Amount		40,000	40,000	40,000
Overall Ceiling as per the Act		The Ministry of Corporate Affairs (MCA) vide Notification dated June 5, 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 section17(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	14,64,379	NA	NA

2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission- as % of profit-others, specify	NA	NA	NA	NA
5.	Others, please specify (deductions Provident Fund & Professional tax)	NA	2,65,764	NA	NA
	Total	NA	11,98,615	NA	NA

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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



INDEPENDENT AUDITOR'S REPORT AND COMPANY REPLIES





INDEPENDENT AUDITOR'S 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 March 31, 2019 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, 2019, its losses and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. As stated in Note No's. 24(iii) and 24 (iv) to the financial statements, the company has deferred recognition of provision towards the present value of future liability in respect of pension and leave encashment for the year to the extent of Rs. 267.75 Crore, consequently loss for the year has been understated to that extent.
2. 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.134,24,50,233/-, 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”.
3. 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 Government 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 approval by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs. 325,27,89,980 as a reduction in the share capital, recognized Rs.723,00,74,154 as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1,048,28,64,134 and consequential overstatement of “Receivables.”
4. We report that the following accounts have not been reconciled as at 31st March 2019 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the Loss of the company for the year:
- a. Inter units’ accounts with a credit balance of Rs. 38,11,40,817/-.
 - b. Amount appearing under “Debt servicing Clearing A/c” with a debit balance of Rs.9,49,63,693/- and under loan clearing account with a debit balance of Rs.3,67,53,367.

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. 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.1.14, wherein during the Financial Year 2018-19, State Government of Telangana vide G.O.Ms. No. 20 Dated 23.02.2019, has issued orders for reorganization of districts in the State of Telangana. Accordingly, Gundala Mandal of Jangaon District under the territorial jurisdiction of TSNPDCL has been Demerged/Hived off and merged with Bhongir revenue division which is under the territorial jurisdiction of TSSPDCL. As TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 02.04.2019, accordingly, the transfer of assets and liabilities relating to Gundala Mandal has to be incorporated in the Financial Year 2019-20.
4. Current accounts maintained with various banks have Board excess, being cheques/ cash deposited in banks and not appearing in banks' statements of account of Rs. 48,69,47,749/- (of which Rs. 10,12,88,586/- 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. 61,18,57,262/- as on 31.03.2019.
5. Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that may result on reconciliation and review of the same cannot be ascertained:
 - a. Balances due to / from various vendors for supplies and services, EMDs, SDs, other power distribution companies.
 - b. Balances due from / to various consumers/customers.

Our opinion is not modified in respect of the aforesaid matters

Material Uncertainty related to Going Concern

We draw attention to Note 37 in the financial statements, the events or conditions mentioned in the said note 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 a 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2) As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the **Annexure B**.
- 3) As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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.
 - 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.
 - 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.
 - The matters described in the Basis for Qualified Opinion above, in our opinion, may have an adverse effect on the functioning of the Company.
 - On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**” to this report.
 - 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:
The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.
 - 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:
 - We are informed that the Company does not have any pending litigations that would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545
UDIN: 19018545AAAADM5718

Place: Hyderabad

Date: 11.09.2019



Annexure A to the Independent Auditor's Report:

The **Annexure A** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor's report of even date, to the members of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited), Hyderabad** for the year ended 31st March 2019.

We report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) We are informed by the company that no physical verification of fixed assets has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
 - c) We are informed by the company that purchase/gift / lease deeds are generally executed in respect of “parcels of land” purchased/ gifted/ given on long term lease upto 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/ physical handing over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.
- ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the



opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at 31st March, 2019 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 (In Lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.97
Income Tax Act, 1961	Tax Collected at Source	From F.Y. 2010-11 to FY 2015-16	0.56
AP V.A.T Act, 2005	Value Added Tax	From F.Y. 2010-11 to FY 2016-17	0.74
CGST Act, 2017	GST Dues	From FY 2017-18	1082.24*

* Since remitted

- b) As at 31st March, 2019, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess (excluding penalties), except the following:

S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside state	167.92*	For the financial year from 2002-03 to 2016-17	Hon'ble Supreme Court of India
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	88.26*	For the financial year from 2008-09 to 2012-13	Hon'ble A.P High court, Hyderabad
4.	Finance Act, 1994	Service Tax	97.27	From July, 2012 to June, 2017	Hon'ble High court of Telangana
5.	Income Tax Act, 1961	TDS	93.25	For the Assessment years from 2007-08 to 2009-10	Hon'ble Supreme Court of India and Hon'ble High Court of Hyderabad

* Net of deposits made



- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of any loan installments in respect of term loans from financial institutions and banks.
- ix) In our opinion and according to the information and explanations given to us, the Term Loans obtained during the financial year under report and in earlier years have been applied for the purposes for which they were raised.
- x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Accounting Standards are disclosed in the financial statements.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3(xvi) of the order is not applicable.

For BRAHMAYYA & CO.,

Chartered Accountants

Firms' Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545

UDIN: 19018545AAAADM5718

Place: Hyderabad

Date: 11.09.2019



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), 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 2018-19, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given here under:</p> <ol style="list-style-type: none">1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs. 2.57 Crore excess in finance module, when compared to payroll module for employee loans.2. Inter units’ balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs. 38.11 Crore.3. Bank Loans clearing accounts were not properly processed through IT system, which has resulted in uncleared debit balance of Rs. 13.17 Crore.4. Materials module related GRIR, SRIR clearing accounts having uncleared account balances of Rs. 177.42 Crore.
2	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts / loans / interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver / write off of debts / loans / interest etc. by a lender to the Company.</p>



3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions. List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/State Governments under various projects / schemes have been properly accounted for and released to the beneficiaries/ spent/ utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.
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For BRAHMAYYA & CO.,
Chartered Accountants
Firms' Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 01854

UDIN: 19018545AAAADM5718

Place: Hyderabad

Date: 11.09.2019



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

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

We have audited the internal financial controls over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of March 31, 2019 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 financial controls system over financial reporting.

C. Meaning of Internal Financial Controls over Financial Reporting

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

D. Inherent Limitations of Internal Financial Controls over Financial Reporting

6. Because of the inherent limitations 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 financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

E. Qualified Opinion

7. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls over financial reporting as at March, 2019;
8. Absence of control in respect of:
 - a. Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - b. Conducting bank reconciliation of bank pool account operated by TSPCC.
 - c. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.



- d. Reconciliation of various modules information with Finance module in SAP.
9. A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company's internal financial controls over financial reporting were operating effectively as at 31st March, 2019.

For BRAHMAYYA & CO.,

Chartered Accountants

Firms' Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545

UDIN: 19018545AAAADM5718

Place: Hyderabad

Date: 11.09.2019

Independent Auditor's Qualifications / Remarks and Replies of the TSSPDCL for F.Y. 2018-19

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, 2019 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, 2019, its losses and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

STATUTORY AUDITOR'S REPORT	COMPANY'S REPLY
As stated in Note Nos. 24(iii) and 24(iv) to the financial Statements, the company has deferred recognition of Provision towards the present value of future liability in respect of pension and leave encashment for the year to the extent of Rs. 267.75 Crore, consequently loss for the year has been understated to that extent.	It is of the fact that the final allocation of inter-state, transfer of employees is pending and on account of this 30% share of Pension & Leave Encashment for an amount of Rs. 267.75 Crore as been deferred to the next years.
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.134,24,50,233/-, is not in accordance with Accounting Standard-10: “Property Plant and Equipment”, as the same is not attributable as expenditure incurred directly to bring the said assets to working condition.	Ten percent of the cost of capital works is capitalized towards employees cost and Administrative & General Expenses, as the operation circles are executing both capital works and operation & maintenance works, and it is not practicable to maintain records to identify the man hours spent by the staff on capital works.

<p>b) As stated in Accounting Policy No.1.8, recognition of the contributions received from consumers and specific grants from the state/central governments or their agencies for creation of tangible assets as “Reserves” on receipt basis, even before the creation of the said assets and adjustment of the same against depreciation on the proportionate value of the assets built out of the said contributions and grants, instead of the specific assets created with the said contributions/ grants, which is contrary to Accounting Standard 12 “Accounting for Government Grants”</p>	<p>The construction of Assets is being taken place on a large-scale basis ie, the construction of assets is being done with the source of finance from long term Borrowings, Govt. Grants and from Internal sources. Keeping in view of this identification of assets with reference to Govt. grants/Consumer contributions can be established only when the special bank accounts are opened for the source of finance and as well as accounts for spending the funds.</p>
<p>c) Non-recognition of the “parcels of land” received at free of cost from State Government and its agencies in the books of account, as required by Accounting Standard 12” Accounting for Government Grants”</p>	<p>The Land and parcels available at various field units has been received, however some of the land and parcels of land are yet to be received. The records pertaining to these are being maintained at respective division level.</p>
<p>2) Consequent to the creation of the State of Telangana, in accordance with the Andhra Pradesh Reorganization Act, 2014, the Anantapur and Kurnool operating business circles of the company have been reassigned to APSPDCL with effect from 2nd June 2014 in accordance with G.O.Ms. No. 24 dated 29th May 2014 issued by State Government 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 approval by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs. 325,27,89,980 as a reduction in the share capital, recognized Rs.723,00,74,154 as “Capital Reserve” resulting in understatement of its negative net-worth by Rs.1048,28,64,134 and consequential overstatement of “Receivables.”</p>	<p>The Expert committee appointed by the government of Indian has finalized the bifurcation of Assets and Liabilities between the APSPDCL and TSSPDCL and approved the same on 15.03.2018 duly signed by the CMD of the both the DISCOMS, Chairperson and Members of the Expert Committee. The bifurcation of assets and liabilities was independently audited and certified by M/s. Sharad & Associates. Post bifurcation issues are still pending between Andhra Pradesh and Telangana and moreover as on today employees bifurcation has not been taken up.</p>

<p>3) We report that the following accounts have not been reconciled as at 31st March 2019 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the Loss of the company for the year:</p>	
<p>a) Inter units' accounts with a credit balance of Rs. 38,11,40,817/-.</p>	<p>The company is making all out efforts in clearing the balance in this account. However, there are few legacy transactions involved in it. The Company is doing the reconciliation continuously on priority basis.</p>
<p>b) Amount appearing under "Debt servicing Clearing A/c" with a debit balance of Rs. 9,49,63,693/- and under loan clearing account with a debit balance of Rs. 3,67,53,367.</p>	<p>During the year under review, the balance in this account has been made Zero. However certain items of previous year still exists efforts will be made to clear the same.</p>
<p>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) State Government of Andhra Pradesh amended retrospectively with effect from 09.06.2005, the share of each DISCOM in various bulk supply power purchase agreements vide its notification NO. 53 Energy (Power III) dated 28.04.2008. We are informed that the company has made a representation to give effect to the said revised sharing prospectively. Pending disposal of the</p>	<p>Informative only</p>

<p>company's representation, the contingent liability/receivables, if any, due to the said retrospective amendment of the share of the company in various bulk supply of power purchase agreements has not been disclosed in the books of account.</p>	
<p>3) We draw your attention to Note No.1.14, wherein during the Financial Year 2018-19, State Government of Telangana vide G.O. Ms. No. 20 Dated 23.02.2019, has issued orders for reorganization of districts in the state of Telangana. Accordingly, Gundala Mandal of Jangaon District under the territorial jurisdiction of TSNPDCL has been Demerged/ Hived off and merged with Bhongir revenue division which is under the territorial jurisdiction of TSSPDCL. As TSSPDCL has taken over the Network of Gundala Mandal w.e.f.02.04.2019, accordingly, the transfer of assets and liabilities relating to Gundala Mandal has to be incorporated in the Financial Year 2019-20.</p>	<p>Informative only</p>
<p>4) Current accounts maintained with various banks have Board excess, being cheques/ cash deposited in banks and not appearing in banks' statements of account of Rs. 48,69,47,749/- (of which Rs. 10,12,88,586/- 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. 61,18,57,262/- as on 31.03.2019.</p>	<p>Out of Rs. 48,69,47,749/- an amount of Rs. 40,52,66,113/- was cleared after 31.03.2019 out of Rs. 10,12,88,586/- an amount of Rs. 6,97,95,517/- was tagged as line items instead of open/cleared items, the error has been rectified but the line item are showing as board excess, however they are not the actual board excess items. This amount also includes an amount of Rs, 2,98,111 pertains to Kurnool & Ananthapur. The board excess amount to Rs. 1,12,49,702/- pending as open items.</p> <p>Out of Bank excess amount of Rs. 61,18,57,262/- an amount of Rs. 29,78,97,245/- has been cleared and the balance to be cleared is Rs. 31,39.60,017 which includes an amount of Rs. 3,60,07,067/- which is appearing as line items instead of open/cleared item The net amount to be cleared is Rs. 27,79,58,950/- only.</p>
<p>5) Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that may result on reconciliation and review of the same cannot be ascertained:</p>	

<p>a) Balances due to / from various vendors for supplies and services, EMDs, SDs, other power distribution companies.</p>	<p>Closing balance confirmation from various vendors/supplies towards EMD, SD and other power distribution companies, is practically equivalent to impossible as they are very large in no and widely scattered the balance appearing in SAP may be treated as final.</p>
<p>b) Balances due from/ to various consumers / customers.</p>	<p>Necessary steps in getting the confirmation from Power Purchases creditors and other Dicoms during the next financial year.</p>
<p>Our opinion is not modified in respect of the aforesaid matters</p>	
<p>Material Uncertainty related to Going Concern</p> <p>We draw attention to Note 37 in the financial statements, the events or conditions mentioned in the said note 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.</p>	<p>Informative only</p>
<p>Report on Other Legal and Regulatory Requirements:</p>	
<p>1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.</p>	<p>Informative only</p>
<p>2) As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the Annexure B</p>	<p>Informative only</p>
<p>3) As required by Section 143 (3) of the Act, we report that:</p>	
<p>a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</p>	<p>Informative only</p>

<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Informative only</p>
<p>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.</p>	<p>Noted</p>
<p>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.</p>	<p>Informative only</p>
<p>f) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.</p>	<p>Noted</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 C” to this report.</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>Informative only</p>
<p>The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.</p>	<p>Informative only</p>

i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) We are informed that the Company does not have any pending litigations that would impact its financial position.

Informative only

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Informative only

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Informative only

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

The **Annexure A** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor’s report of even date, to the members of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited), Hyderabad** for the year ended 31st March 2019.

We report that:

<p>i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p>	<p>Informative only</p>
<p>b) We are informed by the company that no physical verification of fixed assets has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.</p>	<p>To the extent possible atleast for the major assets such as PTR/33Kv lines are proposed to be taken up for physical verification.</p>
<p>c) We are informed by the company that purchase/gift / lease deeds are generally executed in respect of “parcels of land” purchased/ gifted/ given on long term lease upto 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/ allotment/physical handing over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly</p>	<p>The Land and parcels available at various field units have been received, however some of the records pertaining to lands and parcels of land are yet to be received. The records pertaining to these assets are being maintained at respective division level.</p>

<p>complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.</p>	
<p>ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.</p>	<p>Informative only</p>
<p>iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the order are not applicable.</p>	<p>Informative only</p>
<p>iv) The company has neither given any loans to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.</p>	<p>Informative only</p>
<p>v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.</p>	<p>Informative only</p>
<p>vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central</p>	<p>Informative only</p>

<p>Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.</p>	
<p>Vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities</p> <p>According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable, except the following:</p>	<p>Informative only</p>

Name of the statute/Authority	Nature of dues	Period to which the amount relates	Amount (In Lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	From F.Y. 2012-13 to 2015-16	0.97
Income Tax Act, 1961	Tax Collected at Source	From F.Y. 2010-11 to F.Y. 2015-16	0.56
AP V.A.T Act, 2005	Value Added Tax	From F.Y. 2010-11 to F.Y. 2016-17	0.74
CGST Act, 2017	GST Dues	From F.Y. 2017-18	1082.24*

*Since remitted

<p>b) As at 31st March 2019, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess (excluding penalties), except the following:</p>	<p>Informative only</p>
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S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside state	167.92*	For the financial year from 2002-03 to 2016-17	Hon'ble Supreme Court of India
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	88.26*	For the financial year from 2008-09 to 2012-13	Hon'ble A.P High court, Hyderabad
4.	Finance Act, 1994	Service Tax	97.27	From July, 2012 to June, 2017	Hon'ble High court of Telangana
5.	Income Tax Act, 1961	TDS	93.25	For the Assessment years from 2007-08 to 2009-10	Hon'ble Supreme Court of India and Hon'ble High Court of Hyderabad

* Net of deposits made.

<p>According to the information and explanations given to us, the Company has not defaulted in repayment of any loan installments in respect of term loans from financial institutions and banks</p>	<p>Informative only</p>
<p>ix) In our opinion and according to the information and explanations given to us, the Term Loans obtained during the financial year under report and in earlier years have been applied for the purposes for which they were raised.</p>	<p>Informative only</p>
<p>x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.</p>	<p>Informative only</p>

<p>xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</p>	<p>Informative only</p>
<p>xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.</p>	<p>Informative only</p>
<p>xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Accounting Standards are disclosed in the financial statements.</p>	<p>Informative only</p>
<p>xiv)The Company has not made any preferential allotment or private placement of shares or fully/ partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.</p>	<p>Informative only</p>
<p>xv) The Company has not made any preferential allotment or private placement of shares or fully/ partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.</p>	<p>Informative only</p>
<p>xvi)The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.</p>	<p>Informative only</p>

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

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

We report that:

S.NO.	Questions	Replies	Management Reply
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>Yes, the Company has a system in place to process all the accounting transactions through SAP IT system. During Financial Year 2018-19, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given hereunder:</p>	
		1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs. 2.57 Crore excess in finance module, when compared to payroll module for employee loans.	Payroll module has been operational since 2012. The legacy data is yet to be taken into payroll module steps will be taken to reconcile the same.
		2. Inter units' balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs. 38.11 Crore.	The balance in this account will be cleared, the company is facing hurdles in clearing the age old balances.
		3. Bank Loans clearing accounts were not properly processed through IT system, which has resulted in uncleared debit balance of Rs. 13.17 Crore.	Current year accounts are cleared in full shape certain legacy items could not be cleared. However effort will be made to clear the same.

