# Telangana Power Generation Corporation Limited

(Formerly Telangana State Power Generation Corporation Limited)

**ANNUAL ACCOUNTS FOR THE YEAR 2023-24**

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

**BOARD OF DIRECTORS**

**Sarva Sri/Smt**

| | | |
|---|---|---|
| D Ronald Rose | Chairman & Managing Director/FAC | From 26.08.2024 |
| S.A.M Rizvi | Chairman & Managing Director/FAC | From 15.12.2023 to 26.08.2024 |
| D. Prabhakar Rao | Chairman & Managing Director | From 04.06.2014 to 04.12.2023 |
| M. Sachchanandam | Director (Projects) | From 05.08.2014 |
| CH. Venkata Rajam | Director (Hydel) | From 05.08.2014 |
| S. Ashok Kumar | Director (HR) | From 28.11.2014 to 12.01.2024 |
| B. Laxmaiah | Director (Thermal) | From 05.09.2018 |
| A. Ajay | Director (Civil) | From 05.09.2018 |
| T R.K.Rao | Director (Commercial & Fuel)<br>Director (Finance) FAC | From 10.06.2019 to 14.12.2023 |
| K. Rama Krishna Rao, I.A.S | Director (Non-Whole time) | From 16.04.2015 |
| G.P.R Hrudaya | Company Secretary | From 01.10.2016 |

**STATUTORY AUDITORS**
M/s. Laxminiwas & Co.,
Chartered Accountants,
# 6-3-569, 4th floor, Opp: RTA Office
Above BMW showroom, Khairatabad,
Hyderabad -500082.

**REGISTERED OFFICE**
Vidyut Soudha,
Hyderabad - 500082

**COST AUDITORS**
M/s. Nageswara Rao & Co
Cost Accountants
Hyderabad

**SECRETARIAL AUDITORS**
Kuldeep Bengani & Associates LLP,
Company Secretaries, 1-7-264,
7001, 7th Floor, Emerald House,
S D Road, Secunderabad -500003.

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Balance Sheet as at 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Particulars | Note No. | As at 31.03.2024 | As at 31.03.2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Non-current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 18280.03 | 19350.00 |
| (b) Capital Work-in-Progress | 5 | 26579.54 | 21087.68 |
| (c) Other Intangible Assets | 4 | 17.25 | 16.20 |
| (d) Financial Assets | | | |
| (i) Investments | 6A | 940.42 | 940.42 |
| (ii) Loans | 6B | 83.32 | 77.10 |
| (iii) Other Financial Assets | 6C | 55.88 | 43.36 |
| (e) Other Non-current Assets | 7 | 305.66 | 403.53 |
| **Total Non-current Assets** | | 46,260.09 | 41,918.09 |
| Current Assets | | | |
| (a) Inventories | 8 | 927.65 | 971.97 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 9 | 12062.38 | 9,977.08 |
| (ii) Cash and Cash equivalents | 10 | 208.57 | 306.28 |
| (iii) Bank balances other than (ii) above | 11 | 0.04 | 12.67 |
| (iv) Loans | 12 | 11.16 | 10.19 |
| (v) Other Financial Assets | 13 | 723.52 | 737.66 |
| (c) Other Current Assets | 14 | 21.27 | 29.04 |
| **Total Current Assets** | | 13,953.59 | 12,044.88 |
| **Total Assets** | | 60,213.68 | 53,962.97 |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| (a) Equity Share Capital | 15 | 869.64 | 869.64 |
| (b) Other Equity | 16 | 6091.96 | 5665.04 |
| **Total Equity** | | 6,961.60 | 6,534.68 |
| **LIABILITIES** | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17A.1, 17A.2 | 29166.68 | 29603.67 |
| (ii) Pension Bonds | 17A.3 | 683.59 | 620.13 |
| (iii) Other Financial Liabilities | 17B | 1178.96 | 1058.74 |
| (b) Provisions | 18 | 3319.57 | 3342.87 |
| (c) Deferred Tax Liabilities (net) | 19 | 1017.05 | 971.33 |
| Total Non-current Liabilities | | 35,365.85 | 35,797.71 |

| | | | |
|---|---|---|---|
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20A | 3580.68 | 3288.26 |
| (ii) Trade Payables | 20B | 10617.44 | 3023.97 |
| (iii) Other Financial Liabilities | 21 | 3092.59 | 2701.80 |
| (b) Provisions | 22 | 553.89 | 305.40 |
| (c) Current Liability | 23 | 225.48 | 196.18 |
| (d) Current Tax Liability (net) | 24 | 15.97 | 22.86 |
| (e) Other Current Liabilities | 25 | 0.28 | 0.15 |
| **Total Current Liabilities** | | 17,886.23 | 11,630.58 |
| **Total Equity and Liabilities** | | 60,213.68 | 53,962.97 |

**Refer Note 1 for company information and significant accounting policies**

**The accompanying notes 1 to 47 form an integral part of these financial statements**

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

For **Laxminiwas & Co.,**
Chartered Accountants
Firm Regn.No.011168S

Guharoy Ashish Kumar
Partner
M.No.018659
Place: Hyderabad
Date: 09.09.2024

E.Anuradha
FA&CCA (Audit) and CFO & Director (Finance)/LA

D.Ronald Rose, I.A.S
Chairman & Managing Director/FAC
(DIN No. 08930580)