		4. Materials module related GRIR, SRIR, clearing account is having uncleared account balances of Rs. 177.42 Crore.	The detailed analysis is in progress. Efforts will be made to clear the same.
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.	During the year under consideration, there is no case of restructuring of any existing loan or case of waiver / write off of debts / loans / interest etc. by a lender to the Company.	Informative only
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/ state Governments under various projects / schemes have been properly accounted for and released to the beneficiaries/ spent/ utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.	Informative only

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

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

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

We have audited the internal financial controls over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

A Qualified Opinion (Point) No.7 of Internal Financial control of Annexure ‘C’

Absence of control in respect of:	
a) Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.	Reconciliation is the continuation activity and the same is being carried out periodically.
b) Conducting bank reconciliation of bank pool account operated by TSPCC.	Bank Reconciliation Statement is being done on time to time basis as such is no lack in reconciliation or poll account.
c) Capitalization of capital work orders without work order completion certificates and non-closure of work orders.	Works are capitalized only upon submission of work completion certificate exceptional where substantial (Around 90%) is incurred such work orders are closed on partial basis. The same is regularized subsequently efforts will be made in integrated various modules into finance module in SAP.
d) Reconciliation of various modules information with Finance module in SAP.	

For and on behalf of the Company **TSSPDCL**

For M/s Brahmayya & Co

Chartered Accountants

FR No. 000513S

Sd/-

C.V.Ramana Rao

Partner

M. No 018545

UDIN: 19018545AAAADM5718

Sd/-

Sri G. Raghuma Reddy

Chairman & Managing Director

DIN : 02943771



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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, 2019 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, 2019 according to the provisions of:

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

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



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

1. The Company is yet to comply with the appointment of Woman Director pursuant to the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
2. It is found that there were certain cases where the Board exercised Borrowing powers through circulation resolution which is in violation of Section 179(3).

I further report that

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

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

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.

Sd/-

KALYANA CHAKRAVARTHI CH.

ACS. No: 38026

CP No. : 15103

Place: Hyderabad

Date: 20.08.2019



ANNEXURE-1A

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

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

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

Sd/-

KALYANA CHAKRAVARTHI CH.

ACS. No: 38026

CP No. : 15103

Place: Hyderabad

Date: 20.08.2019

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 appointment of Woman Director pursuant to the provisions of Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.</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 Women Directors on the Board to comply with Section 149 of the Companies act, 2013 and awaiting for the orders.</p>
<p>2. It is found that there were certain cases where the Board exercised Borrowing powers through circulation resolution which is in violation of Section 179(3).</p>	<p>Due to the emergency of the borrowings for the procurement of additional power in Public interest we are borrowing loans by circulation. Subsequently we are ratifying the same in the ensuring Board Meeting and noted for future compliance.</p>

ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

A. Conservation of Energy:

a) Energy conservation measures:

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

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

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

Under DDUGJY, TSSPDCL is distributing 9W LED bulbs for BPL households in rural area. So far, 3,88,606 bulbs are installed. The total expenditure incurred is 202.07 Lakhs.

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

The energy losses in F.Y. 2018-19 are significantly lower than the previous year. The Energy Losses to Energy Input percentage decreases to 10.34% in F.Y. 2018-19 as against 11.36% in F.Y. 2017-18.

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

Not Applicable

B. Technology absorption :

e) Efforts made in technology absorption

1. Works are taken up and under progress. So far, 12 Nos. substations, 82.92 Km of 33 KV OH line, 1328.50 Km 11KV OH line & 2174.37 Km LT line, 7.68 Km 33KV UG cable & 3.26 11 KV UG cable is erected.

	<ol style="list-style-type: none"> 2. Works are taken up and under progress. So far, 12 No's. substations, 82.92 Km of 33 KV OH line, 1328.50 Km 11 KV OH line & 2174.37 Km LT line, 7.68 Km 33 KV UG cable & 3.26 11 KV UG cable is erected. 3. 106.0 Km of 33 KV line, 218.96 Km of UG cable, 6470 No's. DTRs, 599.40 Km of new 11 KV line, 325.45 Km of Augmentation of 11 KV line 1167.52 Km new LT line, 1681.40 Km of Bifurcation /Augmentation of LT line, 422.7 Km of AB Cable & 159 No's. RMUs are erected. 6375 No's. Prepaid/Smart meters completed. 1570 KWP Capacity of Solar rooftop panels are erected. 4. Implementing AMR for HT Services and monitoring 11 KV Feeders. 5. Meter Data Acquisition System (MDAS) is being implemented. 6. SCADA control for all 228 No's. of 33/ 11 KV Sub-Stations, DMS (Distribution Management System) for operation of 156 No's. 11 KV feeders in core city of Hyderabad & Communication System.
<p>C. Foreign exchange earnings and outgo:</p> <p>f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.</p> <p>g) Total foreign exchange used and earned.</p>	<p>Not Applicable</p> <p>NIL</p>

C&AG OF INDIA FINAL COMMENTS AND THE REPLIES OF TSSPDCL FOR THE YEAR 2018-19

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
1	1	<p>A. Comments on Profitability:</p> <p>Statement of Profit & Loss</p> <p>Other income – (Note 22) - Rs. 231.32 Crore</p> <p>This includes an amount of Rs. 52.13 Crore being the amount of bank guarantees forfeited (including Rs. 9.10 Crore pertaining to Ananthapur and Kurnool Districts of Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) by the Company during the year 2018-19 in respect of Coastal Paper Power Limited (CALP). Since the District of Kurnool and Ananthapur were merged with APSPDCL, the income should have been accounted after reducing their share of Rs. 9.10 Crore, which was not done. This has resulted in overstatement of other income and understatement of current liabilities by Rs. 9.10 Crore with consequential understatement of loss by the same amount.</p>	<p>It is to submit that out of forfeited Bank Guarantee of Rs. 52.13 Crore, the share of Kurnool and Ananthapur 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 was received from APSPDCL requesting to transfer the said amount.</p> <p>Further, it is to submit that the decision to release the share of Ananthapur and Kurnool from the encashed Bank Guarantee to the extent Rs. 9.10 Crore was taken on 27.08.2019 in the TSPCC meeting that is subsequent to the closure of the accounts for the F.Y. 2018-19.</p> <p>In this connection, it is to submit that upon Apportionment of Assets and liabilities in respect of Kurnool and Ananthapur circles the net settlement is not finalized and this element is also falls within the bifurcation and it is assured to the AG Audit that this element will be considered while arriving the net settlement of apportioned Assets and Liabilities in the F.Y. 2019-20.</p>
2	2(a)	<p>Expenses</p> <p>Finance Cost (Note-26) - Rs. 1296.10 Crore</p> <p>The above does not include an amount of Rs. 284.45 Crore being the amount of</p>	<p>TSSPDCL and M/s. Singareni Thermal Power Plant (STPP) both are being the State Government organizations. As such, TSPCC/TSSPDCL has requested for waiver of surcharge.</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
		<p>surcharge on late payment payable to Singareni Thermal Power Plant (STPP) as per clause 6.3.2 of Power Purchase Agreement (PPA). The STPP adjusted the late payment surcharge from the amount paid by the company on account of power bills as per clause 6.1.6 of the PPA. However, the company has not provided the same in the books of accounts. This has resulted in understatement of finance cost and trade payable (Note 8) by Rs. 284.45 Crore. Consequently the loss for the year is also understated by same amount.</p>	<p>The Hon'ble TSERC does not allow the Late Payment Surcharge (LPS) in the Aggregate Revenue Return (ARR) filed by TSSPDCL and there is no matching Cash Inflows to pay the LPS to M/s. Singareni Thermal Power Plant (STPP). Further, any additional expenditure incurred by TSSPDCL over and above the ARR will be an additional cost & financial burden to the consumers of the TSDISCOMS. Therefore, to avoid burdening of the consumers, a letter was addressed to STPP to waive the LPS, since both the companies are State Government Companies. The request is made only to control the cost and to be within the Cost approved by TSERC.</p>
3	2(b)	<p>Finance Cost - (Note-26) - Rs.1296.09 Crore</p> <p>The above is understated by Rs.125.87 crore due to non accounting of surcharge for the late payment claimed by thermal power generator – M/s Sembcorp Energy India Limited as per terms of PPA. However, no provision towards surcharge was made in the Accounts. This has resulted in understatement of finance cost and trade payable (Note 8) by Rs. 125.87 Crore and consequently understatement of the loss for the year by same amount.</p>	<p>It is to submit that, there is a provision in PPA to claim late payment surcharge if the beneficiary fails to pay the amounts on or before due date. The extant financial position of the Discoms is not permitting to pay the monthly bills within the due date and thus arrears have accumulated. As per the provisions of PPA M/s. SEMCORP Limited is claiming LPS.</p> <p>TS DISCOMS are negotiating on the rate of LPS as the applicable LPS rates are different for 269.45 MW and 570 MW PPAs. Moreover, the interest rate is linked to SBAR and Base Rate. The authenticity of the rates claimed is to be checked with the banks. Therefore, the admission of LPS is provisional and subject to change. This may increase or decrease. Further,</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
			<p>TSPCC /TSDISCOMs are requesting and negotiating with the generator to waive the interest to avoid the burden on the common consumer. As audit is aware that the interest on delayed payments is not covered under ARR.</p> <p>In view of the above and ongoing negotiations to waive the LPS to avoid the burden on the common consumer no provision has been made.</p>
4	<p>B</p> <p>3</p>	<p>Comments of Financial Position:</p> <p>Balance Sheet</p> <p>Equity and Liabilities</p> <p>Noncurrent Liabilities</p> <p>Long term provisions (Note 6) – Rs. 1849.62 Crore</p> <p>Pension and gratuity trust – Rs. 1082.94 Crore</p> <p>The above is understated by Rs. 6115.04 Crore due to short provision of liability towards pension and gratuity of APSEB origin employees (those on roll and those who retired between 01.02.1999 and 31.03.2019). The company arrived at its share of 26 percent of the pension and gratuity liability of APSEB employees based on actuarial valuation at Rs. 2338.46 Crore and provided in the accounts. Based on this valuation (26 percent), the remaining portion of pension & gratuity liability (74 percent) was estimated at Rs. 6393.06 Crore, Against this, assets available in the master trust were Rs. 281.02 Crore. As per clause 4(d) and 4(q) of the tripartite agreement dated 09.09.1997, the company is primarily responsible for meeting the retirement obligation of APSEB origin</p>	<p>With regard to the provision of 74% Pension and Liability for an amount of Rs. 6,396.06 Crore, it is to submit that the Financials of TSSPDCL for the financial year ended 31.03.2019 has specifically disclosed at Note No. 24.</p> <p>ii) Under the Head of Employee Benefit expenses as mentioned below.</p> <p>“The Company is making the Provision for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26% and providing the balance 74% is the responsibility of the TSGENCO Master Trust. Accordingly, the TSSPDCL is making the payment of 74 % Pension & Gratuity and claiming the reimbursement of same on monthly basis from the TS GENCO Master Trust and the TS GENCO Master Trust is reimbursing the same. As such the Provision of maintaining 74 % of Pension & Liability is not required to be provided in the books of accounts”.</p> <p>In this connection, it is to submit that it is of the fact that the TSSPDCL Unit Trust is raising the Indent on the reimbursement</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
		<p>employees and hence the total liability towards the retirement benefits should have been provided. However, the company did not provide for 74 percent pension and gratuity liability. The amount of short provision works out to Rs. 6115.04 Crore on estimated basis after deducting the share of assets from the total liability. This has resulted in understatement of employee benefit expenses (note 24) and long term provisions by Rs. 6115.04 Crore. Consequently, the loss for the year is also understated by same amount.</p>	<p>of 74 % of Pension and Gratuity liability on the TSGENCO Master Trust and the TSGENCO Master Trust is reimbursing the same on monthly basis and as this is happening from the very inception of formation of the Companies and the Unit Trusts across all the Companies in the United State of Andhra Pradesh and also further to submit that the providing of 74 % liability, the TSSPDCL Unit Trust has addressed a letter to the TSGENCO Master Trust and the TSGENCO Master Trust has replied stating that the Bonds are structured is such a way that they carry a floating rate of interest and matching liability which is equivalent to actual Pension and Gratuity Commitment.</p> <p>In view of the above there is no understatement of Employee Benefits.</p>
5	C 4	<p>C. Comments on disclosure</p> <p>Revenue from Operation (Note No-21)- Rs. 23,899.76 Crore.</p> <p>Tariff subsidy Rs. 1,397.50 Crore.</p> <p>As against tariff subsidy amount of Rs. 1,397.50 Crore, accounted by the Company as per approval of TSERC, the State Government has provided tariff subsidy of Rs. 1,172.56 Crore in the budget (2018-19) and the balance amount of Rs. 224.94 Crore was neither assured not committed (Now 2019). The fact regarding non-commitment of the reimbursement of tariff subsidy by the State Govt. should have been disclosed in the notes to Accounts.</p>	<p>Tariff Subsidy is determined as the difference between the full cost recovery approved by the Commission and the Retail Supply Tariff rates approved by the Commission is treated as Subsidy to the consumers. As per Section 108 of the Electricity Act' 2003, if the Government intends to exempt or subsidize any category of the consumers, the Government should subsidize that consumer and pay the Subsidy to TSDISCOMS. Therefore it is mandatory on the part of the Government to provide and to release the subsidy determined by the Commission one month in advance as per section 65 of Electricity Act, 2003.</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
			<p>The Government shall release the subsidy as per the Tariff Order. TSDISCOMS as a standard procedure should make a provision for the difference between the Tariff Subsidy approved by Commission and Tariff Subsidy release by the Government.</p> <p>Therefore, in line with the Tariff Order, it is prudent practice on the part of DISCOMS to provide all the revenues receivable. The DISCOMS have made a provision for the difference of the subsidy approved by the Hon'ble ERC and subsidy release in line with the directions of respective Tariff Orders.</p> <p>This standard procedure was agreed in principle by the Auditors till-to-date. This aspect shall be now disclosed in Notes to Accounts.</p>
6	5(a)	<p>Employee Benefit Expenses (Note No-24) - Rs. 2,134.86 Crore</p> <p>The above include an amount of Rs. 21.99 Crore towards additional fitment of 7.5 percent in the revision of pay scale of the pensioners. Hon'ble Chief Minister of Telangana has announced (01.09.2018) 35 percent fitment benefit to all the employees and pensioners of electricity Companies. However, the company has allowed additional fitment of 7.5 percent to pensioners in addition to 35 percent. Since, additional fitment of 7.5 percent does not have the approval of the Govt, the same should have been disclosed in the notes to accounts, which was not done.</p>	<p>It is to submit that it is the standard practice to follow TSTRANSCO orders duly adopting the same. With reference to the pay revision and for the pay scales of 2018 in respect of pensioners also the same practice was followed.</p> <p>The pension as on 31.03.2018 is Rs. 24,43,93,266/-, the 35% fitment works out to be Rs. 8,55,37,643/- per month and the additional fitment @ 7.5% works out to be Rs. 1,83,29,495/- per month (approximately). The annual value of additional fitment benefits works out to be Rs. 21,99,53,940/- (approximately). TSSPDCL has followed the orders issued by TSTRANSCO in allowing fitment to pensioners. As such there is no deviation</p>

Sl. No	Final Comment No.	Final Comment No.	Reply of the Company
1	2	3	4
			on the part of TSSPDCL and there is no overstatement of employee cost and subsequently there is no understatement of profit for the current financial year 2018-19.
7	5(b)	As per the guidelines issued (2002) by the Department of Public enterprises, the public enterprises can revise their pay scales only subject to prior approval of Administrative Department. However, the company has revised the pay scale without the prior approval of Administrative Department. This fact was not disclosed in the notes to Accounts.	It is to state that, TSSPDCL adopts the TOOs issued by the TSTRANSCO for implementing the same to the employees of the TSSPDCL, in this case also TSSPDCL has adopted the orders issued by the TSTRANSCO.

For and on behalf of the Company TSSPDCL

Sd/-

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



**Sri G. Raghuma Reddy, CMD/TSSPDCL, Directors of TSSPDCL, Sri P. Narasimha Rao,
Sri T. Srinivas, Sri J. Srinivasa Reddy, Sri G. Parvatham, Sri Ch. Madan Mohan Rao,
Sri S. Swamy Reddy, Sri K. Ramulu & K. Muralidhar Rao, CVO**



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, 2019

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
I	EQUITY AND LIABILITIES ఈక్విటీ మరియు అప్పులు			
1	Shareholders' Funds వాటాదారుల నిధి			
	(a) Share Capital	2	1,06,17,93,03,060	7,28,47,96,090
	వాటా మూలధనము (b) Reserves and Surplus	3	(2,05,40,71,50,805)	(1,61,21,12,97,579)
	నిధి మరియు మిగులు (c) Money received against share warrants		-	-
2	Share application money pending allotment i. Funds by Government of Telangana	3.1		82,09,45,06,973
3	Non-Current Liabilities ప్రస్తుతేతర అప్పులు		-	-
	(a) Long-term Borrowings దీర్ఘకాలిక అప్పులు	4	82,02,69,76,325	57,44,14,65,777
	(b) Deferred tax liabilities (Net)		-	-
	వాయిదా వేయబడిన పన్ను (c) Other Long term liabilities	5	2,06,83,93,714	1,78,44,72,415
	ఇతర దీర్ఘకాలిక అప్పులు (d) Long-term Provisions దీర్ఘకాలిక కేటాయింపులు	6	18,49,62,46,013	15,90,36,84,352
4	Current Liabilities ప్రస్తుత అప్పులు			
	(a) Short-term Borrowings స్వల్పకాలిక రుణములు	7	15,56,23,51,927	25,80,71,57,715
	(b) Trade Payables వ్యాపార నిమిత్తం చెల్లింపులు	8	1,71,13,03,69,761	1,24,28,06,78,815
	(c) Other Current Liabilities ఇతర ప్రస్తుత అప్పులు	9	58,91,43,95,422	48,75,63,15,222
	(d) Short-term Provisions స్వల్పకాలిక కేటాయింపులు	10	5,51,71,05,649	4,53,30,64,259
	TOTAL (మొత్తము)		2,54,48,79,91,066	2,06,67,48,44,039

II ASSETS (ఆస్తులు)			
1 Non-Current Assets			
ప్రస్తుతేతర ఆస్తులు			
(a) Property, Plant And Equipment స్థిర ఆస్తులు			
i) Tangible Assets	11	77,31,66,39,070	69,10,65,00,736
స్పర్శ చరమైన ఆస్తులు			
ii) Intangible Assets		8,23,05,156	10,20,46,214
అస్పృశ్య ఆస్తులు			
iii) Capital Work in Progress		16,29,72,81,664	11,28,11,72,411
జరుగుచున్న పనులపై పెట్టుబడులు			
(b) Non-Current Investments	12	4,61,73,35,149	4,64,00,11,482
ప్రస్తుతేతర పెట్టుబడులు			
(c) Deferred Tax Assets (Net)	13	11,14,45,14,290	8,02,61,36,301
వాయిదా వేయబడిన పన్ను			
(d) Long-term loans and advances	14	2,29,62,55,875	1,79,42,15,903
దీర్ఘకాలిక అప్పులు మరియు బయోనాలు			
(e) Other Non-current Assets	15	7,67,04,672	8,78,57,125
ఇతర ప్రస్తుతేతర ఆస్తులు			
2 Current Assets (ప్రస్తుత ఆస్తులు)			
(a) Current Investments			
ప్రస్తుత పెట్టుబడులు			
(b) Inventories	16	2,35,49,29,748	3,43,78,37,533
సరకు నిల్వ			
(c) Trade Receivables	17	69,00,07,01,619	45,20,88,33,928
వ్యాపార నిమిత్తం రాబడులు			
(d) Cash and cash equivalents	18	4,48,77,86,239	5,39,11,52,660
నగదు నిల్వ			
(e) Short-term Loans and Advances	19	11,68,09,92,425	9,03,37,79,434
స్వల్పకాలిక అప్పులు మరియు బయోనాలు			
(f) Other Current Assets	20	55,13,25,45,159	48,56,53,00,312
ఇతర ప్రస్తుత ఆస్తులు			
Total (మొత్తము)		2,54,48,79,91,066	2,06,67,48,44,039
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 TS Limited

For M/s. Brahmaya & Co
Chartered Accountants
FR No. 000513S

Sd/-
C.V.Ramana Rao
Partner
M. No 018545
Date : 11-09-2019
Place: Hyderabad

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

Sd/-
M.S.K.Prasad
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, 2019 (Amount in Rs.)

	PARTICULARS	Note No.	2018-19	2017-18
I	Revenue from Operations నిర్వహణ ద్వారా రెవిన్యూ	21	2,38,99,76,28,772	2,00,62,45,75,574
II	Other Income ఇతర ఆదాయము	22	2,31,32,15,277	76,83,50,465
III	Total Revenue మొత్తం రెవిన్యూ		2,41,31,08,44,049	2,01,39,29,26,039
IV	Expenses (వ్యయము)			
	Power Purchase Expense విద్యుత్తు కొనుగోలు	23	2,48,37,33,03,988	2,06,39,57,24,815
	Employee Benefit expense ఉద్యోగుల జీతభత్యాలు	24	21,34,85,87,871	18,76,93,38,629
	Operation and Other Expenses నిర్వహణ మరియు ఇతర ఖర్చులు	25	2,69,16,10,056	2,32,06,26,439
	Finance Costs ఆర్థిక వ్యయములు	26	12,96,09,65,808	9,48,54,28,279
	Depreciation and amortisation expense (తరుగుదల)	11	8,55,80,50,759	7,72,14,39,340
	Total Expenses మొత్తం వ్యయం		2,93,93,25,18,482	2,44,69,25,57,502
V	Profit /(Loss) before exceptional & extraordinary items and tax (III-IV) పన్ను, ఎక్స్‌షన్‌ల్ మరియు అతీతములకు ముందు లాభము		(52,62,16,74,433)	(43,29,96,31,463)
VI	Exceptional Items ఎక్స్‌షన్‌ల్ ఐటమ్స్	27	16,93,77,880	1,42,55,15,715
VII	Profit /(Loss) before extraordinary items and tax (V-VI)		(52,79,10,52,313)	(44,72,51,47,178)
VIII	Extraordinary Items అతీతములు		-	-
IX	Profit /(Loss) before tax (VII-VIII) పన్నుకు ముందు లాభము		(52,79,10,52,313)	(44,72,51,47,178)
X	Tax Expense: పన్ను వ్యయము			
	(1) Current Tax ప్రస్తుత పన్ను		-	-
	(2) Deferred Tax వాయిదా వేయబడినపన్ను		3,11,83,77,988	5,47,73,49,632

XI	Profit/(Loss) for the period from continuing operations (IX-X) నికర లాభము		(49,67,26,74,325)	(39,24,77,97,546)
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit / (Loss) for the period (XI + XIV) నికర లాభము		(49,67,26,74,325)	(39,24,77,97,546)
XVI	Earnings per equity share:			
	(1) Basic		(5.92)	(53.88)
	(2) Diluted		(5.92)	(53.88)
	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 TS Limited

For M/s. Brahmaya & Co
Chartered Accountants
FR No. 000513S

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

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

Sd/-
C.V.Ramana Rao
Partner
M. No 018545
Date : 11-09-2019
Place: Hyderabad

Sd/-
M.S.K. Prasad
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, 2019 (Amount in Rs.)

PARTICULARS	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A . Cash flows from operating activities:		
Net Profit before tax	(52,79,10,52,313)	(44,72,51,47,178)
Adjustments :		
Add: Depreciation	8,55,80,50,759	7,72,14,39,340
Add: Interest on Long Term Borrowings	2,67,16,48,634	2,13,92,56,943
Less: Interest on Investments	(4,30,98,533)	(4,09,89,473)
Add: Loss on Sale of Property Plant and Equipment		
Add: Non Cash Expenditure		
Less: Withdrawl of Depreciation on Consumer Contributed Assets	(3,11,49,05,793)	(1,48,51,87,567)
Operating profit before working capital changes	(44,71,93,57,246)	(36,39,06,27,935)
Changes in Working Capital		
Increase/(Decrease) in Non-Current Liabilities		
Other Long Term Liabilities	24,46,33,593	(10,55,92,904)
Long Term Provisions	2,59,25,61,661	4,58,48,62,042
(Increase)/Decrease in Non-Current Assets		
Long-tem Loans & Advances	(57,33,77,077)	25,72,67,791
Other Non-current Assets	1,11,52,453	37,83,594
Increase/(Decrease) in Current Liabilities		
Short Term Borrowings	(10,24,48,05,788)	15,86,41,16,035
Trade Payables	46,84,96,90,946	9,86,67,91,383
Other Current Liabilities	10,15,80,80,200	(9,46,97,18,902)
Short Term Provisions	98,40,41,390	(16,62,74,012)
Increase/(Decrease) in Employee Liability	-	-
(Increase)/Decrease in Current Assets		
Inventories	1,08,29,07,785	(62,21,55,540)
Trade Receivables	(23,79,18,67,691)	(12,63,85,49,160)
Short-term Loans & Advances	(2,64,72,12,991)	(1,25,51,36,983)
Other Current Assets	(6,56,72,44,847)	(4,42,58,73,568)
Cash generated from operations	(26,62,07,97,612)	(34,49,71,08,158)
Net Cash flow from Operating Activities	(26,62,07,97,612)	(34,49,71,08,158)
B. Cash flows from investing activities:		
Purchases/Investments of Property Plant and Equipment	(16,74,84,48,035)	(12,10,88,48,194)

Purchases/Investments in Capital Work in Progress	(5,01,61,09,253)		(3,60,37,41,810)
(Purchase of Investments)/Redemption	2,26,76,333		(3,12,81,424)
Interest on Investments	4,30,98,533		4,09,89,473
Investment in Capital Advances	7,13,37,105		(29,62,82,803)
Increase in Other Long Term Liabilities	3,92,87,706		(2,64,94,713)
Net cash flow from investing activities		(21,58,81,57,611)	(16,02,56,59,471)
C. Cash flows from financing activities:			
Consumer Contributions Received	8,50,54,61,744		5,20,49,29,102
Increase/(Decrease) in Long Term Borrowings	24,58,55,10,548		30,29,52,68,197
Interest paid on Long Term Borrowings	(2,67,16,48,634)		(2,13,92,56,943)
Increase in Contingency Reserve	2,70,29,818		2,92,41,488
Increase in GIS Saving Fund	24,30,855		22,38,021
Decrease in Self Funding Medical Scheme	5,68,04,472		(1,57,08,120)
Funds received in UDAY Scheme	-		-
Investment by Government of Telangana in DISCOM's	16,80,00,00,000		19,76,46,51,881
Decrease (Increase) in Surplus /retained Earnings	-		(1,47,26,61,925)
Decrease in Surplus /retained Earnings	-		2,22,76,505
Net cash flow from financing activities		47,30,55,88,803	51,69,09,78,205
Net Increase/ (Decrease) in cash and cash equivalents during the year		(90,33,66,420)	1,16,82,10,576
Cash and cash equivalents at the beginning of the year		5,39,11,52,659	4,22,29,42,083
Cash and cash equivalents at the end of the year		4,48,77,86,239	5,39,11,52,659

As per our report of even date

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

For M/s. Brahmayya & Co
Chartered Accountants
FR No. 000513S

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

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

Sd/-
C.V.Ramana Rao
Partner
M. No 018545
Date : 11-09-2019
Place: Hyderabad

Sd/-
M.S.K. Prasad
Chief General Manager
(Finance)

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

Notes to Financial Statements for the year ended 31st March, 2019

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, 2013 as a public limited company under the second transfer scheme notified by the Government of Andhra Pradesh (GoAP) (vide G.O.Ms.No.35, Energy (Power-II) dated 31-03-2000), 30-03-2000 to carry on the business of distribution and retail supply of power in the geographical spread of districts in Telangana and commenced commercial operations from 01-04-2000. Company is a government company as defined under section 2 (45) of the Companies Act, 2013 and company is not listed under in any stock exchange.

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

Significant accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) and mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto is use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

1.2 Use of estimates

In preparation of the financial statements in conformity with GAAP, the Company is required to make judgements, 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 judgements 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. 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 amortisation 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’ upto 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 and value in use.

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

1.8 Consumers contributions, Grants and Subsidies

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

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

1.9 Investments

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

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

1.10 Inventories

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

1.11 Employee benefits

a) Short term employee benefits

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

b) Long term employee benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

Other Employee Benefits

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

1.12 Taxes on income

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

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

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

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

1.13 Provision and contingencies

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

- i) Consequent to Re-organisation of Districts and formation of new districts of Telanagana 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 and similarly 19 villages of Gundal Mandal from the Nalgonda District under the jurisdiction of TSSPDCL was re-organized to Jangaon District which is under the jurisdiction of TSNPDCL. However, the adoption of assets and Liabilities couldn't take place in the said Financial Year 2016-17 and it was taken into accounts in the Financial year 2017-18.
- ii) In the notes forming part of the financial statements, wherever there is no feasibility to present the balances acquired (on event of merger of Husnabad and demerger 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.

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

The Govt. of Telangana vide G.O.Ms. No. 20 dated 23.02.2019 has re-transferred the Gundal Mandal from the TSNPDCL Jurisdiction to TSSPDCL and the said Mandal was earlier transferred from the TSSPDCL to TSNPDCL. And with regard to the transfer of assets and liabilities, the TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 02.04.2019 which is within the F.Y. 2019-20 and accordingly, the assets and liabilities of Gundala will be incorporated in the next 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 respectively. 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, 2019	As at March 31, 2018
	₹	₹
Authorised		
12,00,00,00,000 Equity shares of ₹ 10 each (Previous Year 12,00,00,00,000 Equity shares of ₹ 10 each)	1,20,00,00,00,000	1,20,00,00,00,000
Issued, Subscribed And Paid-up		
1,061,79,30,306 Equity shares of ₹ 10 each fully paid up (Previous Year 72,84,79,609 Equity shares of ₹ 10 each)	1,06,17,93,03,060	7,28,47,96,090
TOTAL	1,06,17,93,03,060	7,28,47,96,090

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

Particulars	As at 31 st March 2019 (As at March 2018)	
	Number	₹
Outstanding at the beginning of the year	72,84,79,609 (72,84,79,609)	7,28,47,96,090 (7,28,47,96,090)
Issued during the year	9,88,94,50,697 -	98,89,45,06,970 -
Bought back during the year	0	0
Outstanding at the end of the year	10,61,79,30,306 (72,84,79,609)	1,06,17,93,03,060 (7,28,47,96,090)

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

Name of Shareholder	As at 31 st March 2019 (As at March 2018)	
	No.of Shares held	% of Holding
Equity Shares		
Governor of Telangana (Vide G.O.Ms.No.58 date 09.06.2005)	10,61,79,30,306 (72,84,79,609)	100% (100%)
Total	10,61,79,30,306	

C. Terms/rights attached to Equity Shares

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

(i) **Equity infusion under UDAY Scheme:** During the Financial Year 2016-17 and 2017-18 an amount of Rs. 4,593.84 Crore and Rs. 282.98 Crore are received under the Ujwal Discom Assurance Yojana (UDAY) Scheme totalling Rs. 4876.83 Crore for which share allotment was not done as at 31.03.2018 but on 02.05.2018 share allotments are made and as such it has been form part of Share capital for the year ended 31.03.2019.

During the year, 2016-17 the Govt. of Telangana has released funds in the form of “Equity Infusion” for an amount of Rs. 1,583.83 Crore towards the payment of TS Genco Dues, Electricity Duty, VAT and Royalty Dues to be payable to the State Government and as on 31.03.2018 share allotment not done and the same is kept under the share application money pending allotment of shares and on 02.05.2018 share allotment was made and accordingly, it has been included in the share capital for the year ended 31.03.2019.

During the year, 2017-18 the Govt. of Telangana has released funds in the form of “Equity Infusion” for an amount of Rs. 1,748.79 Crore towards the payment of TS Genco Dues, Electricity Duty, payable to the State Government and the shares are not allotted as on 31.03.2018 and the same is kept under the share application money pending allotment of shares and on 02.05.2018 share allotment was made and accordingly, it has been included in the share capital for the year ended 31.03.2019.

During the year, 2018-19 the Govt. of Telangana has released funds in the form of “Equity Infusion” for an amount of Rs. 1,680.00 Crore towards the payment of power purchase dues of TSSPDCL and for which share allotment was made 20.03.2019 and accordingly, it has been included in the share capital for the year ended 31.03.2019.

To sum up Rs. 4,876.83 Crore under the UDAY Scheme and Rs. 5,012.62 Crore in the form of Additional Investment Discoms totalling to Rs. 9,889.46 Crore worth of Share capital increased for the Financial Year ended 31st March, 2019.

- a. The Govt. of Telangana takeover Loans for an amount of Rs. 5,550.21 Crore of TSSPDCL under UDAY Scheme and out which an amount of Rs. 4,876.83 Crore released and the balance amount of Rs. 673.38 Crore are not received as on 31.03.2019.

3 Reserves & Surplus

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
a. Consumer Contribution towards capital assets		
Opening Balance	39,30,03,89,314	35,12,01,18,101
(+) Current year Receipts	6,12,56,74,944	4,05,10,21,018
Transfer on Merger-Husnabad	0	16,63,73,373
Transfer on Demerger-Gundala	0	(3,71,23,178)
Closing Balance	45,42,60,64,258	39,30,03,89,314
b. Subsidies towards cost of capital assets		
Opening Balance	73,22,15,367	71,24,09,999
(+) Current year Receipts		0
Transfer on Merger -Husnabad		2,04,15,011

(-) Transfer on Demerger-Gundala		(6,09,643)
Closing Balance	73,22,15,367	73,22,15,367
c. Grants/Donations towards cost of capital assets		
Opening Balance	3,93,52,47,224	2,93,03,94,704
(+) Current year Receipts	2,37,97,86,800	1,00,50,13,020
(-) Transfer on Demerger-Gundala		(1,60,500)
Closing Balance	6,31,50,34,024	3,93,52,47,224
Total (Closing balance of a+b+c)	52,47,33,13,649	43,96,78,51,905
Less: Withdrawl towards cost of Capital Assets		
Opening Balance	(18,99,09,09,188)	(17,50,57,21,621)
(+) Current year Amortization to Statement of Profit and Loss	(3,11,49,05,792)	(1,48,51,87,567)
Closing Balance	(22,10,58,14,981)	(18,99,09,09,188)
Total	30,36,74,98,668	24,97,69,42,717
d. GIS - Insurance & Saving Fund		
Opening Balance	4,58,63,016	4,36,24,995
(+) Current year Receipts	24,30,858	22,38,021
Closing Balance	4,82,93,874	4,58,63,016
e. Self Funding Medical Scheme		
Opening Balance	1,74,94,884	3,32,03,004
(+) Current year Receipts	5,68,04,472	(1,57,08,120)
Closing Balance	7,42,99,356	1,74,94,884
f. Statutory Reserves:		
Contingency Reserve Fund		
Opening Balance	46,86,73,030	43,94,31,543
(+) Current year Receipts	2,70,29,818	2,29,37,968
Transfer on Merger-Husnabad		63,03,519
Closing Balance	49,57,02,848	46,86,73,030
g. Capital Reserve on Demerger		
Opening Balance	7,23,00,74,154	7,23,00,74,154
(+) Transfer on Demerger		
Closing Balance	7,23,00,74,154	7,23,00,74,154
h. Surplus		
Opening Balance	(1,93,95,03,45,380)	(1,53,25,21,62,414)
(+) Current Year Transfers on merger	0	(1,47,26,61,925)
(-) Current Year Transfers on Demerger	0	(2,22,76,505)
(+) Net Profit/(Net Loss) For the Current Year	(49,67,26,74,325)	(39,24,77,97,546)
Closing Balance	(2,43,62,30,19,705)	(1,93,95,03,45,380)
Grand Total	(2,05,40,71,50,805)	(1,61,21,12,97,579)

- i. During the year 2018-19, the Company has received Consumer Contribution (including Subsidies, Grants and donations towards Cost of Capital Assets and Grants) amounting to Rs. 850.48 Crore (Previous year Rs. 505.60 Crore). In proportion in which depreciation on the concerned assets has been charged during the year 2018-19, an amount of Rs. 311.49 Crore (Previous year Rs. 148.51 Crore) has 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.
- j. 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 31.03.2019 is Rs. 4.39 Crore (Previous Year Rs. 4.15 Crore). The Closing balance of GIS Insurance Fund as at 31.03.2019 is Rs. 0.44 Crore (Previous year Rs. 0.43 Crore). During the year the Interest on Savings Fund for an amount of Rs. 0.33 Crore (Previous Year Rs. 0.31 Crore) has been debited and is shown under the Head 'Interest and Finance Charges'.