G.P.R Hrudaya
Company Secretary

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| | Particulars | Note No. | For the year ended 31.03.2024 | For the year ended 31.03.2023 |
|---|---|---|---|---|
| I | Revenue From Operations | 26 | 16416.58 | 15614.37 |
| II | Other Income | 27 | 289.21 | 308.00 |
| III | Total Income (I + II) | | 16,706.09 | 15,922.37 |
| IV | EXPENSES | | | |
| | Cost of Materials Consumed (Coal & Oil) | 28 | 9244.96 | 7928.37 |
| | Employee Benefits Expense | 29 | 2282.72 | 2114.48 |
| | Finance Costs | | | |
| | i) Interest on Borrowings | 30A | 1526.39 | 1561.85 |
| | ii) Interest on Pension & Gratuity Bonds (Pension Payments) | 30B | 1360.55 | 1348.17 |
| | Depreciation and Amortization Expense | 31 | 1323.76 | 1437.35 |
| | Other Expenses | 32 | 421.30 | 419.85 |
| | Total Expenses (IV) | | 16,159.70 | 14,810.06 |
| V | Profit/(loss) before exceptional items and tax (III - IV) | | 546.39 | 1,112.32 |
| VI | Exceptional Items | | - | - |
| VII | Profit/(loss) before tax (V + VI) | | 546.39 | 1,112.32 |
| VIII | Tax Expense | | | |
| | (1) Current Tax | 36 | 105.09 | 19.96 |
| | (2) Tax relating to Prior Periods | | - | - |
| | (3) Deferred Tax | | 37.11 | 183.40 |
| IX | Profit/(loss) for the year (VII - VIII) | | 404.19 | 908.96 |
| X | Other Comprehensive Income | | | |
| | A) Items that will not be reclassified to profit or loss | | | |
| | Re-measurement gain/ (loss) on defined benefit plans | | 30.37 | (582.67) |
| | Tax relating to re-measurement gain/ loss on defined benefit plans | | (7.64) | 146.65 |
| | B) Items that will be reclassified to profit or loss | | | |
| XI | Total Comprehensive Income for the year (IX+ X) (Comprising Profit/(Loss) and Other Comprehensive Income for the year) | | 426.92 | 472.94 |
| XII | Earning per Equity Share (in INR.): | | | |
| | Basic - 86,96,40,000 equity shares of Rs.10/- each | 35 | 4.65 | 10.45 |
| | Diluted - 86,96,40,000 equity shares of Rs 10/- each | 35 | 4.65 | 10.45 |

**Refer Note 1 for company information and significant accounting policies**

**The accompanying notes 1 to 47 form an integral part of these financial statements**

This is the Profit and Loss Statement referred to in our report of even date

For Laxminiwas & Co.,
Chartered Accountants
Firm Regn.No.011168S

Guharoy Ashish Kumar
Partner
M.No 018659
Place: Hyderabad
Date: 09.09.2024

For and on behalf of the Board

E.Anuradha
FA&CCA (Audit) and CFO
& Director (Finance)/LA

D.Ronald Rose, I.A.S
Chairman & Managing Director/FAC
(DIN No. 08930580)

G.P.R Hrudaya
Company Secretary

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

# Telangana Power Generation Corporation Limited

(Formerly Telangana State Power Generation Corporation Limited)

**Cash flow Statement for the year ended 31st March, 2024**

(All amounts in crores rupees except as otherwise stated)

| | Particulars | For the year ended [illegible] | For the year ended [illegible] |
|---|---|---|---|
| 1) | **Cash flow from Operating Activities** | | |
| | Profit Before Tax | 546.39 | 1,112.32 |
| | Adjustments | | |
| | Depreciation and Amortisation | 1,323.79 | 1,437.83 |
| | Interest Income | (2.28) | (3.47) |
| | Interest Expense on Borrowings | 1,556.59 | 1,661.85 |
| | Unwinding of discount on security deposit and employee loans | (17.55) | (11.20) |
| | Fly Ash Utilisation Fund/Income from sale of fly ash | - | (50.52) |
| | Loss/(Profit) on derecognition of Assets of KTPS - A, B and C Stations | (172.67) | (172.67) |
| | Operating Profit before Working Capital Changes | 3,209.25 | 3,973.69 |
| | Movement in Working Capital | | |
| | (Increase)/ decrease in Trade Receivables | (2,081.30) | 997.64 |
| | (Increase)/ decrease in Inventories | (25.54) | (325.58) |
| | (Increase)/ decrease in Loans | 5.36 | 5.92 |
| | (Increase)/ decrease in Bank balance other than Cash and Cash equivalent | 12.63 | (0.29) |
| | (Increase)/ decrease in Other Financial Assets | 2.46 | (41.27) |
| | (Increase)/ decrease in Other Assets | (53.60) | 46.59 |
| | (Decrease)/ increase in Trade Payables | 5,591.54 | (1,999.25) |
| | (Decrease)/ increase in Other Financial Liabilities | 191.39 | 632.85 |
| | (Decrease)/ increase in Provisions | 165.56 | (164.78) |
| | (Decrease)/ increase in Other Liabilities | 27.30 | (81.68) |
| | (Decrease)/ increase in Other Current Liabilities | (0.07) | (0.10) |
| | Cash generated from Operating Activities | 7,066.91 | 3,063.04 |
| | Tax (Paid)/ Refund | (112.00) | - |
| | **Net Cash Flow from Operating Activities (1)** | **6,954.91** | **3,063.04** |
| 2) | **Cash Flow from Investing Activities** | | |
| | Payment for Property, Plant & Equipment, Intangible and CWIP | (5,218.11) | (5,619.35) |
| | Receipt on sale of Assets (KTPS A,B and C stations) | 242.50 | 242.53 |
| | Interest Received | 1.21 | 2.93 |
| | **Net Cash used Investing Activities (2)** | **(4,974.35)** | **(5,374.89)** |
| 3) | **Cash Flow from Financial Activities** | | |
| | Proceeds from Borrowings | 5,621.62 | 5,046.15 |
| | Repayment of Borrowings* | (6,138.04) | (2,303.45) |
| | Interest Expense | (1,467.87) | (1,673.51) |
| | Net outflow on Pension Funds | (93.95) | (83.56) |
| | **Net Cash Flow Financing Activities (3)** | **(2,078.26)** | **985.63** |
| 4) | **Net (decrease)/ increase in Cash and Cash Equivalents (1+2+3)** | (97.70) | (1,325.63) |
| | Add: Cash and Cash Equivalents at 1st April | 306.28 | 1,631.90 |
| | Closing Cash and Cash Equivalent at 31st March (Refer Note 10) | 208.57 | 306.28 |

Changes in Liabilities arising from Financing Activities

| Particulars | Opening Balance | Cash Flow | Non Cash Changes | Closing Balance |
|---|---|---|---|---|
| Borrowings | 22,798.15 | (516.44) | 150.43 | 22,432.14 |
| Pension Funds | 939.52 | (93.95) | (25.44) | 820.13 |

* Includes pre payment of Rs 1800.00 crores to M/s REC to comply with disbursement norms (exposure limits) of M/s REC.

This is the Cash Flow Statement refered to in our report of even date

For and on behalf of the Board

For Laxminiwas & Co.,
Chartered Accountants
Firm Regn. No.011168S

Guharoy Ashish Kumar
Partner
M.No.018659
Place: Hyderabad
Date: 09.09.2024

E.Anuradha
FA&CCA (Audit) and CFO
& Director (Finance)/LA

D.Ronald Rose, I.A.S
Chairman & Managing Director/FAC
(DIN No.08930580)

G.P.R Hrudaya
Company Secretary

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

*STATEMENT OF CHANGES IN EQUITY*

**Name of the Company**: TELANGANA POWER GENERATION CORPORATION LIMITED

**(Formerly Telangana State Power Generation Corporation Limited)**

**(1) Current reporting period (FY:2023-24)** (Rs in Crores)

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|---|---|---|---|---|
| 869.64 | - | - | - | 869.64 |

**(2) Previous reporting period (FY:2022-23)** (Rs in Crores)

| Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|---|---|---|---|---|
| 869.64 | - | - | - | 869.64 |

**B. Other Equity**

**(1) Current reporting period : FY:2023-24**

(Rs in Crores)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus: Capital Reserve | Reserves and Surplus: Other Reserves (Re-organisation Resultant Reserve) | Reserves and Surplus: Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Fly ash utilisation fund | Other items of Other Comprehensive Income (specify nature) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance at the beginning of the current reporting period | - | | | 3,865.21 | 1,799.82 | - | - | - | - | 5,665.04 |
| Changes in accounting policy or prior period errors | | | | - | | - | - | | | - |
| Restated balance at the beginning of the current reporting period | - | - | - | 3,865.21 | 1,799.82 | - | - | - | - | 5,665.04 |
| Total Comprehensive Income for the current year | - | - | - | | 426.92 | | - | - | - | 426.92 |
| Dividends | - | - | - | | - | - | - | - | - | |
| Transfer to retained earnings | - | - | - | - | 426.92 | - | | - | - | 426.92 |
| Any other change (Transfer to non tariff income) | - | - | - | - | | | | - | | |
| Balance at the end of the current reporting period | | | | 3,865.22 | 2,226.74 | - | - | - | - | 6,091.96 |

**(2) Previous reporting period: FY: 2022-23**

(Rs in crores)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus: Capital Reserve | Reserves and Surplus: Other Reserves (Re-organisation Resultant Reserve) | Reserves and Surplus: Retained Earnings | Debt instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Fly ash utilisation fund | Other items of Other Comprehensive Income (specify nature) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance at the beginning of the current reporting period | - | - | - | 3,865.21 | 1,326.88 | - | - | 50.52 | - | 5,242.61 |
| Changes in accounting policy or prior period errors | - | - | - | | | | | | | |
| Restated balance at the beginning of the current reporting period | - | - | - | 3,865.21 | 1,326.88 | - | - | 50.52 | - | 5,242.61 |
| Total Comprehensive Income for the current year | - | - | - | - | 472.94 | - | - | 52.03 | - | 524.97 |
| Dividends | - | - | - | - | - | - | - | | - | - |
| Transfer to retained earnings | - | - | - | - | 472.94 | - | - | 52.03 | - | 524.97 |
| Any other change (Transfer to non tariff income) | | | - | - | | - | - | (102.55) | - | (102.55) |
| Balance at the end of the current reporting period | - | - | - | 3,865.21 | 1,799.82 | | - | | - | 5,665.04 |

Note: "Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus"

1. **Material Accounting Policies and Information**

**A. Corporate information**

Telangana Power Generation Corporation Limited ('TGGENCO'/"the Company") was incorporated on 19-05-2014 under the Companies Act, 2013 by the then Government of Andhra Pradesh with the principal objective of succeeding to the Demerged Undertaking of the power generation business in the State of Telangana from the erstwhile Andhra Pradesh Power Generation Corporation Limited (APGENCO) pursuant to the provisions of Andhra Pradesh Reorganisation Act, 2014 (APROA,2014) and with the objectives as set out in the objects clause of the Memorandum of Association of the Company

The Registered Office of the company is located at Vidyut Soudha, Hyderabad.

These financial statements were approved for issue in accordance with a resolution of the directors on 09-09-2024.

**B. Material accounting policies**

1. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), applicable provisions of Companies Act, 2013 and the applicable provisions of the Electricity Act, 2003. The Indian Accounting Standards (Ind AS) are prescribed under the Section 133 of Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

These financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

These financial statements are presented in INR and all values are rounded to the nearest Crores (INR 0,000,000), except when otherwise indicated.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or for the purpose of better presentation of financial statements. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting policies as applicable.

2. **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. **Summary of material accounting policies**

A summary of the material accounting policies applied in the preparation of the financial statements are as given below.

a. **Property, Plant and Equipment**

In respect of fixed assets apportioned to the company pursuant to the AP Reorganisation Act, 2014 historical cost represents the carrying amounts of such assets in the books of APGENCO, as at the end of office hours on 1st June 2014.

Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebates), the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. When parts of an item of property, plant and equipment has different useful lives, they are recognised separately. Likewise, when a major inspection and overhauls is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

In case of commissioned assets, where final settlement of bills with the contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months

**Change of Depreciation policy w.e.f., 01/04/2019:**

"Depreciation is charged under straight -line method at the rates notified by Hon'ble Central Electricity Regulatory Commission (CERC) as adopted by Hon'ble TSERC in its Generation Tariff Regulation 2019 w.e.f.,01-04-2019 except where cost of acquisition of an asset does not exceed INR 5000 in which case it is charged 100% in the year of acquisition. Assets are depreciated up to 90% of the historical cost over the life of the assets. Depreciation on additions to / deductions from fixed assets is provided on pro-rata basis from/up to the month in the year in which the assets become available for use/disposed."

The new Accounting Policy on Depreciation would comprise of following:

- Depreciation shall be calculated annually, based on straight line method and at the rates specified in CERC (Terms and conditions of Tariff) Regulations, 2014 as amended from time to time.
- The salvage value of the asset shall be considered as 10% and depreciation shall be charged up to maximum of 90% of the capital cost of the asset.
- In respect of Intangible Assets and capital spares, depreciation shall be charged up to 100% of the asset.
- Remaining depreciable value as on 31st March of the year closing after a period of twelve (12) years from the effective COD of the station shall be spread over the balance useful life of the assets or extended useful life
- Provided further that in case of repayment of entire loan is earlier than the period of twelve (12) years from the effective COD, the remaining depreciable value as on 31st March of the year of repayment, shall be spread over the balance useful life of the assets or extended useful life.
- Depreciation in case of plants that have been renovated and modernised shall be allowed on the net asset value over the revised useful life of the plant for the

existing assets. For new assets that have been installed as part of modernisation and renovation, depreciation shall be allowed equally over the extended life.