3.1 Share Application Money Pending For Allotment

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Discoms by Govt. of TS	0	33,32,62,30,000
Funds received under the UDAY Scheme	0	48,76,82,76,973
Total	0	82,09,45,06,973

During the F.Y. 2016-17 and 2017-18 an amount of Rs. 1,583.83 and 1,748.79 Crore received from the Govt. of Telangana towards the additional investment discoms in the form of Equity and during the F.Y. 2016-17, 2017-18 an amount of Rs. 4,593.84 Crore and 272.99 Crore received under the UDAY Scheme in the form of Equity and thus to sum up Rs. 3,332.62 Crore under the additional investments and Rs. 4,876.83 Crore under the UDAY Scheme is received upto 31.03.2018 and as the share allotment was not made as at 31.03.2018 and the same was shown as Share application money pending for allotment but however the share allotment is made in F.Y. 2018-19 and the total amount of Rs. 8,209.45 Crore transferred to share capital account.

4 Long Term Borrowings

S.No	Particulars	As at March 31, 2019	As at March 31, 2018
		₹	₹
1	Bonds	20,24,65,00,000	20,24,91,31,915
2	Term Loans		
	i) From Banks	1,82,31,31,026	1,87,58,02,360
	ii) From Other Parties	58,69,74,75,727	34,05,66,61,930
3	Total Long term Borrowings received on merger - Husnabad	1,25,98,69,572	1,25,98,69,572
	Total	82,02,69,76,325	57,44,14,65,777

Further Classification into Party Wise

LENDOR No.	LENDOR NAME	Non Current	Non Current
BONDS			
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	2,26,60,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	30,50,00,000	30,53,75,000
11231	THE FEDERAL BANK	6,50,00,000	6,54,00,000
11232	STATE BANK OF MYSORE	10,80,00,000	10,83,06,915
11233	STATE BANK OF HYDERABAD	13,10,00,000	13,14,00,000
11234	VIJAYA BANK	59,00,00,000	59,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,000	21,81,25,000
11236	CENTRAL BANK OF INDIA	21,80,00,000	21,81,25,000
11237	INDIAN BANK	1,75,00,00,000	1,75,00,00,000
11238	PUNJAB & SINDH BANK	1,740,00,000	17,45,00,000
11239	BANK OF INDIA	30,50,00,000	30,54,00,000
11248	APTRANSCO TRENCH 2	1,78,25,00,000	1,78,25,00,000
SUB-TOTAL		20,24,65,00,000	20,24,91,31,915
LONG TERM LOANS FROM BANKS			
11240	ANDHRA BANK	41,36,04,323	42,56,74,879
11241	BANK OF INDIA	27,62,40,636	28,38,58,173
11242	CENTRAL BANK OF INDIA	19,73,11,924	20,32,93,190
11243	THE FEDERAL BANK	5,83,21,064	6,00,03,875
11244	INDIAN OVERSEAS BANK	20,65,57,483	21,26,74,967
11245	INDIAN BANK	27,63,19,186	28,42,92,941
11246	PUNJAB & SINDH BANK	15,79,33,554	16,24,76,234
11247	VIJAYA BANK	23,68,42,856	24,35,28,101
SUB-TOTAL		1,82,31,31,026	1,87,58,02,360
LONG TERM LOANS FROM OTHERS			
11001	12689055 SPA:PE REC	1,38,44,86,830	1,22,67,81,798
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	33,15,27,311	-
11007	RURAL ELECTRICAL CORPORAT	12,20,31,26,339	13,50,96,60,556
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11251	REC-MEDIUM TERM LOAN	1,93,75,00,000	2,81,25,00,000
11252	JICA	2,59,50,49,000	2,59,50,49,000
11253	REC - 9 HRS POWER SUPPLY	2,83,31,54,157	2,37,96,90,674

11254	REC - BULK 2015-16	4,62,01,85,779	3,71,82,42,575
11255	REC - SPA:PE 2015-16	1,59,93,37,505	58,47,09,097
11257	PFS LIMITED	3,69,25,00,007	4,13,66,66,667
11258	PFC-IPDS Scheme	1,07,72,00,000	
11259	REC - IE:DISTRIBUTION 201	2,12,68,32,300	68,42,60,000
11266	REC - IE:DISTRIBUTION & B	5,36,09,94,201	96,79,41,300
11267	REC - SPECIAL LOAN	11,18,75,00,002	4,18,54,16,667
11268	PFC - MEDIUM TERM LOAN	10,00,00,00,000	10,00,00,00,000
11269	PFC - Term Loan	10,00,00,00,000	
11270	IE:Distribution & Bulk (FY 2018-19)	49,23,38,700	
11271	PFC - SGPP Scheme	-	
	SUB-TOTAL	75,53,29,89,426	50,89,21,75,629
LESS	Kurnool and Anantapur circles	16,83,55,13,699	16,83,55,13,699
	Net off Kurnool and Anantapur	58,69,74,75,727	34,05,66,61,930
3	Loans assumed in Merger-Husnabad	1,25,98,69,572	1,25,98,69,572
	Grand Total	82,02,69,76,325	57,44,14,65,777

Further Classification into Secured and Unsecured

LENDOR No.	LENDOR NAME	31.03.2019	31.03.2018
	Secured		
	i) From Banks		
11240	ANDHRA BANK	41,36,04,323	42,56,74,879
11241	BANK OF INDIA	27,62,40,636	28,38,58,173
11242	CENTRAL BANK OF INDIA	19,73,11,924	20,32,93,190
11243	THE FEDERAL BANK	5,83,21,064	6,00,03,875
11244	INDIAN OVERSEAS BANK	20,65,57,483	21,26,74,967
11245	INDIAN BANK	27,63,19,186	28,42,92,941
11246	PUNJAB & SINDH BANK	15,79,33,554	16,24,76,234
11247	VIJAYA BANK	23,68,42,856	24,35,28,101
	Banks Sub-Total	1,82,31,31,026	1,87,58,02,360
	ii) From Others		
11001	12689055 SPA:PE REC	1,38,44,86,830	1,22,67,81,798
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	33,15,27,311	-
11007	RURAL ELECTRICAL CORPORATE	12,20,31,26,339	13,50,96,60,556
11251	REC-MEDIUM TERM LOAN	1,93,75,00,000	2,81,25,00,000
11253	REC - 9 HRS POWER SUPPLY	2,83,31,54,157	2,37,96,90,674
11254	REC - BULK 2015-16	4,62,01,85,779	3,71,82,42,575
11255	REC - SPA:PE 2015-16	1,59,93,37,505	58,47,09,097
11259	REC - IE:DISTRIBUTION 201	2,12,68,32,300	68,42,60,000

11266	REC - IE:DISTRIBUTION & B	5,36,09,94,201	96,79,41,300
11267	REC - SPECIAL LOAN	11,18,75,00,002	4,18,54,16,667
11270	IE:Distribution & Bulk (F.Y. 2018-19)	49,23,38,700	-
11257	PFS LIMITED	3,69,25,00,007	4,13,66,66,667
11258	PFC - IPDS	1,07,72,00,000	
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11268	PFC - MEDIUM TERM LOAN	10,00,00,00,000	10,00,00,00,000
11269	PFC - Term Loan	10,00,00,00,000	-
11271	PFC - SGPP Scheme	-	-
Others Sub - Total		72,73,23,86,651	48,09,15,72,854
Total Secured Loans		74,55,55,17,677	49,96,73,75,214
LESS	KURNOOL AND ANANTAPUR	16,83,55,13,699	16,83,55,13,699
NET OFF KURNOOL AND ANANTAPUR		57,72,00,03,978	33,13,18,61,515

Unsecured - Bonds

LENDOR No.	LENDOR NAME	31.03.2019	31.03.2018
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	22,66,00,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,00,000	21,40,00,00,000
11227	SINGARENI COLLIERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,00,000	92,10,00,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	30,50,00,00,000	30,53,75,00,000
11231	THE FEDERAL BANK	6,50,00,00,000	6,54,00,00,000
11232	STATE BANK OF MYSORE	10,80,00,00,000	10,83,06,91,915
11233	STATE BANK OF HYDERABAD	13,10,00,00,000	13,14,00,00,000
11234	VIJAYA BANK	59,00,00,00,000	59,00,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,00,000	21,81,25,00,000
11236	CENTRAL BANK OF INDIA	21,80,00,00,000	21,81,25,00,000
11237	INDIAN BANK	1,75,00,00,00,000	1,75,00,00,00,000
11238	PUNJAB & SINDH BANK	1,74,00,00,00,000	17,45,00,00,000
11239	BANK OF INDIA	30,50,00,00,000	30,54,00,00,000
11248	APTRANSCO TRENCH 2	1,78,25,00,00,000	1,78,25,00,00,000
SUB-TOTAL		20,24,65,00,000	20,24,91,31,915
UNSECURED - OTHERS			
11252	JICA	2,59,50,49,00,000	2,59,50,49,00,000
11011	GOVT. LOANS	20,55,53,77,775	20,55,53,77,775
SUB-TOTAL		2,80,06,02,775	2,80,06,02,775
GRAND TOTAL OF SECURED AND UNSECURED LOANS		80,76,71,06,753	56,18,15,96,205
Loans taken over on Merger of Husnabad		1,25,98,69,572	1,25,98,69,572
Total Loans		82,02,69,76,325	57,44,14,65,777

Securities Charged For The Loans

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, 2019	As at March 31, 2018
Term Loans from Others	₹	₹
1. Loans from Rural Electrification Corporation Limited, New Delhi. (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.)	43,72,36,56,644	29,71,58,76,187
2. Power Finance Corporation (PFC)		
i. If the company achieves the target as stipulated in the agreement and also if the project completes in time schedule, the loan will be converted into grant.	4,23,90,30,000	4,23,90,30,000
ii. Charge is created on company movable assets (unencumbered assets) including PTR Augmentation, Addl PTRs/DTRs/Addl bays/LT/HT AB Cable/Reconductoring/Capacitor Bank/VCB/R&C Works/Renovation & Modernisation works etc to be created infollowing areas of utility located at Nalgonda, Hyderabad Central, Master Plan, Hyderabad East, Hyderabad West towns of TSSPDCL in the state of Telangana.	20,00,00,00,000	10,00,00,00,000
3. PTC - Financial Services (PFS) (Secured by Hypothecation of all Current assets (Present and future) with the minimum coverage of 1.25 times of the facility, including book-debts, receivables, outstanding moneys, claims, demands, bills, guarantees, letters of credit, contracts, engagements, stocks, shares, notes, bonds, warrants, all stocks of raw materials, semi-finished goods, finished goods, consumable stores, accounts receivable, operating cash flows, treasury income, deposits of company with the third parties and any other revenues.)	3,69,25,00,007	4,13,66,66,667
Total	71,65,51,86,651	48,09,15,72,854

Total Long Term And Short Term For The Year Ended

LENDOR No.	LENDOR NAME	31.03.2019	31.03.2018
	BONDS		
11224	APCPDCL PF TRUST	57,40,00,000	57,40,00,000
11225	APGENCO	2,26,60,00,000	2,26,60,00,000
11226	APTRANSCO PF TRUST	21,40,00,000	21,40,00,000
11227	SINGARENI COLLIERIES	8,00,00,00,000	8,00,00,00,000
11228	APTRANSCO	92,10,00,000	92,10,00,000
11229	ANDHRA BANK	2,62,50,00,000	2,62,50,00,000
11230	SYNDICATE BANK	30,50,00,000	30,53,75,000
11231	THE FEDERAL BANK	6,50,00,000	6,54,00,000
11232	STATE BANK OF MYSORE	10,80,00,000	10,83,06,915
11233	STATE BANK OF HYDERABAD	13,10,00,000	13,14,00,000
11234	VIJAYA BANK	59,00,00,000	77,00,00,000
11235	INDIAN OVERSEAS BANK	21,80,00,000	21,81,25,000
11236	CENTRAL BANK OF INDIA	21,80,00,000	21,81,25,000
11237	INDIAN BANK	1,75,00,00,000	1,75,00,00,000
11238	PUNJAB & SINDH BANK	17,40,00,000	17,45,00,000
11239	BANK OF INDIA	30,50,00,000	30,54,00,000
11248	APTRANSCO TRENCH 2	1,78,25,00,000	1,78,25,00,000
	Bonds Sub-Total	20,24,65,00,000	20,42,91,31,915
	BANKS		
11013	SBI	2,61,19,52,361	3,46,88,60,535
11240	ANDHRA BANK	41,72,72,217	42,56,74,879
11241	BANK OF INDIA	27,87,60,192	28,38,58,173
11242	CENTRAL BANK OF INDIA	19,94,02,399	20,32,93,190
11243	THE FEDERAL BANK	5,88,65,974	6,00,03,875
11244	INDIAN OVERSEAS BANK	20,85,34,958	21,26,74,967
11245	INDIAN BANK	27,89,03,863	28,42,92,941
11246	PUNJAB & SINDH BANK	15,94,05,131	16,24,76,234
11247	VIJAYA BANK	23,90,09,305	24,35,28,101
	Banks Sub-Total	4,45,21,06,400	5,34,46,62,895
	OTHERS		
11001	12689055 SPA:PE REC	1,38,44,86,830	1,38,44,86,830
11002	13127123 P:SI REC	(35,33,26,480)	(35,33,26,480)
11003	REC - DDUGJY SCHEME	33,15,27,311	8,211
11007	RURAL ELECTRICAL CORPORAT	14,45,18,75,078	15,20,21,88,342
11008	POWER FINANCE CORPORATION	4,23,90,30,000	4,23,90,30,000
11011	GOVT. LOANS	20,55,53,775	20,55,53,775
11014	SHORT TERM LOANS ALL BANK	5,85,56,49,998	7,05,49,99,997
11251	REC-MEDIUM TERM LOAN	2,93,75,00,000	3,00,00,00,000

11252	JICA	2,59,50,49,000	2,59,50,49,000
11253	REC - 9 HRS POWER SUPPLY	3,15,69,51,381	2,46,55,51,699
11254	REC - BULK 2015-16	4,79,11,41,238	3,71,82,42,575
11255	REC - SPA:PE 2015-16	1,66,83,59,549	59,06,22,120
11256	REC-STL	-	4,90,00,00,000
11257	PFS LIMITED	4,12,25,00,007	4,30,00,00,000
11258	PFC - IPDS	1,07,74,29,172	2,29,172
11259	REC - IE:DISTRIBUTION 201	2,12,68,32,300	68,42,60,000
11262	GRANT UNDER DDUGJY SCHEME		- 38,84,07,300
11263	GRANT UNDER SGPP SCHEME		- 4,37,00,000
11264	PFC - SHORT TERM LOAN	1,71,14,52,385	5,00,00,00,000
11265	PFC - FLEXI LINE OF CREDI	5,00,00,00,000	5,00,00,00,000
11266	REC - IE:DISTRIBUTION & B	5,36,09,94,201	96,79,41,300
11267	REC - SPECIAL LOAN	14,28,75,00,002	4,90,00,00,000
11268	PFC - MEDIUM TERM LOAN	10,00,00,00,000	10,00,00,00,000
11269	PFC - TERM LOAN	10,00,00,00,000	-
11270	IE:DISTRIBUTION & BULK (F.Y. 2018-19)	49,23,38,700	-
11271	PFC - SGPP SCHEME	30,15,217	-
	Others Sub-Total	95,44,58,59,664	76,28,69,43,841
LESS	KURNOOL AND ANANTAPUR	16,83,55,13,699	16,83,55,13,699
	NET OFF OTHERS	78,61,03,45,965	59,45,14,30,142
	Grand Total of all loans Gross	1,03,30,89,52,365	85,22,52,24,952
ADD	LOANS TAKEN OVER IN MERGER - HUSNABAD	1,64,31,66,755	1,64,31,66,755
	NET OFF OF KURNOOL AND ANANTAPUR AND HUSNABAD	1,04,95,21,19,120	86,86,83,91,707

5 Other Long Term Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Vendor Deposits	1,57,93,98,076	1,38,78,35,890
Contribution Works	37,40,36,391	32,09,64,984
Other Liabilities	11,49,59,247	7,56,71,541
TOTAL	2,06,83,93,714	1,78,44,72,415

6 Long Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits		
Gratuity (unfunded)	1,14,66,29,940	1,18,00,31,841
Leave Encashment (unfunded)	6,52,01,83,279	4,92,42,28,607
TSSPDCL Pension and Gratuity Trust(Funded)	10,82,94,32,794	9,79,94,23,904
TOTAL	18,49,62,46,013	15,90,36,84,352

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 31.03.2019 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 31.03.2019 is Rs. 119.81 Crore (Previous Year Rs. 120.72 Crore). Expenditure recognised under the head “Employee Benefit Expense “to the extent of Rs. 1.11 Crore after paying benefits during the year to the extent of Rs. 2.02 Crore. The funding status of the same is unfunded. As per the actuarial valuation report the current liability portion for an amount of Rs. 5.15 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. 114.66 Crore was shown under this head of Long Term provisions.

b. The Company has carried out actuarial valuation as at 31.03.2019 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. 871.84 Crore (Previous Year Rs. 568.76 Crore) and during the Year Rs. 39.51 Crores was paid towards the Final Encashment. Therefore as per the said valuation, differential amount arrived after deducting the payments made towards earned leave resulted into short of by Rs. 342.60 Crore of which 70% comes to Rs. 239.82 Crore is debited to the statement of profit and loss under the head “Employee Benefit Expense” and the balance amount of Rs. 102.78 Crore is deferred to the next years due to pending final allocation of Inter State Transfer of employees. The funding status of the same is unfunded. As per the Actuarial valuation report the current portion of liability for an amount of Rs. 117.04 Crore was shown under the head of Short term Provisions note no. 10 and non current portion liability for an amount of Rs. (754.79 - 102.78) 652.01 Crore was shown under this head of Long term provision.

c. The Company has carried out actuarial valuation as at 31.03.2019 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 31.03.2019 the actuarial valuation report given for providing the liability for the year ended 31.03.2019 is Rs. 2,338.47 Crore and of which, the existing plan assets for an amount of Rs. 1,028.42 Crore the existing liability in the books of account before making new provision is for an amount of Rs. 760.16 Crore and for the balance amount of Rs. 549.89 Crore has to be provided but of which 70% of amount 384.92 Crore is provided by debiting the Statement of Profit and loss and the balance 30 % amount viz 164.97 Crore is deferred to the next years due to pending final allocation of inter state transfer of employees and as per the actuarial valuations, the current liability is for an amount of Rs. 62.14 Crore shown under the Short Term provisions note no 10 and the balance amount of Rs. (1,247.91 - 164.97) 1,082.94 Crore is shown under this head of Long term provision.