- In case of De-Capitalisation of assets the cumulative depreciation shall be adjusted by taking into account the depreciation charged on the de-capitalised asset.

- In case of free hold lands used for mining operations are amortised based on the estimated mining reserve over the life of the respective mine/ project.

Internal electrical wiring, fittings etc., are treated as part of buildings and as such depreciation applicable to buildings is charged thereon.

An item of property, plant and equipment and any material part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised (unless Ind AS 116 requires otherwise on sale and lease back).

Where the cost of depreciable assets has undergone a change during the year due to price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively over its residual life, at the rate of depreciation applicable to the said assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act. 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet on 1st April 2015.

b. **Capital work in progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to location and condition necessary for it to be capable of operating in the manner intended by the management and borrowing cost

The Company had elected to consider the carrying value of all its capital work in progress appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013. read together with Rule 7 of the Companies (Accounts) Rules. 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet on 1st April 2015.

**c. Intangible assets**

Intangible assets acquired separately, which have finite useful life, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

Intangible assets with finite lives are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

SAP License / Implementation cost is amortised over a period of 36 months.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and Development expenditure is charged to the Profit and Loss statement in the year of incurrence. The expenditure on fixed assets relating to Research and Development is treated in the same way as other fixed assets.

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet on 1st April 2015.

**d. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. The borrowing cost incurred on funds borrowed generally and used for the purpose of obtaining a qualifying capital asset, is capitalised applying a capitalisation rate on weighted average basis. Other borrowing costs are recognised as an expense in the period in which these are incurred.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**e. Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The company does not carry any inventory of finished goods i.e. Electricity.

Inventories like coal, oils and stores and spares are valued at cost on weighted average basis.

Scrap is valued at estimated net realisable value.

Provision for diminution if any for whatever reason, in value of materials and spares is made from time to time, as per an appropriate and prudent policy determined by the company.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of captive coal from Tadicherla coal block is valued as per Ind AS - 2.

**f. Provision and contingent liabilities**

***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

***Decommissioning liability***

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

***Contingent liabilities***

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**g. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions.

Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of the reporting period, are translated at the functional currency's spot rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognized upto 31st March, 2016 are adjusted to carrying cost of property, plant & equipment.

**h. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**i. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value.In the case of financial assets not recorded at fair value through profit or loss and also added thereto, the transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified into four categories

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

***Debt instruments at amortised cost***

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

***Debt instrument at FVTOCI***

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

***Debt instrument at FVTPL***

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

The company has not designated any debt instrument as at FVTPL.

***Equity Investments***

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

*As per AP Reorganisation Act, 2014, the Company has recognised its share of Investment in unsecured redeemable non-convertible bonds of AP DISCOMS, Investment in shares of Andhra Pradesh Power Development Company Limited, and Investment in shares of Andhra Pradesh Gas Infrastructure Corporation Private Limited. As the given investments are under resolution with Andhra Pradesh Power Generation Company Limited and in the absence of complete details about the terms and conditions, management believes that the amortised cost of APDISCOMS bonds and fair value of investment in equity shares are not reliably measurable. Hence these investments has been carried at the amount recognised as per AP Reorganisation Act, 2014*

***De-recognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

***Impairment of financial assets***

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Financial Instruments that are debt instrument and re-measured at FVOCI.
- Lease receivables under Ind AS 116.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and other financial instruments

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below.

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

*Financial Liabilities at amortised cost*

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

*De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

*Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

j. **Fair value measurement**

The Company measures financial instruments, such as investment in equity instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**k. Revenue recognition**

Company's revenues arise from sale of energy, consultancy, project management & supervision services and other income. Revenue from sale of energy is mostly regulated and governed by the applicable ERC Tariff Regulations under Electricity Act, 2003. Revenue from other income comprises interest from banks, employees, etc., sale of scrap, other miscellaneous income, etc.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the amount of consideration received or receivable (net of variable consideration), taking into account contractually defined terms of payment and excluding taxes or duties if any collected on behalf of the Government

***Sale of goods***

Sale of power is accounted for based on guidelines laid down under Electricity Regulatory Commission Regulations/Orders and Power Purchase Agreements with various State Government Power Distribution Companies or other customers.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration), allocated to that performance obligation net of returns and allowances.

The surcharge on late payment/ overdue Trade Receivables for sale of energy and the damages/penalties recovered from contractors/suppliers are recognised when no significant uncertainty exists as to their measurability or collectability.

***Rendering of services***

Revenue from O&M and supervision services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts.

***Other Income***

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

The gain or loss on sale of scrap is accounted for as and when scrap materials sold and lifted by the customers.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend income is recognized when the company's right to receive dividend is established.

**l. Employee benefits**

*Short term benefits*

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

*Post-employment benefits and other long term employee benefits*

In respect of employees recruited before 01/02/1999 and transferred to the company pursuant to the AP Reorganisation Act, 2014 liability for pension, gratuity, leave encashment benefits and medical benefits is provided based on actuarial valuation made at the end of the year which is computed using projected unit credit method. Gains/losses arising out of actuarial valuation are recognised in the profit and loss account as income/expense. The said employees are not entitled to Provident Fund on retirement.

The contributions made by the employees recruited before 01/02/1999 to General Provident Fund are credited to Telangana GENCO Provident Fund Trust. The Company has the obligation to make good the shortfall if any between the return from the investment of the Trust and the notified interest rate. The contribution if any towards such shortfall will be accounted for in the year in which it is made.

In respect of employees recruited after 01/02/1999, and transferred to the company pursuant to the AP Reorganisation Act, 2014 the Company makes defined contributions to the Regional Provident Fund Commissioner under the provisions of Employee Provident Fund & Miscellaneous Provisions Act for provident fund and pension. The Company has no further obligation for Provident Fund/Pension beyond the monthly contributions. Estimated liability for gratuity, leave encashment benefits and medical benefits in respect of the said employees, is provided based on actuarial valuation made at the end of the year which is computed using projected unit credit method.

The contributions made by the employees towards Group Insurance Scheme are carried over under the head 'Employee Related Funds' along with other long term Employee Related Funds.

**With respect to other long term benefit plans i.e. leave encashment**

All Gains/losses arising out of actuarial valuation are recognised in the profit and loss account as income/expense.

**With respect to defined benefit plan i.e. gratuity**

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

## m. Taxes

Income tax expense comprises current and deferred tax.

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

*Deferred tax*

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**n. Leases**

**a. As a Lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**b. As a Lessor**

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the customer the right to control the use of the underlying asset. Arrangements that do not take the legal form of a lease but convey rights to customers/ suppliers to use an asset in return for a payment or a series of payments are identified as either finance leases or operating leases.

**Accounting for finance leases**

Where the Company determines a long term Power Purchase Agreement (PPA) to be or to contain a lease and where the off taker has the principal risk and rewards of ownership of the power plant through its contractual arrangements with the Company, the arrangement is considered a finance lease. Capacity payments are apportioned between capital repayments relating to the provision of the plant, finance income and service income. The finance income element of the capacity payment is recognized as revenue, using a rate of return specific to the plant to give a constant periodic rate of return on the net investment in each period. The service income element of the capacity payment is the difference between the total capacity payment and the amount recognized as finance income and capital repayments and recognized as revenue as it is earned.

The amounts due from lessees under finance leases are recorded in the balance sheet as financial assets, classified as 'Finance lease receivables', at the amount equal to the net investment in the lease.

**Accounting for operating leases**

Where the Company determines a long term PPA to be or to contain a lease and where the Company retains the principal risks and rewards of ownership of the power plant, the arrangement is considered an operating lease.

For operating leases, the power plant is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating leases is recognized on a straight line basis over the term of the arrangement.

**o. Impairment of non-financial assets**

Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**p. Other expenses**

Expenditure incurred on identification, survey and feasibility studies before ascertaining feasibility of the project is charged to the profit and loss account in the year of incurrence.

Transit, Windage and Handling Loss of coal along with normal loss due to carpeting of coal is charged off to Statement of profit or loss net of gains if any.

**q. Use of estimates and management judgements**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed in note 31.

**r. 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 year are adjusted for the effects of all dilutive potential equity shares.

**s. Cash flow statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

**t. Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).

The Board of Directors is collectively the Company CODM within the meaning of Ind AS 108.

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

**2 Note on Opening balances of the Company as on 02.06.2014 pending finality of Demerger plan between APGENCO and TGGENCO**

2.1 On 1st March 2014, the Andhra Pradesh Reorganisation Act, 2014 received the assent of President for formation of Telangana State. The new state came into existence on 2nd June 2014. As per the Andhra Pradesh Reorganisation Act, 2014, all the State Corporations referred to in Ninth Schedule of the Act need to be bifurcated between the States of Andhra Pradesh and Telangana.

2.2 As per Section 53 of the Andhra Pradesh Reorganisation Act, 2014

"(1) The Assets and Liabilities relating to any commercial or industrial undertaking of the existing State of Andhra Pradesh, where such undertaking or part thereof is exclusively located in, or its operations are confined to a local area, shall pass to the state in which that area is included on the appointed day, irrespective of the location of its headquarters:

Provided where the operation of such undertaking becomes inter State by virtue of the provisions of Part II, the Assets and Liabilities,

(a) the operational units of the undertaking shall be apportioned between the two successor States on location basis

(b) the headquarters of such undertakings shall be apportioned between the two successor States on the basis of population ratio

(2) upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed by the successor States."

2.3 In G.O.Ms.No.24, Dt.29.05.2014 the Government of Andhra Pradesh made the rules for the purpose of providing and giving effect to the transfer of assets, properties, liabilities, obligations, proceedings and personnel of APGENCO to TGGENCO as per the relevant provisions of the AP Reorganisation Act, 2014 and the Electricity Reforms Act,1998 with the provisional figures of Assets and Liabilities as on 31.03.2014.

2.4 The Managing Director of residual APGENCO submitted the provisional demerger plan of combined APGENCO to the Secretary Expert Committee of Demerger of Govt. Corporations vide Lr.No.MD/FA&CCA/R&A/Jt. Dy CCA(Accts)/ SAO(Accts)/ AO(A)/ ... D.No.188/15, Dt.25.05.2015 and a copy communicated to Chairman & Managing Director/ TGGENCO.

2.5 The TGGENCO Board at its 11th Board Meeting held on 20.06.2015 noted that the provisional Demerger Plan is not in Accordance with the provisions of the AP Reorganisation Act, 2014 but also ridiculous, unilateral and thus not acceptable to TGGENCO. The deviations observed in the provisional demerger scheme were brought to the notice of expert committee vide Lr.No.FA&CCA/A/Dy CCA(A/Cs)/SAO(Accts)/AO(A/cs)/ BS/D.No.144/2015 Dt.20.06.2015 in its meeting held on 20.06.2015. Further, then a response of provisional demerger scheme was furnished to APGENCO and it was proposed to resolve the disputed matters on mutual consensus basis vide Lr.No.CMD/FA&CCA/Dy CCA(Accts)/SAO(A&A)/AO(Accts) BS/D.No.1XX/2015, Dt.07.06.2015.

2.6 TGGENCO arrived at the opening balances of the Company as on 02.06.2014 as per Section 53 and other relevant provisions of AP Reorganisation Act,2014 and compiled annual accounts for the period from 29th May, 2014 to 31st March 2015 being its first financial year. It is observed here that, the Director/Finance & Commercial/ APGENCO furnished a revised demerger plan to Expert committee vide their Lr.No. D(F&C)/FA&CCA/R&A/Jt. Dy.CCA/Accts/SAO(Accts)/ AO(Accts)/ D.No.177/15, Dt.01.12.2015 with a copy communicated to TGGENCO and again the latest revised final demerger proposal furnished on 17/04/2016. TGGENCO Board in its 33rd Board meeting examined the proposed final demerger plan submitted by residual APGENCO and endorsed the same with Dissent note, wherever there is deviation from the provision of the AP Reorganisation Act,2014.

2.7 Assets and Liabilities passed/ apportioned to Telangana State Government pursuant to Andhra Pradesh Reorganisation Act 2014, as assessed by TGGENCO and recognised in its accounts w.e.f. 02.06.2014 in anticipation of and pending formal vesting thereof in TGGENCO by the Government of Telangana.