7 Short Term Borrowings

S.No	Particulars	As at March 31, 2019	As at March 31, 2018
		₹	₹
1	Loans Repayable on Demand		
	i) From Banks	2,61,19,52,361	3,46,88,60,535
	ii) From Other Parties	12,56,71,02,383	21,95,49,99,997
2	Loans received on merger- Husnabad	38,32,97,183	38,32,97,183
	Total	15,56,23,51,927	25,80,71,57,715

Further Classification into Party Wise			
11013	i) From Banks	2,61,19,52,361	3,46,88,60,535
	ii) From Other Parties		
11256	REC - STL	-	4,90,00,00,000
11264	PFC - SHORT TERM LOAN	1,71,14,52,385	5,00,00,00,000
11265	PFC - FLEXI LINE OF CREDIT	5,00,00,00,000	5,00,00,00,000
11014	SHORT TERM LOANS FROM TS TRANSCO	5,85,56,49,998	7,05,49,99,997
	Loans received on merger- Husnabad	38,32,97,183	38,32,97,183
	Total	15,56,23,51,927	25,80,71,57,715
Further Classification into Secured and Unsecured			
1	Secured		
	(a) Loans repayable on demand		
	i) From Banks		
11013	SBH	2,61,19,52,361	3,46,88,60,535
	ii) From Others		
11256	REC - STL	-	4,90,00,00,000
11264	PFC - SHORT TERM LOAN	1,71,14,52,385	5,00,00,00,000
11265	PFC - FLEXI LINE OF CREDIT	5,00,00,00,000	5,00,00,00,000
	Sub-Total	6,71,14,52,385	14,90,00,00,000
	Secured Total	9,32,34,04,746	18,36,88,60,535
2	Unsecured		
	(a) Loans repayable on demand		
	from banks	-	-
	from other parties	-	-
11014	SHORT TERM LOANS FROM TS TRANSCO	5,85,56,49,998	7,05,49,99,997
3	Loans received on merger- Husnabad	38,32,97,183	38,32,97,183
	TOTAL	15,56,23,51,927	25,80,71,57,715

Note 7A Securities offered for the above secured Loans

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Short Term Loan		
1. Banks		
State Bank Of India (Secured by receivables specifically Hypothecated)	2,61,19,52,361	3,46,88,60,535
2. Financial Institutions		
REC (Charge on Receivables, Repayment of principal to be made in the 12 months along with the interest, after moratorium period of 11 months.)	-	4,90,00,00,000

3. Power Finance Corporation Short Term Loan (Secured by creating a first charge by way of hypothecation of Movable assests (except book debts)	1,71,14,52,385	5,00,00,00,000
4. Power Finance Corporation Flexi Line of Credit (Secured by creating a first charge by way of hypothecation of Movable assets (except book debts)	5,00,00,00,000	5,00,00,00,000
TOTAL	9,32,34,04,746	18,36,88,60,535

8 Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Unsecured		
A. Micro, Small and Medium Enterprises (MSMEs)	5,25,29,402	4,60,63,604
B. Other than MSME		
APEPDCL	9,95,49,50,549	9,96,63,88,481
APSPDCL	(13,34,58,171)	22,29,56,735
TSNPDCL	(18,97,38,20,013)	(7,55,89,72,674)
TSGENCO	(25,89,35,02,652)	(30,12,80,71,725)
APGENCO	88,45,72,36,694	88,45,72,32,289
APTRANSCO	5,76,71,133	5,76,71,131
TGTRANSCO	2,15,40,71,662	4,53,41,07,542
Other Power Purchase Creditors	1,09,35,25,86,777	52,74,13,22,891
Other Payables	5,27,91,87,249	5,11,90,63,410
Trade Payables transfer on Merger- Husnabad	84,28,12,835	84,28,12,835
Trade Payables transfer on Demerger-Gundala	(1,98,95,704)	(1,98,95,704)
Total	1,71,13,03,69,761	1,24,28,06,78,815

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

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Principal and amount remaining unpaid	5,25,29,402	4,60,63,604
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, 2019 ₹	As at March 31, 2018 ₹
Current maturities of long-term debt	7,36,27,90,868	3,61,97,68,215
Employee related liabilities	1,55,58,29,326	1,07,16,58,986
Statutory Liability	62,21,44,721	42,56,42,722
Advance from Customers	58,75,53,826	55,40,59,070
Consumer Deposits	31,17,66,17,970	28,51,79,91,740
Gov. of AP SC/ST Payable	3,47,35,553	3,47,35,553
Inter Unit Accounts	38,04,06,102	11,01,77,268
Interest Payable on Consumer Deposit	1,83,63,82,727	1,51,92,34,829
Interest Accrued and due	2,96,32,92,550	1,71,76,90,700
Other Liabilities	11,74,30,53,579	10,98,02,72,197
Artisans Salaries Payable	22,65,07,929	13,68,52,658
GST Liabilities	35,68,48,987	
Transfer on Merger - Husnabad		
Other Liabilities	6,51,54,338	6,51,54,338
Consumer Deposits	36,28,778	36,28,778
Transfer of Consumer Deposits on Demerger - Gundala	(5,51,832)	(5,51,832)
Total	58,91,43,95,422	48,75,63,15,222

Statement showing the Current Maturities of Long Term Debts

LENDOR No.	LENDOR NAME	31.03.2019	31.03.2018
11001	12689055 SPA:PE REC	0	15,77,05,032
11003	REC - DDUGJY SCHEME	0	8,211
11007	RURAL ELECTRICAL CORPORAT	2,24,87,48,739	1,69,25,27,786
11234	VIJAYA BANK	0	18,00,00,000
11240	ANDHRA BANK	36,67,894	0
11241	BANK OF INDIA	25,19,556	0
11242	CENTRAL BANK OF INDIA	20,90,475	0
11243	THE FEDERAL BANK	5,44,910	0
11244	INDIAN OVERSEAS BANK	19,77,475	0
11245	INDIAN BANK	25,84,677	0
11246	PUNJAB & SINDH BANK	1471,577	0
11247	VIJAYA BANK	21,66,449	0
11251	REC-MEDIUM TERM LOAN	1,00,00,00,000	18,75,00,000
11253	REC - 9 HRS POWER SUPPLY	32,37,97,224	8,58,61,025
11254	REC - BULK 2015-16	17,09,55,459	0
11255	REC - SPA:PE 2015-16	6,90,22,044	59,13,023
11257	PFS LIMITED	43,00,00,000	16,33,33,333
11258	PFC-IPDS Scheme	2,29,172	2,29,172
11262	Grant under DDUGJY		38,84,07,300
11263	Grant under SGPP		4,37,00,000
11267	REC - SPECIAL LOAN	3,10,00,00,000	71,45,83,333
11271	PFC - SGPP Scheme	30,15,217	0
	Grand Total	7,36,27,90,868	3,61,97,68,215

- 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 .
- Employees who joined after 1.02.1999
As per the actuarial valuation report for the year ended 31.03.2019, the current portion liability of gratuity, leave encashment and pension & gratuity have been shown here and the non current portion have been shown under the head of Long term provisions Note No. 6.
- Inter Unit Accounts under Note No. 9 shows a credit balance of Rs. 38.05 Crore (Previous Year - Rs. 11.02 Crore)
- Other Liabilities includes an amount of Rs. 819.60 Crore (Previous Year 749.05 Crore) to TSTRANSCO which was taken on emergency basis.

The above balance is subject to confirmation and reconciliation.

10 Short Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for Employee cost	31,10,94,779	3,68,59,185
RPF Fund	64,506	64,506
Provision for Admin Expenses	14,68,98,945	20,60,27,401
Provision for CWIP	4,61,62,394	6,02,64,232
Provision for Interest	3,14,65,84,058	2,74,93,67,521
Provision for O&M works	2,18,40,508	3,68,18,125
Provision for R & C Penalties	10,21,595	10,21,595
Gratuity (unfunded)	5,15,12,472	2,71,89,257
Leave Encashment (unfunded)	1,17,04,91,505	76,33,23,663
TSSPDCL Pension & Gratuity Trust	62,14,34,887	65,21,28,774
Total	5,51,71,05,649	4,53,30,64,259

- a. It is to state that Provision for Interest includes interest payable on FRP bonds Rs. 100.86 Crore and on JICA loan Rs. 4.25 Crore and on RAPDRP loan Rs. 197.09 Crore. If the conditions attached to the Loans in respect of RAPDRP are met, the loan amount will be treated as Grant. In the year of loan conversion into grant, all the interest accrued year on year will be reversed and credited to the Statement of Profit and Loss. Else all the accumulated interest will be treated as interest payable to the REC under RAPDRP scheme.
- b. The Current portion of Long Term Provisions in respect of Gratuity, Leave Encashment and Pension and Gratuity which were shown under the head of Note No. 9 Other Current Liabilities upto F.Y. 2017-18 and the same are placed under the present head of short term provisions and also for the F.Y. 2017-18, the same are presented here for the better presentation.

Note No.11 - Property Plant and Equipment

S.No.	Particulars	Gross Block						Depreciation & Amortisation						Net Block	
		As at April 1, 2018	Additions	Deletions/ Adjustments	Acquired through business Combinations	Deletions Through Business Combinations	As at 31 st March 2019	As at 1 st April 2018	Depreciation charge for the year	Deletions/ Adjustments	Acquired through business Combinations	Deletions Through Business Combinations	As at 31 st March 2019	As at 31 st March 2018	
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹		
a	TANGIBLE ASSETS														
	Land	7,63,61,630	1,79,975										7,65,41,605	7,63,61,630	
	Buildings	2,77,33,33,838	27,34,89,361				67,42,54,082	8,78,52,854				76,21,06,936	2,28,47,16,263	2,09,90,79,756	
	Other Civil Works	1,30,13,52,637	24,00,12,550				15,64,13,319	4,23,89,279				19,88,02,598	1,34,25,62,589	1,14,49,39,318	
	Plant and Machinery	59,04,15,62,200	6,81,67,86,893	15,42,922,40			25,20,58,66,640	4,11,03,34,759	12,99,51,114			29,31,49,01,888	36,54,19,04,283	33,83,56,95,560	
	Lines and Cable Network	48,59,34,83,685	7,82,05,93,111				21,73,87,63,249	3,16,73,24,204				24,90,60,87,463	31,50,79,89,343	26,85,47,20,436	
	Meters and Metering equipment	11,25,99,02,508	1,31,56,92,525	7,86,60,240,83			6,89,59,39,118	91,33,80,906	6,95,83,420,35			7,73,97,36,604	4,75,71,98,188	4,36,39,63,390	
	Vehicles	7,09,81,899	4,36,066	3,93,578,57			5,96,65,082	41,80,922	3,54,220,72			6,34,91,783	75,32,603	1,13,16,817	
	Furniture and Fixtures	11,24,35,887	1,81,53,111				7,04,99,335	83,57,184				7,88,56,519	5,17,32,479	4,19,36,552	
	Office Equipment	31,22,62,573	3,13,73,717				18,48,23,384	2,57,40,170				21,05,63,554	13,30,72,736	12,74,39,189	
	Air Conditioners	1,67,73,485	17,88,142				1,13,79,943	13,73,722				1,27,53,665	58,07,962	53,93,542	
	Computer & IT Equipment	1,28,90,65,713	19,62,44,120				74,34,11,167	13,43,17,647				87,77,28,814	60,75,81,019	54,56,54,546	
	Sub Total	1,24,84,75,16,055	16,71,47,49,571	8,05,96,742			55,74,10,15,319	8,49,52,51,647	7,12,37,152			64,16,50,29,814	77,31,66,39,070	69,10,65,00,736	
b	INTANGIBLE ASSETS														
	Computer Software	39,64,07,068	4,30,58,054				29,43,60,854	6,27,99,112				35,71,59,966	8,23,05,156	10,20,46,214	
	Sub Total	39,64,07,068	4,30,58,054				29,43,60,854	6,27,99,112				35,71,59,966	8,230,156	10,20,46,214	
c	Capital Work in Progress														
	Capital Work in Progress	11,28,11,72,411	17,34,06,05,543	12,32,44,96,290									16,29,72,81,664	11,28,11,72,411	
	Sub Total	11,28,11,72,411	17,34,06,05,543	12,32,44,96,290									16,29,72,81,664	11,28,11,72,411	
d	GRAND TOTAL (a+b+c)	1,36,52,50,95,534	34,09,84,13,166	12,40,50,93,032			56,03,53,76,173	8,55,90,50,759	7,12,37,152			64,52,21,89,780	93,69,62,25,990	80,48,97,19,361	
	Grand Total of Previous Year	1,20,32,55,70,455	27,53,70,20,933	12,36,14,09,150	1,20,25,47,523	17,86,34,225	47,82,07,758	7,72,14,39,340	3,05,31,975	601,816,484	84,349,434	56,03,53,76,173	80,48,97,19,361	72,49,85,68,697	

Note No. 12 Non Current Investments (At Cost)

A. Details of Trade Investments								
Sl. No	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹)	
			As at 31 March 2019	As at 31 March 2018			As at 31 March 2019	As at 31 March 2018
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
a)	APPDCL	Others	42,60,10,000	42,60,10,000	Unquoted	Fully Paid	4,26,01,00,000	4,26,01,00,000
	Total						4,26,01,00,000	4,26,01,00,000

B. Details of Other Investments								
Sl.No	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹)	
			As at 31 March 2019	As at 31 March 2018			As at 31 March 2019	As at 31 March 2018
1	Investments in Government or Trust securities							
200021	AP TRANSCO - VIDYUT BONDS (Face Value Rs.10,00,000/- per Bond)	Others	132	132	Quoted	Fully Paid	13,20,00,000	13,20,00,000
200013	8.74% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	47	47	Quoted	Fully Paid	4,70,00,000	4,70,00,000
200013	9.97% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	24	24	Quoted	Fully Paid	2,40,00,000	2,40,00,000
200013	9.64% APPFC Bonds (Face Value Rs.10,00,000/- per Bond)	Others	22	22	Quoted	Fully Paid	2,20,00,000	2,20,00,000
200011	5.64% Govt of India Securities	Others	2,00,000	2,00,000	Unquoted	Fully Paid	-	1,98,76,333
200014	8.35% Govt of India Securities	Others	1,72,000	1,72,000	Unquoted	Fully Paid	1,72,00,000	1,72,00,000
200030	9.15% APSFC - Unsecured, Redeemable, Non Convertible, Non SLR Bonds Series VI-2013 (Face Value Rs.10,00,000/- per Bond)	Others	14	14	Unquoted	Fully Paid	1,12,00,000	1,40,00,000
200036	MAH SLD @ 9.25%	Others	180	180	Unquoted	Fully Paid	1,80,00,000	1,80,00,000
200030	APSFC SERIES VIII/2014 FRO (Face Value Rs.1,00,000/- per Bond)	Others	9	9	Unquoted	Fully Paid	90,00,000	90,00,000
200038	9.2% GOVERNMENT OF INDIA - 2030 SECURITIES	Others	194	194	Unquoted	Fully Paid	1,94,00,000	1,94,00,000
200037	8.4% GOVERNMENT OF INDIA - 2024 SECURITIES	Others	190	190	Unquoted	Fully Paid	1,90,00,000	1,90,00,000
	Sub Total (B)						31,88,00,000	34,14,76,333
C	Transfer on Merger - Husnabad						3,84,35,149	3,84,35,149
	Grand Total (A+B+C)						4,61,73,35,149	4,64,00,11,482

13 Deferred Tax

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Deferred Tax Liabilities		
A i) Opening Balance	9,07,17,54,056	8,04,72,77,304
ii) Fixed Assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	90,92,88,195	1,02,44,76,752
iii) Gross deferred tax liability (i+ii)	9,98,10,42,251	9,07,17,54,056
Deferred Tax Asset		
B i) Opening Balance	17,09,78,90,358	10,59,88,28,456
ii) Deferred tax asset on timing difference	4,02,76,66,183	6,49,90,61,902
iii) Gross deferred tax asset (i+ii)	21,12,55,56,541	17,09,78,90,358
iv) Net Deferred Tax Asset/ (Liability) (Biii-Aiii)	11,14,45,14,290	8,02,61,36,301

The Deferred Tax Liability assumed on merger of Husnabad is included in the impact of differences in F.Y. 2017-18

13A - Deferred Tax Calculations

1. Deferred Tax Liability

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
i) WDV as per Companies Act, 2013	77,32,24,02,621	69,13,21,85,320
ii) WDV as per Income Tax Act	45,33,18,82,586	39,78,27,04,497
iii) WDV Timing Differences (i-ii)	31,99,05,20,035	29,34,94,80,823
iv) Deferred Tax Liability (iii *31.2%)	9,98,10,42,251	9,06,89,89,574

2. Deferred Tax Asset

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Deferred Tax Assets on Timing Differences		
i. Unabsorbed Depreciation	42,78,25,19,230	34,78,03,86,054
ii. 43B Disallowances		
a. Provision for gratuity [Section 43B(b)]	11,40,31,81,290	10,93,09,29,448
b. Provision for leave encashment [Section 43B(f)]	7,41,45,39,991	5,48,75,30,127
c. Interest [Section 43B(d) & (e)]	6,10,98,76,608	4,13,41,32,875
Total Timing Difference	67,71,01,17,119	55,33,29,78,504
Deferred Tax Assets	21,12,55,56,541	17,09,78,90,358

Deferred Tax arising on carry forward business loss has not been considered as Timing difference, since as per the provisions of income tax act business loss could not be set off after 8 Assessment Years. However, timings difference on unabsorbed depreciation has been considered, as the same can be carried forward without any time limit.