INR in Crores

| Sl No | Particulars | As per APGENCO Revised Draft De-Merger | As per TGGENCO TB |
|---|---|---|---|
| A | Assets | | |
| 1 | TANGIBLE ASSETS | 7,790 | 7,807 |
| 2 | INTANGIBLE ASSETS | 6 | 8 |
| 3 | CAPITAL WORK-IN-PROGRESS | 4,987 | 4,568 |
| 4 | INVESTMENTS IN EQUITY INSTRUMENTS | 507 | 343 |
| 5 | LOANS AND ADVANCES | 173 | 1,7 |
| 6 | INVENTORIES | 354 | 355 |
| 7 | TRADE RECEIVABLES | 1,657 | 1,650 |
| 8 | CASH AND CASH EQUIVALENTS | 70 | 54 |
| 9 | SHORT-TERM LOANS AND ADVANCES | 41 | 39 |
| 10 | OTHER CURRENT ASSETS | 11 | 17 |
| 11 | PRELIMINARY EXPENSES | 3 | 3 |
| | **Assets Total** | 15,596 | 16,042 |
| B | Liabilities | | |
| 1 | LONG - TERM BORROWINGS | 7,444 | 7,446 |
| 2 | EMPLOYEE RELATED FUNDS | 1,017 | 1,347 |
| 3 | DEFERRED TAX LIABILITIES (NET) | 812 | 615 |
| 4 | OTHER LONG TERM LIABILITIES | 382 | 466 |
| 5 | LONG - TERM PROVISIONS | 115 | 138 |
| 6 | SHORT - TERM BORROWINGS | 759 | 269 |
| 7 | TRADE PAYABLES | 811 | 625 |
| 8 | OTHER CURRENT LIABILITIES | 714 | 750 |
| | **Liabilities Total** | 12,167 | 12,376 |
| C | **Share Holders Funds** | | |
| 1 | SHARE CAPITAL | 878 | |
| 2 | RESERVES AND SURPLUS | 1,026 | |
| 3 | RESULTANT FIGURES (ASSETS - LIABILITIES) | | 3,666 |
| | **Share Holders Funds Total** | 1,904 | 3,666 |
| D | **Reorganisation Adjustment Account** | 1,525 | - |

| | |
|---|---|
| | Material Variation between TGGENCO Draft demerger plan and Revised Draft De-Merger plan of APGENCO submitted to expert committee as shown above are as follows: |
| | a) In respect of Fixed Assets in APGENCO revised De-Merger Vidyut Soudha Building considered as Head Quarter Assets whereas TGGENCO opinion that as location based assets goes to Telangana. The impact of it is [illegible] Crores. |
| | b) In respect of Investment in APGENCO revised De-Merger investment in Equity of M/s APPDCL and APGPCL is considered as geographical location wise asset to Andhra Pradesh whereas TGGENCO opined that it is Head Quarter Assets and apportioned on Population ratio. The impact of it is Rs.[illegible] Crores. |
| | c) In revised De-Merger Plan submitted by APGENCO, APGENCO apportioned the Equity and Reserves on population ratio and an amount of Rs.[illegible] Crores treated as receivable to APGENCO and Payable by TGGENCO. Whereas TGGENCO opinioned that the result of these method is adverse to the Geographical status of AP Reorganisation Act,2014 and the difference between the Assets and Liabilities is treated as share holders fund. |
| 2.8 | The bifurcation of combined APGENCO P&G Trusts is yet to be completed. The Telangana share of investments in combined APGENCO P&G and PF Trusts investments are yet to be transferred. However, the investments [illegible] matured and interest realised during the period from 02.06.2014 to 30.09.2015 was transferred provisionally to TGGENCO P&G and PF Trusts. But the provisional sharing mechanism followed from 02-06-2014 to 30-09-2015 was dispensed by APGENCO Trust without assigning any reason. The aforesaid investment of Trust except those transferred provisionally continue to be in possession of APGENCO P&G and PF Trusts and the interest thereon for the year under report was received by the APGENCO P&G and PF Trusts. TSGT Master Pension and Gratuity Trust and TGGENCO P&G Trusts adopted balances in the APSEB Master Pension and Gratuity Trust & Erstwhile APGENCO Pension and Gratuity Trust as on 02.06.2014 based on population ratio of 41.68% as per AP Reorganisation Act,2014. |
| 2.9 | The De-merger plan has to be agreed upon by the respective Boards of Directors of TGGENCO and APGENCO and approved by the Governments of the State of Andhra Pradesh and Telangana and notified thereafter. Any variation to the TGGENCO assessed Assets and Liabilities will be considered in the books of account of the company in the year in which the said plan approved and notified. |
| 2.10 | Section 65 of Andhra Pradesh Reorganisation Act, 2014 empowers the successor State of Andhra Pradesh and Telangana to mutually agree upon the apportionment of Assets and Liabilities between themselves in a manner other than that provided in the Act. No such final agreement has been arrived at in so far as may be applicable to the affairs of APGENCO and TGGENCO. |
| 2.11 | The draft plan was submitted on 26.05.2015, 15.12.2016 and 17.04.2018 to the Expert Committee constituted by the Government of Andhra Pradesh to finalise the bifurcation of Schedule IX Companies. In the draft plan, the Nagarjuna Sagar HES and Nagarjuna Sagar Tail Pond Dam including power project were allocated on geographical location basis. The asset and liabilities values of Nagarjuna Sagar HES were apportioned based on Nagarjuna Sagar since the assets and liabilities are maintained under common books of account. For Nagarjuna Sagar Tail Pond Dam including power project is apportioned based on the Capital Work in Progress (CWIP) since the assets and liabilities are maintained under common books of account. |
| 2.12 | Vide D.O.Lr No 5614/Expert Committee/2014 Date 15-11-2018, the chairperson of expert committee communicated the recommendations of the committee to the state Govt/TGGENCO for approval. The concerned state Govt's yet to approve the recommendations of the committee. Hence, the demerger plan yet to get its finality. Upon notification to the demerger plan, if any variation to the TGGENCO assessed Assets and Liabilities will be considered in the books of account of the company in the year in which the said plan approved and notified. |