13 B. Deferred Tax Income Calculation

Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
1. Deferred Tax Liability	9,98,10,42,251	9,07,17,54,056
2. Deferred tax Asset	21,12,55,56,541	17,09,78,90,358
3. Net Deferred Tax Asset of Current year (2-1)	11,14,45,14,290	8,02,61,36,301
4. Net Deferred Tax Asset of Previous year	8,02,61,36,301	2,55,15,51,151
5. Net Deferred Tax Income credit to P&L A/c(3-4)	3,11,83,77,988	5,47,73,49,632

14 Long Term Loans & Advances

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a. Secured, Considered good		
Loans & Advances to employees	37,87,07,234	31,19,32,837
b. Unsecured, Considered good		
Loans & Advances to employees	3,97,76,058	3,22,97,350
Deposits	80,81,08,331	30,52,86,304
Capital Advances	1,06,96,64,252	1,14,10,01,357
Transfer on Merger - Husnabad		36,98,055
Total	2,29,62,55,875	1,79,42,15,903
c. Secured Long term Loans & Advances to employees includes		
Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
Housing Loan - Secured against House	19,62,38,079	14,39,70,326
Four Wheeler Loan - Hypothecation of Four Wheeler	18,24,69,155	16,79,62,511
Total	37,87,07,234	31,19,32,837

d. Unsecured Long term Loans & Advances to employees includes

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Education Loans	(6,10,387)	(64,837)
Two Wheeler Loans	1,67,31,960	1,25,68,444
Computer Loans	1,96,02,991	1,60,65,783
Marriage Advance	40,51,494	37,27,960
Total	3,97,76,058	3,22,97,350

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, 2019	As at March 31, 2018
	₹	₹
Court Authorities	56,85,38,487	6,58,05,386
Telephone authorities	7,30,401	6,40,142
Deposits with Local Authorities and Resco	23,88,39,443	23,88,40,776
Total	80,81,08,331	30,52,86,304

g. Deposits with Local Authorities includes ₹ 50.14 Crore (Previous Year ₹ 21.56 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, 2019	As at March 31, 2018
	₹	₹
(a) Secured, considered good		
Long Term Receivables from Employees	7,24,33,500	8,37,04,465
(b) Unsecured, considered good		
Receivable from ITI, Chennai	42,71,172	41,52,660
Total	7,67,04,672	8,78,57,125

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 Misappropriations.

16 Inventories

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Stores and Spares	2,37,27,44,001	3,49,29,83,582
Less: Provision for Recovery/Write Off of Cost Materials	1,78,14,253	5,51,46,049
Total	2,35,49,29,748	3,43,78,37,533

Provision for Obsolete Items:

As per the physical verification report for the year ended 31st March, 2019 an amount of Rs. 1,78,14,253 is noticed as obsolete stock, but the provision for obsolete stock is available for an amount of Rs. 5,51,46,049 is existing and the Provision for Obsolete Stock is restated at Rs. 1,78,14,253.

17 Trade Receivables

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
i) Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	5,07,37,05,000	4,99,29,44,000
Unsecured, considered good	8,09,28,55,000	4,14,05,22,936
Unsecured, considered doubtful		-
Less: Provision for doubtful debts		-
Sub Total	13,16,65,60,000	9,13,34,66,936
ii) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	9,89,19,21,000	4,53,71,89,339
Unsecured, considered good	46,20,24,69,586	31,79,84,26,620
Unsecured, considered doubtful	4,84,81,12,241	4,87,45,26,444
Less: Provision for doubtful debts	(4,84,81,12,241)	(4,87,45,26,444)
Less: Provision for doubtful debts FSA	(26,02,48,967)	(26,02,48,967)
Sub Total	55,83,41,41,619	36,07,53,66,992
Total (i + ii)	69,00,07,01,619	45,20,88,33,928

- The above trade receivables includes, Court Cases of ₹ 638.76 Crore (Previous Year ₹ 556.70 Crore), RR Act Cases ₹ 4.85 Crore (Previous Year ₹ 5.30 Crore), Bill Stopped/Disconnected Services ₹ 685.65 Crore (Previous Year ₹ 748.84 Crore) .
- The Above trade receivables also includes Debtors balances received on Merger of Husnabad to the extent of Rs. 20.29 Crore and Rs.0.71Crore towards Unbilled Revenue. And the balances are given effect to the extent of Rs. 4.16 Crore debtors transferred to NPDCL on demerger of Gundala Mandal.

18 Cash & Cash Equivalents

Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
1. Cash and Cash Equivalents		
a. Balances with banks		
- In Current Accounts	3,43,73,15,538	4,16,36,54,768
- Remittance in Transit	(2,04,27,543)	(2,97,61,221)
- In Deposits with Original Maturity less than 3 Months	79,62,08,174	1,04,98,44,544
b. Cash on hand	27,46,90,070	20,74,14,569
Total	4,48,77,86,239	5,39,11,52,660

19 - Short Term Loans & Advances

Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
a. Secured, considered good		
Recoverable from employees	11,14,167	11,54,295
b. Unsecured, considered good		
Loans & Advances to employees	6,00,02,155	14,07,67,441
Advance Tax (including TDS Receivable & Refunds Receivable) (Net)	6,18,56,727	5,30,92,181
Advance to Suppliers	1,54,22,422	1,55,93,273
Government Receivables	50,31,52,93,576	47,59,58,84,846
Provision for Government Receivables - Additional Power	(38,77,87,39,156)	(38,77,87,39,156)
Other Loans & Advances	60,42,534	60,26,554
Total	11,68,09,92,425	9,03,37,79,434

20 - Other Current Assets

Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
Fixed asset retired from active use and held for disposal	6,72,296	6,72,296
Interest Accrued on Fixed Deposits	1,32,202	1,19,734
Interest Accrued on Investments	4,30,98,533	4,09,89,473
Unbilled Revenue - Trade Receivables	22,80,17,24,381	19,36,01,48,995
FSA Revenue - Receivables	5,51,36,41,199	5,51,36,41,199
TSGENCO Master P & G Trust	53,09,57,829	47,02,18,724
Receivable on Demerger of Kurnool and Anantapur	21,24,31,34,024	21,24,31,34,024
TSSPDCL GPF Trust	7,42,22,256	3,23,65,069
Other Receivables	70,16,30,671	1,60,54,79,030
Receivable from Govt. under UDAY for Losses	3,92,48,00,000	-
Net Receivable on Merger - Husnabad	20,61,08,747	20,61,08,747
Net Receivable on Demerger - Gundala	9,24,23,021	9,24,23,021
Total	55,13,25,45,159	48,56,53,00,312

- a. TSGENCO Master P&G Trust owes to the company to the tune of Rs. 53.10 Crore (Previous year Rs. 47.02 Crore).
- b. Other Receivables in F.Y. 2017-18 include an amount of Rs. 149.90 Crore paid as advance Electricity Duty and the same was adjusted during the next Financial Year 2018-19.

21 - Revenue From Operations

Particulars	As at March 31,2019 ₹	As at March 31,2018 ₹
(a) Sale of Energy		
LT Supply	73,31,48,51,989	69,05,01,10,277
HT Supply	1,24,54,07,71,619	1,05,05,80,14,278
Interstate Sales	7,72,97,70,287	5,29,36,97,906
FSA	9,61,57,329	6,09,30,975
Tariff Subsidy	13,97,50,00,000	7,27,09,00,000
Revenue grant under UDAY Scheme	3,92,48,00,000	2,35,01,00,000
Additional Power Subsidy	-	-
Customer Charges	4,14,17,00,477	3,90,35,77,391
Theft of Power	28,40,47,669	25,04,62,874
DPS Income	8,84,06,85,529	5,47,87,66,998
R & C Penalties	28,25,653	(13,97,209)
(b) Other Operating Revenues		
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment	3,11,49,05,793	1,48,51,87,567
Others	66,55,13,595	1,85,10,68,560
Less: Electricity Duty	(1,63,34,01,168)	(1,42,68,44,043)
Total	2,38,99,76,28,772	2,00,62,45,75,574

21 (b) (i) Depreciation on Property Plant and Equipment is provided under the 'Straight Line Method' upto 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.

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

For the F.Y. 2016-17, losses of the company is for an amount of Rs. 4,700.22 Crore and as per the clauses under the UDAY scheme the Government of Telangana has sanctioned and released the funds @ 5% of Losses i.e., Rs. 235 Crore (Rs. 4700.22*5%) and the same is accounted as Revenue grant under UDAY scheme during the present F.Y. 2017-18.

For the F.Y. 2017-18, losses of the company is for an amount of Rs. 3924.78 Crore and as per the clauses under the UDAY scheme, the Government of Telangana has issued the G.O. No. 57, dated 24.08.2018 and 87, dated 20.12.2018 towards the take over of 10% of Losses 392.48 (Rs. 3924.78*10%) and the same is accounted as per the accounting policy of the company i.e., mercantile/accrual system of accounting as Revenue grant under UDAY scheme during the present F.Y. 2018-19.

22 Other Income

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Interest Income		
Bank	7,55,77,875	5,57,12,186
Staff	28,53,798	25,70,633
Others	6,27,36,016	4,29,56,321
Rent from Company's Property Plant and Equipment	30,95,352	30,19,449
Sale of Scrap	4,17,88,427	1,88,81,227
Penalties from Suppliers	12,46,53,655	6,86,60,762
Miscellaneous Income	26,29,202	13,52,064
Other Income	1,99,98,80,952	57,51,97,823
Total	2,31,32,15,277	76,83,50,465

- 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 income for an amount of Rs. 52.04 Crore and Security Deposits forfeited for an amount of Rs. 95.63 Crore and incidental charges for an amount of Rs. 50.58 Crore.

23 Power Purchase Cost

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Purchase of Power - Fixed Cost	73,35,34,64,920	71,73,07,53,578
Purchase of Power - Variable Cost	1,51,74,35,07,710	1,19,23,89,67,546
Transmission Charges	18,90,52,93,456	12,59,25,80,493
Other Power Purchase Costs	4,37,10,37,902	2,83,34,23,198
Total	2,48,37,33,03,988	2,06,39,57,24,815

24 Employee Benefit Expense

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Salaries and incentives	12,40,79,29,928	8,46,69,05,379
Artisans Remuneration	2,66,86,51,722	2,01,42,12,260
Contributions to Employees Provident Fund 1952	52,86,69,697	34,55,48,335
Artisans EPF and ESI Contributions	29,50,48,358	21,81,42,626
Pension Benefits	6,38,56,57,302	8,46,87,03,900
Director's Remuneration & Allowances	1,86,55,953	1,40,42,252
Director's Sitting Fees	1,21,890	67,565
Staff welfare expenses	18,56,63,876	17,33,48,782
Less: Employee Cost Capitalised	(1,14,18,10,855)	(93,16,32,470)
Total	21,34,85,87,871	18,76,93,38,629

- i) During the F.Y. 2017-18, on 29.07.2017, the contract labour have been designated as artisans and salaries have been classified under this head but during the present F.Y. 2018-19, the contract Labour have been designated as Artisans and as such their wages during the period of 01.04.2017 to 29.07.2017 have been classified as Contract Labour wages but for the better comparison with the Present F.Y. 2018-19, the proportionate wages shown as Contract Labour wages have been excluded from the operation and other expenses of F.Y. 2017-18 and the same have been brought within the Artisans remuneration in F.Y. 2017-18
- ii) The Company is making the Provision for Pension & Gratuity in respect of employees who were on rolls as on 31.01.1999 and retired thereafter in the ratio of 26 % and providing the balance 74 % is the responsibility of the TS GENCO Master Trust and accordingly, the TSSPDCL is making the payments of 74 % Pension & Gratuity and claiming the reimbursement of same on montly basis from the TS GENCO Master Trust and the TS GENCO Master Trust is reimbursing the same and as such the provision of maintaining 74% of Pension & Liability is not required to be provided in the books of accounts.

Disclosures for the DISCOM P & G Trust
(Employees recruited prior to 01.02.1999 and on roll as on 31.03.2019)

Annexure 1: Funded status of the plan

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Present value of unfunded obligations	-	-
Present value of funded obligations	23,38,46,97,709	17,71,45,05,823
Fair value of plan assets	10,28,41,35,939	7,26,29,53,145
Net Liability (Asset)	1,310,05,61,770	10,45,15,52,678

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Current service cost	18,67,29,869	22,51,77,284
Interest on obligation	1,34,63,02,443	1,16,49,32,315
Expected return on plan assets	(55,19,84,439)	(39,40,11,672)
Net actuarial loss/(gain)	5,35,95,25,111	32,20,66,578
Past service cost		-
Adjustment to the Opening Fund	(84,16,59,353)	
Loss/(gain) on curtailments and settlement		-
Total included in 'Employee Benefit Expense'	5,49,89,13,631	1,31,81,64,505
Expenses deducted from the fund		-
Total Charge to P&L	5,49,89,13,631	1,31,81,64,505
Loss/(Gain) on obligation as per Annexure 3	5,35,70,84,113	1,09,80,23,646
Loss/(Gain) on assets as per Annexure 4	24,40,998	(77,59,57,068)
Net actuarial Loss/(Gain)	5,35,95,25,111	32,20,66,578

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Opening Defined Benefit Obligation	17,71,45,05,823	16,06,80,31,931
Current service cost		225,1,77,284
Interest cost	18,67,29,869	1,16,49,32,315
Actuarial loss (gain)	1,34,63,02,443	1,09,80,23,646
Past service cost	5,35,70,84,113	-
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	(1,21,99,24,539)	(84,16,59,353)
Benefits payable		-
Closing Defined Benefit Obligation	23,38,46,97,709	17,71,45,05,823

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Opening value of plan assets	7,26,29,53,145	5,43,46,43,758
Transfer in/(out) plan assets		-
Expenses deducted from the fund		-
Expected return	55,19,84,439	39,40,11,672
Actuarial gain and (loss)	(24,40,998)	77,59,57,068
Assets distributed on settlements		-
Contributions by employer	1,63,00,00,000	1,50,00,00,000
Assets acquired in an amalgamation in the nature of purchase		-
Exchange differences on foreign plans		-
Benefits paid		(84,16,59,353)
Adjustment to the Opening Fund	84,16,59,353	
Closing value of plan assets	10,28,41,55,939	7,26,29,53,145

The actual return on the assets is Rs. 54,95,43,441. The adjustment to the opening fund pertaining to the difference in opening value of plan assets of Rs. 84,16,59,353.

Annexure 5: Reconciliation of net defined benefit liability

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Net opening provision in books of accounts	10,45,15,52,678	10,63,33,88,173
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	5,49,89,13,631	1,31,81,64,505
Sub- Total	15,95,04,66,309	11,95,15,52,678
Benefits paid by the Company	(1,21,99,24,539)	-
Amounts transferred to 'payable account'		-
Contributions to plan assets	(1,63,00,00,000)	(1,50,00,00,000)
Closing provision in books of accounts	13,10,05,41,770	10,45,15,52,678

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2019	As at March 31,2018
	%	%
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 31,2019	As at March 31,2018
	₹	₹
Current Liability*	62,14,34,887	65,21,28,774
Non-Current Liability	12,47,91,06,883	9,79,94,23,904
Net Liability	13,10,05,41,770	10,45,15,52,678

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Defined Benefit Obligation	23,38,46,97,709	17,71,45,05,823
Plan Assets	10,28,41,55,939	7,26,29,53,145
Surplus/(Deficit)	(13,10,05,41,770)	(10,45,15,52,678)
Experience adjustments on plan liabilities	40,16,30,402	1,81,27,61,822
Actuarial loss/ (gain) due to change in demographic assumption	40,47,213	40,47,213
Actuarial loss/(gain) due to change in financial assumptions	4,95,14,06,498	(71,87,85,389)
Experience adjustments on plan assets	24,40,998	(77,59,57,068)
Net actuarial loss/ (gain) for the year	5,35,95,25,111	32,20,66,578

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2019	As at March 31,2018
Discount Rate for Gratuity and Pension	7.65 % and 7.75 %	7.60%
Expected Return on Plan Assets	0	7.60%
Salary Growth Rate	0	0
Pension Growth Rate	0	0

iii) Out of Rs. 5,49,89,13,632 to be provided as pension and Gratuity for the year ended, an amount of Rs. 384,92,39,542 has been provided @ 70 % of Rs. 5,49,89,13,632 and the balance 30 % amount is Rs. 1,64,96,74,090 is deferred to the next years due to pending final allocation of inter state transfer of employees. And to the extent of deferred amount of Rs. 164,96,74,090 will be reduced from the total Liabilities of Rs. 13,10,05,41,770 and thereby accounted liabilities stands at Rs. 11,45,08,67,680 and of which the current portion of Rs. 62,14,34,887 is shown as Short Term Provision and the Balance amount of Rs. 10,82,94,32,794 is shown as Long Term Provision.