# Telangana Power Generation Corporation Limited

(Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

3 Property, Plant and Equipment (Please refer Note No.2.07)

| Particulars | Land And Land Rights* | Coal Mining Assets-Tadicherla # | Buildings | Hydraulic & Other Civil Works | Plant And Equipment | Office Equipment | Furniture & Fixtures | Vehicles** | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| As at 1st April, 2023 | 704.75 | 191.66 | 1,858.98 | 4,661.60 | 19,608.25 | 30.24 | 9.70 | 24.34 | 27,089.54 |
| Additions | 12.19 | - | 30.92 | 67.61 | 114.15 | 12.13 | 0.40 | 8.52 | 25[illegible].51 |
| Deductions/ adjustments | - | 19.72 | | | | | | | 19.72 |
| As at 31st March, 2024 | 716.94 | 172.[illegible] | 1,889.90 | 4,729.[illegible] | 19,722.[illegible] | 42.[illegible] | 10.10 | 32.86 | 27,[illegible] |
| Accumulated Depreciation | | | | | | | | | |
| As at 1st April, 2023 | - | 58.19 | 429.88 | 1,430.[illegible] | 5,763.[illegible] | 18.65 | 3.59 | 7.86 | 7,[illegible] |
| For the year | | 0.98 | 59.63 | 294.17 | 991.[illegible] | 2.[illegible] | 0.53 | 3.97 | 1,3[illegible] |
| Deductions/ adjustments | | 5.86 | | | | | | | 5.86 |
| As at 31st March, 2024 | - | 53.31 | 479.51 | 1,7[illegible] | 6,75[illegible] | 2[illegible] | 4.36 | 11.83 | 9,[illegible] |
| Net Block | | | | | | | | | |
| As at 31st March, 2023 | 704.75 | 133.49 | 1,429.10 | 3,230.[illegible] | 13,844.[illegible] | 11.59 | 6.12 | 16.48 | 19,3[illegible] |
| As at 31st March, 2024 | 716.94 | 120.[illegible] | 1,410.[illegible] | 3,[illegible].77 | 12,966.79 | 20.22 | 5.[illegible] | 21.03 | 18,[illegible] |

* Land & Land Rights includes land deposits for which the land is under the possession of the company pending [illegible]. Further, [illegible] construction of 400/220/132kv substation at KTPP as per the decision of the Board of Directors [illegible] is finalised.

** Includes [illegible]

\# Refer Note No.[illegible]

3.1 Gross carrying amount of the fully depreciated/amortised property, plant and equipment that are still in use

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Buildings | [illegible] | [illegible] |
| Plant & Machinery | [illegible] | [illegible] |
| Furniture & Fixtures | 1.63 | 0.98 |
| Office Equipments | 0.34 | [illegible] |
| Intangible Assets | 17.87 | 17.62 |
| Total | 1[illegible] | [illegible] |

4 Other Intangible assets

| Particulars | Application Software | Mining Rights | Total |
|---|---|---|---|
| Cost | | | |
| As at 1st April, 2023 | 24.17 | 0.00 | 16.[illegible] |
| Addition | 0.00 | 22.86 | 22.86 |
| Deletions | 0.00 | 0.00 | 0.00 |
| As at 31st March, 2024 | 24.17 | 22.86 | 39.[illegible] |
| Amortisation | | | |
| As at 1st April, 2023 | 15.92 | | 5.3[illegible] |
| For the year | 0.15 | 5.61 | 5.46 |
| Deductions/ adjustments | 0.00 | 0.00 | 0.00 |
| As at 31st March, 2024 | 16.17 | 5.61 | 21.78 |
| Net Block | | | |
| As at 1st April, 2023 | 0.85 | 0.00 | 0.85 |
| As at 31st March, 2024 | 0.00 | 17.25 | 17.25 |

a Note: The amortised balance of upfront fee and cost of Geological survey in respect of Tadicherla coal mine is regrouped to intangible assets from tangible assets & other deposits during the year to comply with the relevant Accounting Standard. The comparative figures are as follows.

| Particulars | As at 31.03.2024 | As at 31.03.2023 | As at [illegible] |
|---|---|---|---|
| Cost | 22.86 | 22.86 | 22.86 |
| Net Block | 17.25 | 19.20 | 20.[illegible] |

The following are the notes for Property, Plant and Equipment and Intangible Assets

b The Hon'ble Central Electricity Regulatory Commission (CERC) notified the depreciation rates for electricity industry vide notification [illegible] dated [illegible] March, 2019 as adopted by Hon'ble TSERC in its Generation Tariff Regulation 2019, [illegible] 01-04-2019. Accordingly all the assets are categorised under relevant heads. The company adopted the depreciation rates notified by Hon'ble CERC w.e.f. 01.04.2019. For the assets including Assets of the solar power generating station which are not categorised under any head, [illegible] for the purpose of [illegible] under [illegible].

c [illegible] on property, plant and equipment cost in the Corporation during the year INR [illegible] Crores (Previous Year INR [illegible] Crores) is capitalised and transferred [illegible] incidental expenditure during construction under the head Capital Work in Progress.

d Addition to Property, Plant And Equipment includes [illegible] INR [illegible] Crores [illegible] Property, Plant and Machinery [illegible] INR [illegible] Crores [illegible] foreign exchange variation.

e In respect of Assets [illegible] to the company pursuant to the AP Reorganisation Act, 2014 [illegible], the carrying amounts of such assets in the books of APGENCO as at [illegible] have been adopted as the cost of additions. In respect of assets subsequently acquired by the company, the costs of acquisition [illegible] and other necessary expenses to make the assets ready for their intended use have been adopted as the cost of additions/ [illegible].

f The assets, properties, liabilities, obligations, proceedings and personnel relating to [illegible] acquired through [illegible] of Erstwhile Andhra Pradesh Power Generation Corporation Limited pursuant to the provisions of Andhra Pradesh Reorganisation Act, 2014. The Transfer [illegible].

g Ministry of Coal, GoI has allotted [illegible] coal Block to TSGENCO to meet the coal requirement of KTPP Stage II (600 MW). Allotment Agreement was entered with Nominated Authority, Ministry of Coal, Government of India on 20.05.2015. Allotment Order to TSGENCO was issued on [illegible] for [illegible] million metric tonnes. As per the terms of the Allotment, the Company has to make a deposit with the Ministry of Coal in a dedicated Escrow Account for [illegible] activities.