Earned Leave Encashment for all Employees on roll as on 31.03.2019

Annexure 1: Funded status of the plan

Particulars	As at March 31,2019	As at March 31,2018
Present value of unfunded obligations	8,71,84,79,966	5,68,75,52,270
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Net Liability (Asset)	8,71,84,79,966	5,68,75,52,270

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2019	As at March 31,2018
Current service cost	34,38,56,343	23,20,54,533
Interest on obligation	40,32,47,673	47,75,16,594
Expected return on plan assets	-	-
Net actuarial loss/(gain)	2,67,89,13,258	(1,28,50,18,443)
Past service cost	-	-
Losses/(gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	3,42,60,17,274	(57,54,47,316)
Expenses deducted from the fund	-	-
Total Charge to P&L	3,42,60,17,274	(57,54,47,316)
Loss/(Gain) on obligation as per annexure 3	2,67,89,13,258	(1,28,50,18,443)
Loss/(Gain) on assets as per annexure 4	-	-
Net actuarial Loss/(Gain)	2,67,89,13,258	(1,28,50,18,443)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2019	As at March 31,2018
Opening Defined Benefit Obligation	5,68,75,52,270	6,58,64,35,786
Transfer in/(out) obligation	-	-
Current service cost	34,38,56,343	23,20,54,533
Interest cost	40,32,47,673	47,75,16,594
Actuarial losses/ (gains)	2,67,89,13,258	(1,28,50,18,443)
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	(39,50,89,578)	(32,34,36,200)
Closing Defined Benefit Obligation	8,71,84,79,966	5,68,75,52,270

* 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 31,2019	As at March 31,2018
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 31,2019	As at March 31,2018
Net opening provision in books of accounts	5,68,75,52,270	6,58,64,35,786
Transfer in/(out) obligation		-
Transfer (in)/out plan assets		-
Employee benefit expense as per annexure 2	3,42,60,17,274	(57,54,47,316)
	9,11,35,69,544	6,01,09,88,470
Benefits paid by the company	(39,50,89,578)	(32,34,36,200)
Contributions to plan assets		-
Closing provision in books of accounts	8,71,84,79,966	5,68,75,52,270

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2019	As at March 31,2018
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 31,2019	As at March 31,2018
Current Liability*	1,17,04,91,505	76,33,23,663
Non-Current Liability	7,54,79,88,461	4,92,42,28,607
Net Liability	8,71,84,79,966	5,68,75,52,270

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2019	As at March 31,2018
Defined Benefit Obligation	8,71,84,79,966	5,68,75,52,270
Plan Assets	-	-
Surplus/(Deficit)	(8,71,84,79,966)	(5,68,75,52,270)
Experience adjustments on plan liabilities	2,71,20,59,076	(1,15,06,11,493)
Actuarial loss/(gain) due to change in financial assumptions	(3,31,45,818)	(13,44,06,950)
Actuarial loss/ (gain) due to change in demographic assumption		-
Experience adjustments on plan assets		-
Net actuarial loss/ (gain) for the year	2,67,89,13,258	(1,28,50,18,443)

Annexure 9: Principle Actuarial Assumptions

Particulars	As at March 31,2019	As at March 31,2018
Discount Rate	7.65%	7.60%
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	9.00%	9.00%
Withdrawal Rates	1% at younger ages reducing to 0% at older ages	1% at younger ages reducing to 0% at older ages
Leave Availment Rate	5% p.a.	5% p.a.
Leave Encashment Rate	0% p.a.	0% p.a.

iv) Out of Rs. 3,42,60,17,274 to be provided as Earned Leave Encashment liability, an amount of Rs. 2,39,82,12,092 has been provided @ 70 % of Rs. 3,42,60,17,274 and the balance 30 % amount is Rs.1,02,78,05,182 is deferred to the next years due to pending final allocation of inter state transfer of employees. And to the extent of deferred amount of Rs. 1,02,78,05,182 will be reduced from the total liabilities to be shown as per actuarial valuation of Rs. 8,71,84,79,966 and thereby the accounted liabilities stands at Rs. 7,69,06,74,784 and of which the current portion of Rs. 62,14,34,887 is shown as Short Term Provision and the Balance amount of Rs. 6,52,01,83,279 is shown as Long Term Provision.

Gratuity for Employees Recruited after 01.02.1999

Annexure 1: Funded status of the plan

Particulars	As at March 31,2019	As at March 31,2018
Present value of unfunded obligations	1,19,81,42,412	1,20,72,21,098
Present value of funded obligations		-
Fair value of plan assets		-
Net Liability (Asset)	1,19,81,42,412	1,20,72,21,098

Annexure 2: Profit and loss account for current period

Particulars	As at March 31,2019	As at March 31,2018
Current service cost	11,55,46,378	10,61,31,684
Interest on obligation	9,17,48,803	8,32,73,174
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(19,61,47,190)	(10,15,62,766)
Recognised Past Service Cost	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	1,11,47,991	8,78,42,092
Expenses deducted from the fund		-
Total Charge to P&L	1,11,47,991	8,78,42,092
Loss/(gain) on obligation as per Annexure 3	(19,61,47,190)	(10,15,62,766)
Loss/(gain) on assets as per Annexure 4		-
Net actuarial loss/(gain)	(19,61,47,190)	(10,15,62,766)

Annexure 3: Reconciliation of defined benefit obligation

Particulars	As at March 31,2019	As at March 31,2018
Opening Defined Benefit Obligation	1,20,72,21,098	1,14,85,95,507
Transfer in/(out) obligation	-	-
Current service cost	11,55,46,378	10,61,31,684
Interest cost	9,17,48,803	8,32,73,174
Actuarial loss (gain)	(19,61,47,190)	(10,15,62,766)
Past service cost		-
Loss (gain) on curtailments		-
Liabilities extinguished on settlements		-
Liabilities assumed in an amalgamation in the nature of purchase		-
Exchange differences on foreign plans		-
Benefits paid	(2,02,26,677)	(2,92,16,501)
Closing Defined Benefit Obligation	1,19,81,42,412	1,20,72,21,098

Annexure 4: Reconciliation of plan assets

Particulars	As at March 31,2019	As at March 31,2018
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expenses incurred in the fund	-	-
Expected return	-	-
Actuarial gains/(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 31,2019	As at March 31,2018
Net opening provision in books of accounts	1,20,72,21,098	1,14,85,95,507
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Annexure 2	1,11,47,991	8,78,42,092
Sub Total	1,21,83,69,089	1,23,64,37,599
Benefits paid by the Company	(2,02,26,677)	(2,92,16,501)
Contributions to plan assets	-	-
Closing provision in books of accounts	1,19,81,42,412	1,20,72,21,098

Annexure 6: Composition of the plan assets

Particulars	As at March 31,2019	As at March 31,2018
	%	%
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	0%	0%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	0%	0%

Annexure 7: Bifurcation of liability as per schedule III

Particulars	As at March 31,2019	As at March 31,2018
Current Liability*	5,15,12,472	2,71,89,257
Non-Current Liability	1,14,66,29,940	1,18,00,31,841
Net Liability	1,19,81,42,412	1,20,72,21,098

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

Annexure 8: Table of experience adjustments

Particulars	As at March 31,2019	As at March 31,2018
Defined Benefit Obligation	1,19,81,42,412	1,20,72,21,098
Plan Assets	-	-
Surplus/(Deficit)	(1,19,81,42,412)	(1,20,72,21,098)
Experience adjustments on plan liabilities	(18,92,42,173)	(4,36,46,114)
Actuarial loss/(gain) due to change in financial assumptions	(69,05,017)	(5,79,16,652)
Actuarial loss/ (gain) due to change in demographic assumption	-	-
Experience adjustments on plan assets	-	-
Net actuarial loss/ (gain) for the year	(19,61,47,190)	(10,15,62,766)

Annexure 9: Principle actuarial assumptions

Particulars	As at March 31,2019	As at March 31,2018
Discount Rate	0	0
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	0	9.00%
Withdrawal Rates	1% at younger ages reducing to 2% at older ages	1% at younger ages reducing to 2% at older ages

25 Operation & Other Expenses

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Advertisement	1,46,07,983	2,65,06,961
Consultancy Charges	10,10,53,223	4,60,01,805
Contract Labour Charges	14,56,05,334	10,98,98,211
Electricity Charges	8,22,27,166	7,37,91,712
Insurance	6,09,709	8,46,097
Inventories Handling Charges	3,53,96,421	2,04,93,952
Legal Charges	1,64,22,050	57,62,906
Licence fees - TSERC	5,93,20,710	5,70,42,495
Office Maintenance	1,67,98,262	62,27,089
Other Expenses	15,66,34,766	15,23,51,625
Postage & Telegrams	15,77,360	13,64,393
Printing & Stationery	5,02,53,216	6,30,85,850
Professional Charges	24,25,98,846	17,71,58,998
R&M - Others	4,81,09,171	7,60,74,395
Rates & taxes	2,14,13,313	4,62,10,919
Rent	54,46,973	22,12,195
Repairs to Buildings & Civil works	6,35,54,940	3,22,49,464
Repairs to Plant and Machinery	1,13,49,86,771	96,74,70,306
Repairs to Vehicles	1,99,06,112	10,8,10,912
Telephone & Communication	4,42,61,364	5,17,26,144
Training Expense	27,49,199	33,93,105
Travelling Expense	22,47,56,400	19,09,51,759
Vehicle Hire charges	38,17,05,178	34,23,40,791
Vidyut Ombudsman Expense	58,70,800	41,30,000
Payments to the auditor	17,21,985	15,57,600
Office Maintenance Tea & Snacks	79,12,395	76,96,032
Office Maintenance other expenses	67,31,787	65,47,707
Office Maintenance Cleaning expenses	18,000	17,507
Less: Administration & General Exp Capitalised	(20,06,39,378)	(16,32,94,491)
Total	2,69,16,10,056	2,32,06,26,439

- i) During the F.Y. 2017-18, on 29.07.2017, the contract labour have been designated as artisans and salaries have been classified under this head but during the present F.Y. 2018-19, the contract Labour have been designated as Artisans and as such their wages during the period of 01.04.2017 to 29.07.2017 have been classified as Contract Labour wages but for the better comparison with the Present F.Y. 2018-19, the proportionate wages i.e, 73.15 Crore shown as Contract Labour wages have been excluded from the operation and other expenses of F.Y. 2017-18 and the same have been brought within the Artisans remuneration in F.Y. 2017-18 which forms part of Employee Benefit Expenses.

26 Finance Costs

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Interest expense		
- Long Term Loans	2,91,61,41,804	2,37,93,45,504
- Short Term Loans	6,29,58,15,975	3,74,36,00,561
- Consumption Deposits	1,92,94,63,717	1,51,33,05,869
- Others		
On FRP Bonds	2,01,73,50,000	2,07,06,86,962
On Other Liabilities	72,03,737	38,60,154
Bank Charges	3,94,83,745	1,47,17,790
Less: Interest Capitalised	(24,44,93,170)	(24,00,88,561)
Total	12,96,09,65,808	9,48,54,28,279

27 Exceptional Items

Particulars	As at March 31,2019	As at March 31,2018
	₹	₹
Assets Scrapped	93,59,543	63,80,885
Provision for Bad Debts	(2,64,14,203)	1,20,16,98,941
Compensation Paid to Electrical Accidents	14,07,94,269	16,19,83,661
Others	(1,99,14,976)	49,98,828
Price Variation	6,55,53,247	5,04,53,400
Total	16,93,77,880	1,42,55,15,715

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

Particulars	As at March 31,2019 ₹ (in crore)	As at March 31,2018 ₹ (in crore)
(i) Contingent Liabilities		
(a) Disputed Entry tax	234.96	234.96
(b) Sales tax Penalty against G Form (Cement purchases)	1.34	1.34
(c) Liability under AP VAT Act 2005 (April 2005 to 2009-10)	91.00	91.00
(d) Income Tax (TDS)	93.25	93.25
(e) Service Tax	195.00	0.00
Sub Total (i)	615.55	420.55
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	137.66	249.34
Sub Total (ii)	137.66	249.34
Grand Total (i+ii)	753.21	669.89

29. The Entry Tax demand is amounting to 200.57 Crore was raised by the Commercial Tax Department and the same was challenged before the Hon'ble High Court of Telangana. As per the directions of the Court, 25 % of Disputed Tax viz Rs. 50.14 Crore was deposited under protest with the tax Authorities and the same was not charged to the Profit and Loss account.
30. Income-tax assessments for the Assessment Year 2018-19 is pending. There is a dispute on TDS deduction under section 194C vs 194J for the assessment year 2007-08, in the High Court of AP and Telangana and for the A.Y. 2008-09 and 2009-10 at the Supreme court of India and all the disputed amount put together is for Rs. 93.25 Crore and the Company is of the opinion that no provision is necessary in respect of disputed amounts and the case status as on date is pending in the respective Courts. Any further provision required in respect of disputed addition will be considered on completion of Appellate Proceedings.
31. The Director General of GST Intelligence, Hyderabad zonal unit has raised the service tax demand for Rs. 97.26 Crore and the penalty for an amount of Rs. 97.26 Crore and aggrieved by the order, the TSSPDCL has preferred appeal before the Hon'ble High Court of Telangana and the case is still pending in the Court.
32. AP Transco claimed transmission charges, SLDC operating charges and annual fee for the period from 01st June, 2014 to 30th October, 2016. As decided by management of TSPCC, AP Transco claims are not accounted in the books, In view of this, there is no mandate to APTRANSCO to claim any transmission and SLDC charges beyond the direction of Hon'ble Commission.
33. The company has identified the vendors under "The Micro, Small and Medium Enterprises Development Act, 2006" and disclosed trade payables under MSME's. However, confirmation of balances are pending from the above vendors.

- a) With regard to the FCA claimed by the CSPDCL, TS Discoms filed a petition before the Hon'ble Appellate Tribunal for Electricity (APTEL) contending that the completed Capital cost approved by CSERC is on high side and pleaded before the APTEL to consider the reasonable cost. The provision and expenditure accounted by TSDISCOMS is well within the limits proposed in CSERC orders. Therefore, there is no understatement of the Power Purchase cost.
34. VAT audit completed upto 2015-16. Sales Tax assessment for the Financial Year 2016-17 is in progress.
35. Cost Audit has become mandatory for the company from Financial year 2011-12 onwards. The company has appointed Cost auditor and cost audit is completed upto the financial year 2017-18.
36. AP Genco has filed the petition before the Hon'ble National Company Law Tribunal for initiating corporate insolvency process against the company for non-payment of dues. The petition is still pending with the Hon'ble National Company Law Tribunal for Disposal.
37. Though the Company has negative networth as at 31.03.2019, 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 networth will become positive networth. Accordingly the books of accounts are being maintained on going concern basis.
38. TSDISCOMS Power purchase dues accumulated to NTPC. NTPC proposed that they will discount their bills with Canara bank for Rs. 1,000 Crore @ 8.45% p.a. and Oriental Bank of Commerce for Rs. 700 Crore @ 8.5% p.a. The Discounting charges will be paid upfront by TSDISCOMS. This arrangement will reduce Delayed Payment Surcharge (DPS) by 10% per annum. The due date for the payment of Rs. 1,000 Crore on 16-09-2019 and Rs. 700 Crore on 23-09-2019 respectively. And out of which an amount of Rs. 1,199.35 Crore are payable by TSSPDCL to NTPC.
39. On enquiry about provision of surcharge of M/s. Singareni Collieries Company Ltd. (SCCL), it was informed that both Discoms and SCCL are Government companies. The Discoms are taking up the issue with SCCL to waive late payment surcharge. To avoid the burdening the consumers, TS Discoms have requested to waive the late payment surcharge as it is not covered in ARR order. And the late payment surcharge levied to the end of 31.03.2019 is Rs. 284.45 Crore.

40. Quantitative Information

Particulars	As at March 31,2019	As at March 31,2018
Energy Input (Discom)	44,997.11	40,147.50
Sale of Energy (KWH Mus)	40,342.50	35,589.90

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

AS 7 Construction Contracts.

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

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

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

AS 23 Accounting for Investments in Associates in Consolidated Financial Statements.

AS 25 Interim Financial Reporting.

AS 27 Financial Reporting of Interest in Joint Ventures.

42. Previous year figures have been regrouped wherever necessary.

43. Amounts represented in the financial statements have been rounded off to the nearest rupee.

As per our report of even date

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

For M/s. **Brahmayya & Co**
Chartered Accountants
FR No. 000513S

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

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

Sd/-
C.V.Ramana Rao
Partner
M. No 018545

Sd/-
M.S.K. Prasad
Chief General Manager
(Finance)

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

Date : 11-09-2019
Place: Hyderabad



INDEPENDENT AUDITORS' 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 March 31, 2019 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, 2019, 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. 134,24,50,233/-, 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 Government 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 approval by the Expert Committee constituted by the Government of India, which is computed under the “pooling of interest” method. The company instead of recognizing the share of the said two Circles in the “Share Capital” of Rs. 325,27,89,980 as a reduction in the share capital, recognized Rs. 723,00,74,154 as “Capital Reserve” resulting in understatement of its negative net-worth by Rs. 1,048,28,64,134 and consequential overstatement of “Receivables.”
 3. We report that the following accounts have not been reconciled as at 31st March, 2019 and accordingly we are unable to express an opinion on the effect of said un-reconciled amounts on the Loss of the company for the year:
 - a. Inter units’ accounts with a credit balance of Rs. 38,11,40,817/-.
 - b. Amount appearing under “Debt servicing Clearing A/c” with a debit balance of Rs. 9,49,63,693/- and under loan clearing account with a debit balance of Rs. 3,67,53,367.

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. 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.1.14, wherein during the Financial Year 2018-19, State Government of Telangana vide G.O.Ms. No. 20 Dated 23.02.2019, has issued orders for reorganization of districts in the state of Telangana. Accordingly, Gundala Mandal of Jangaon District under the territorial jurisdiction of TSNPDCL has been Demerged/Hived off and merged with Bhongir revenue division which is under the territorial jurisdiction of TSSPDCL. As TSSPDCL has taken over the Network of Gundala Mandal w.e.f. 02.04.2019, accordingly, the transfer of assets and liabilities relating to Gundala Mandal has to be incorporated in the Financial Year 2019-20.
4. Current accounts maintained with various banks have Board excess, being cheques/ cash deposited in banks and not appearing in banks' statements of account of Rs. 48,69,47,749/- (of which Rs. 10,12,88,586/- 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. 61,18,57,262/- as on 31.03.2019.
5. Letters of confirmation of balances have not been provided for our verification in respect of the following, the impact that may result on reconciliation and review of the same cannot be ascertained:
 - a. Balances due to / from various vendors for supplies and services, EMDs, SDs, other power distribution companies.
 - b. Balances due from/ to various consumers/customers.

Our opinion is not modified in respect of the aforesaid matters

Material Uncertainty related to Going Concern

We draw attention to Note 37 in the financial statements, the events or conditions mentioned in the said note 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 a 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the financial statements of the Company are given in the **Annexure B**.
- 3) As required by Section 143 (3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**” to this report.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.
- 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. We are informed that the Company does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.,

Chartered Accountants

Firm Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545

Place: Hyderabad

Date: 11.09.2019



Annexure A to the Independent Auditor's Report:

The **Annexure A** referred to in “Report on Other Legal and Regulatory Requirements” paragraph of our Independent Auditor’s report of even date, to the members of **Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited), Hyderabad** for the year ended 31st March, 2019.

We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) We are informed by the company that no physical verification of fixed assets has been carried-out during the year under report. Accordingly, we are unable to comment regarding any material discrepancies between the fixed assets register and the assets physically available.
 - c) We are informed by the company that purchase/gift / lease deeds are generally executed in respect of “parcels of land” purchased/ gifted/ given on long term lease upto 99 years to the company by private parties, which are generally kept at various field offices of the company and accordingly complete details along with the said deeds could not be provided to us, except a very few deeds executed during the year under audit. We are also informed by the company that in respect of the “parcels of land” alienated to it by the State Government or its agencies other than the letters of alienation/allotment/ physical handing over, no other legal documents are generally executed and that the said letters are available with various field offices of the company and accordingly complete details along with the said letters could not be provided to us, except a few letters executed. Accordingly, we are unable to report whether appropriate legal documents evidencing the title of the company in respect of all the immovable properties owned by the company are available with the company.
- ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the



opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at 31st March, 2019 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 (In Lakhs)
Central Sales Tax Act, 1956	Central Sales Tax	From FY 2012-13 to 2015-16	0.97
Income Tax Act, 1961	Tax Collected at Source	From FY 2010-11 to FY 2015-16	0.56
AP V.A.T Act, 2005	Value Added Tax	From FY 2010-11 to FY 2016-17	0.74
CGST Act, 2017	GST Dues	From FY 2017-18	1082.24*

- b) As at 31st March, 2019, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess (excluding penalties), except the following:

S.No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crore)	Period to which the amount relates	Forum where dispute is pending
1.	A.P. Tax on entry of goods in local area Act, 2001	Entry tax on goods purchased from outside state	167.92*	For the financial year from 2002-03 to 2016-17	Hon'ble Supreme Court of India
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	88.26*	For the financial year from 2008-09 to 2012-13	Hon'ble A.P High Court, Hyderabad
4.	Finance Act, 1994	Service Tax	97.27	From July, 2012 to June, 2017	Hon'ble High court of Telangana
5.	Income Tax Act, 1961	TDS	93.25	For the Assessment years from 2007-08 to 2009-10	Hon'ble Supreme Court of India and Hon'ble High Court of Hyderabad

* Net of deposits made



- iv) 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.
- v) 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.
- vi) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- vii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- viii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.
- ix) 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.
- x) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.
- xi) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.
- xii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3(xvi) of the order is not applicable.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545

Place: Hyderabad

Date: 11.09.2019



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), 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 2018-19, all the accounting transactions have been processed through IT system.</p> <p>However, for preparation of financial statements some manual interventions are carried out.</p> <p>Major discrepancies in certain areas are given hereunder:</p> <ol style="list-style-type: none">1. Payroll system module is not fully integrated with finance system module, resulting in a difference of Rs. 2.57 Crore excess in finance module, when compared to payroll module for employee loans.2. Revenue module is not fully integrated with finance module, resulting in differences in respect of consumer deposits, receivables between finance module and revenue module for which manual adjustments were carried out.3. Inter units’ balances were not properly processed through IT system, which has resulted in uncleared credit balance of Rs. 38.11 Crore.4. Bank Loans clearing accounts were not properly processed through IT system, which has resulted in uncleared debit balance of Rs. 13.17 Crore.5. Materials module clearing accounts have Rs. 177.42 Crore which were not cleared for more than 3 years.
2	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts / loans / interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	<p>During the year under consideration, there is no case of restructuring of any existing loan or case of waiver / write off of debts / loans / interest etc. by a lender to the Company.</p>



3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanation given to us and on the basis of our verification of the records funds received/receivable from Central/ state Governments under various projects / schemes have been properly accounted for and released to the beneficiaries/ spent/ utilized as per guidelines and terms & conditions as mentioned in the relevant sanction letters.
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For BRAHMAYYA & CO.,
Chartered Accountants
Firms' Registration Number: 000513S

Place: Hyderabad
Date: 11-09-2019

Sd/-
(C. V. Ramana Rao)
Partner
Membership Number: 018545



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

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

We have audited the internal financial controls over financial reporting of Southern Power Distribution Company of Telangana Limited (Formerly known as Central Power Distribution Company of Andhra Pradesh Limited) (“the Company”), Hyderabad, as of 31st March, 2019 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 financial controls system over financial reporting.

C. Meaning of Internal Financial Controls over Financial Reporting

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

D. Inherent Limitations of Internal Financial Controls over Financial Reporting

6. Because of the inherent limitations 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 financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

E. Qualified Opinion

7. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal controls over financial reporting as at March, 2019.
8. Absence of control in respect of:
 - a. Seeking balance confirmations and performing periodical reconciliations of various receivables, payables, deposits, advances etc.
 - b. Conducting bank reconciliation of bank pool account operated by TSPCC.



- c. Capitalization of capital work orders without work order completion certificates and non-closure of work orders.
 - d. Reconciliation of various modules information with Finance module in SAP.
9. A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is reasonable possibility that a material misstatement/(s) of the company's annual financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" and except for the possible effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the company's internal financial controls over financial reporting were operating effectively as at 31st March, 2019.

For BRAHMAYYA & CO.,
Chartered Accountants
Firms' Registration Number: 000513S

Sd/-

(C. V. Ramana Rao)

Partner

Membership Number: 018545

Place: Hyderabad

Date: 11-09-2019



C & AG REPORT





**OFFICE OF THE ACCOUNTANT GENERAL (Audit)
Telangana, Hyderabad-500 004**

No. AG(Audit)/ES(Power)/TSSPDCL/AA-18-19/2019-20/164 Dated: 12.12.2019.

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

Sir,

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 31st March, 2019.

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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, 2019 for necessary action.

1. The date of placing of Comments along with Annual Accounts and Auditors' Report before the Shareholders of the Company may be intimated and a copy of the proceedings of the meeting may be furnished.
2. The date of forwarding the Annual Report and the Annual Accounts of the Company together with the Auditors' Report and Comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be communicated.
3. Ten copies of the Annual Report for the year 2018-19 may be furnished in due course.

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

Yours Faithfully,

Sd/-

Senior Deputy Accountant General (ES)

Encl: As above

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH, 2019.

The preparation of financial statements of Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on Independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11.09.2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of the Southern Power Distribution Company of Telangana Limited for the year ended 31 March 2019. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors, company personnel and a selective examination of some of the accounting records.

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

A. Comments on Profitability:

Statement of Profit & Loss

Other Income (Note No. 22) - Rs. 231.32 Crore

- 1) This includes an amount of Rs. 52.13 Crore being the amount of bank guarantees forfeited (including Rs. 9.10 Crore pertaining to Ananthapur and Kurnool Districts of Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL) by the Company during the year 2018-19 in respect of Coastal Paper Power Limited (CALP). Since the District of Kurnool and Ananthapur were merged with APSPDCL, the income should have been accounted after reducing their share of Rs. 9.10 Crore, which was not done. This has resulted in overstatement of other income and understatement of current liabilities by Rs. 9.10 Crore with consequential understatement of loss by the same amount.

Expenses

Finance Cost (Note-26) – Rs.1296.10 crore

- 2 (a) The above does not include an amount of Rs. 284.45 Crore being the amount of surcharge on late payment payable to Singareni Thermal Power Plant (STPP) as per clause 6.3.2 of Power Purchase Agreement (PPA). The STPP adjusted the late payment surcharge from the amount paid by the

company on account of power bills as per clause 6.1.6 of the PPA. However, the company has not provided the same in the books of accounts. This has resulted in understatement of finance cost and trade payable (note 8) by Rs. 284.45 Crore. Consequently the loss for the year is also understated by same amount.

- (b) The above is understated by Rs. 125.87 Crore due to non accounting for surcharge for the late payment claimed by thermal power generator – M/s Sembcorp Energy India Limited as per terms of PPA. However, no provision towards surcharge was made in the Accounts. This has resulted in understatement of finance cost and trade payable (note 8) by Rs. 125.87 Crore and consequently understatement of the loss for the year by same amount.

B. Comments of Financial Position:

Balance Sheet

Equity and Liabilities

Noncurrent liabilities

Long term provisions (Note 6) – Rs. 1849.62 Crore

Pension and gratuity trust – Rs. 1082.94 Crore

3. The above is understated by Rs. 6115.04 crore due to short provision of liability towards pension and gratuity of APSEB origin employees (those on rolls and those who retired between 01.02.1999 and 31.03.2019). The company arrived at its share of 26 *percent* of the pension and gratuity liability of APSEB employees based on actuarial valuation at Rs. 2338.46 Crore and provided in the accounts. Based on this valuation (26 percent), the remaining portion of pension & gratuity liability (74 percent) was estimated at Rs. 6393.06 Crore, Against this, assets available in the master trust were Rs. 281.02 Crore. As per clause 4(d) and 4(q) of the tripartite agreement dated 09.09.1997, the company is primarily responsible for meeting the retirement obligation of APSEB origin employees and hence the total liability towards the retirement benefits should have been provided. However, the company did not provide for 74 percent pension and gratuity liability. The amount of short provision works out to Rs. 6115.04 Crore on estimated basis after deducting the share of assets from the total liability. This has resulted in understatement of employee benefit expenses (note 24) and long term provisions by Rs. 6115.04 Crore. Consequently, the loss for the year is also understated by same amount.

C. Comments on disclosure

Revenue from Operation (Note No-21) - Rs. 23899.76 Crore.

Tariff subsidy Rs. 1397.50 Crore.

4. As against tariff subsidy amount of Rs. 1397.50 Crore, accounted by the Company as per approval of TSERC, the State Government has provided tariff subsidy of Rs. 1172.56 Crore in the budget

(2018-19) and the balance amount of Rs. 224.94 Crore was neither assured not committed (Nov 2019). The fact regarding non-commitment of the reimbursement of tariff subsidy by the State Govt. should have been disclosed in the notes to Accounts.

Employee Benefit Expenses (Note No-24) - Rs. 2134.86 Crore

- 5 (a) The above include an amount of Rs. 21.99 Crore towards additional fitment of 7.5 percent in the revision of pay scales of the pensioners. Hon'ble Chief Minister of Telangana has announced (01.09.2018) 35 percent fitment benefit to all the employees and pensioners of electricity Companies. However, the company has allowed additional fitment of 7.5 percent to pensioners in addition to 35 percent. Since, additional fitment of 7.5 percent does not have the approval of the Govt, the same should have been disclosed in the notes to accounts, which was not done.
- (b) As per the guidelines issued (2002) by the Department of Public enterprises, the public enterprises can revise their pay scales only subject to prior approval of Administrative Department. However, the company has revised the pay scale without the prior approval of Administrative Department. This fact was not disclosed in the notes to Accounts.

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

Place: Hyderabad.

Date: 12.12.2019

Sd/-
(SUDHA RAJAN)
Accountant General (Audit)



PROXY FORM

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(Formerly Central Power Distribution Company of Andhra Pradesh Ltd)

Form No. MGT -11

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

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

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

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

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

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

Resolution No.

1.
2.
3.

Affix
Revenue
Stamp

Signed this day of, 20..

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 for F.Y. 2018-19

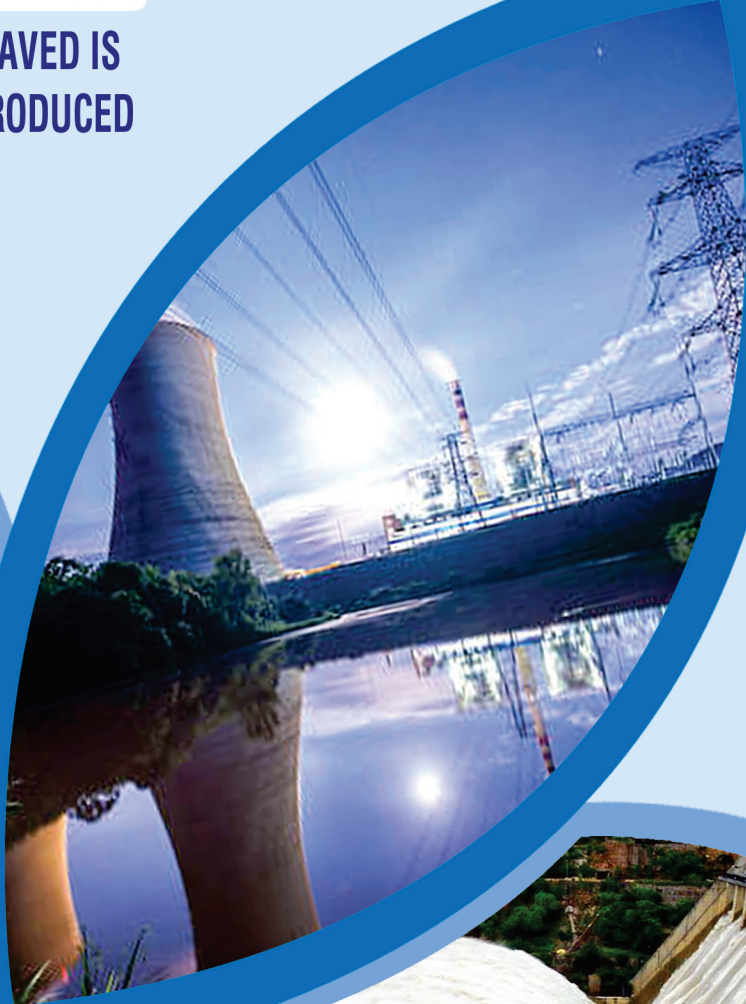
Consumer Category	No. of Consumers (Excluding Bill Stopped)	KWH Sales (MU)	KVAH Sales (MU)	Revenue (Rs.Crs)	% of Units Sold on kvah	Average Realisation (Rs/Unit) kvah	2017-18 Average Realisation (Rs/Unit) (kvah)
L.T. Cat.-I Domestic	6158298	8101.38	8101.36	3,787.14	32.47	4.67	4.66
L.T. Cat.-II Non-Domestic	826217	2557.48	2636.27	2,675.06	10.57	10.15	10.14
L..T.Cat-III Industrial	42920	894.18	969.35	749.26	3.89	7.73	7.60
L.T. Cat-IV Cottage Industries	4075	9.43	9.43	4.29	0.04	4.55	4.53
L.T. Cat-V Agriculture	1115775	12637.78	12637.78	40.51	50.66	0.03	0.03
L.T. Cat-VI Street Lights	73430	497.35	497.35	314.39	1.99	6.32	6.33
L.T. Cat-VII General Purpose	22196	75.68	75.71	57.35	0.30	7.57	7.52
L.T. Cat-VIII Temporary Supply	1828	19.93	19.99	26.17	0.08	13.09	17.73
L.T. Total	8244739	24793.22	24947.25	7,654.17	100.00	3.07	3.14
H.T. Cat.I Industrial	5105	10838.60	11011.32	8,407.68	69.46	7.64	7.85
H.T. Cat.II Others	3442	2337.96	2415.87	2,362.89	15.24	9.78	9.62
H.T. Cat.III Aviation	11	75.41	75.65	57.61	0.48	7.62	6.79
H.T. Cat.IV Agricultural	315	1759.51	1802.27	1,114.98	11.37	6.19	6.54
H.T. Cat.V Railway Traction	12	269.78	268.61	163.26	1.69	6.08	6.47
H.T. Cat.VI Residential	156	165.19	168.77	114.93	1.06	6.81	6.78
H.T. Temp.	218	102.83	110.87	161.15	0.70	14.54	11.45
H.T. Total	9259	15549.28	15853.36	12382.50	100.00	7.81	8.00
L.T. + H.T. Total	8253998	40342.50	40800.61	20,036.67		4.91	4.90
Add: Electricity Duty				163.34			
Gross Revenue				20,200.01			

LT + HT + Customer Charges (Tariff Revenue)





**ENERGY SAVED IS
ENERGY PRODUCED**



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(A Govt. of Telangana Undertaking)

CIN No. U40109TG200SGC034116

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

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