M/s. AMR India Limited has been selected as Mine Developer Cum Operator (MDO) for Development and Operation of Tadicherla-I Coal Mine. Coal Mining Service Agreement (CMSA) has been entered with MDO on [illegible]. The responsibility of the mine closure activities in accordance with the Mine Closure Plan was also entrusted to MDO as per CMSA. The Mining operations of Tadicherla-I Coal Mine (OC project) commenced w.e.f. [illegible]. The Transportation of Coal from Tadicherla-I Coal Mine to KTPP commenced w.e.f. 28.04.2018.

| S.No | Details | As at 31.03.2024 | As at 31.03.2023 |
|---|---|---|---|
| 1 | Coal Production at end of the year in million (MT) | [illegible] | [illegible] |
| 2 | Deposit with Ministry of Coal (MOC) in a Dedicated account (Escrow Account) opened with Punjab National Bank (incl Interest) (Rs. In Crores) | [illegible] | 22.5[illegible] |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

5 Capital work in progress

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| Opening Balance as at 1st April | 21,087.68 | 15,787.20 |
| Add:- Additions during the year | 5,746.71 | 5,692.07 |
| Less:- Capitalised during the year | 254.85 | 391.59 |
| Closing Balance as at 31st March | 26,579.54 | 21,087.68 |

5.1 CWIP represents capital expenditure incurred for construction of various projects as detailed below.

| Particulars | As at 31-03-2024 | As at 31-03-2023 |
|---|---|---|
| KTPS VII 800MW Thermal Power Plant | 158.28 | 105.60 |
| BTPS 4X270MW Thermal Power Plant | 803.28 | 674.17 |
| YTPS 5X800MW Thermal Power Plant | 25,599.25 | 20,282.47 |
| Other Units | 18.73 | 25.44 |
| Total | 26,579.54 | 21,087.68 |

5.2 (a) Capital Work in Progress (CWIP) [illegible]

| CWIP | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | Total |
| Projects in progress | 5746.71 | 5714.60 | 2333.45 | 12784.78 | 26579.54 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 5746.71 | 5714.60 | 2333.45 | 12784.78 | 26579.54 |

5.2 (b) Capital Work in Progress (CWIP) [illegible]

| CWIP | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | Total |
| Projects in progress | 5692.07 | 2902.04 | 294.11 | 12199.46 | 21087.68 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 5692.07 | 2902.04 | 294.11 | 12199.46 | 21087.68 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No | [illegible] | [illegible] | [illegible] |
|---|---|---|---|
| 6 | Non Current Financial Assets | | |
| 6A | Non current investments (See note - 6A.1.1) | | |
| | Investment in APDISCOM Bonds<br>Telangana Government Share @ 41.68% in the 9.95% unsecured redeemable Non Convertible APDISCOMs series 1/2014 in the nature of Debentures ( APCPDCL Bonds 1756 Numbers, APSPDCL Bonds 3074 Numbers, APNPDCL Bonds 2395 Numbers and APEPDCL Bonds 4347 Numbers each of face value of INR 10,00,000 each redeemable at the end of 15 Years)<br>(Backed by Unconditional and irrevocable guarantee from Government of Undivided Andhra Pradesh for timely payment of interest and repayment of principal amount on due date in respect of private placement bonds.) | 500.16 | 500.16 |
| | Sub Total | 500.16 | 500.16 |
| | Investment in equity instruments (Unquoted - At cost) | | |
| (i) | Telangana Government Share @ 41.68% in shares of Andhra Pradesh Power Development Company Limited (APPDCL) (Subsidiary of Combined APGENCO) - See Note 6A.1.2<br>(41.68% Share in 1029712265 Equity Shares of INR 10 each fully paid up acquired at par) | 429.18 | 429.18 |
| (ii) | Telangana Government Share @41.68% in the Trade Investment (At Cost) in shares of Andhra Pradesh Gas Infrastructure Corporation Private Ltd (APGIC) (Associate of Combined APGENCO) - See Note 6A.1.2<br>(41.68% Share in 1960000 Equity Shares of INR 10 each fully paid up acquired at par) (See Note 6A.1.2) | 8.17 | 8.17 |
| (iii) | Telangana Share @ 41.68% in the INR 6.99 Crores Share Application money as on 02-06-2014 with Andhra Pradesh Power Development Company Ltd | 2.91 | 2.91 |
| | Sub total | 440.26 | 440.26 |
| | Total investments | 940.42 | 940.42 |
| | Aggregate value of unquoted investment | 940.42 | 940.42 |
| | Note on non current investments | | |
| 6A.1.1 | Investments in DISCOM Bonds<br>a. The 9.95% DISCOM Bonds continue to be in possession of APGENCO. In this connection it is to note that in G.O.Ms.No.29, Dt:31/05/2014 it was stated that TGGENCO share of Investments in the combined APGENCO investment in 9.95% DISCOMs Bonds were adjusted towards employee related funds u/s 53(2) of AP Reorganisation Act, 2014. TGGENCO raised objections on certain issues in G.O.Ms.No.29, Dt:31.05.2014, particularly the method of apportionment followed towards pension bond liability and the adjustments made against the same before the expert committee appointed by GOI.<br>b. The expert Committee and Residual APGENCO authorities agreed with most of the objections raised by TGGENCO and revised the apportionment method followed by the company for apportionment of pension bonds liability.<br>c. In the final de-merger plan submitted by Residual APGENCO to the expert committee, it was shown an amount of Rs 1525 Crores under reorganisation adjustment account. TGGENCO is of the opinion that it is unwarranted and not as per the provision of AP Reorganisation Act, 2014 and accordingly submitted its dissent to the expert committee. The expert committee submitted its recommendations to the both the Governments.<br>d. Residual APGENCO is disputing for transfer of these Bonds in the name of TGGENCO and retaining the entire interest thereon stating their reorganisation adjustment (Balance Sheet gap) Account on De-Merger is to be compensated by TGGENCO. In this connection, TGGENCO filed a Writ Petition vide W.P.No.5240 of 2022, dated:08.02.2022 before Hon'ble High Court of Telangana State.<br>e. Hence a dispute is existed between APGENCO and TGGENCO on the Bonds and consequently interest thereon. As a matter of prudence considering the significant uncertainties in realization of interest on the above bonds. Hence interest receivable has not been recognised. | | |
| 6A.1.2 | The company has recognised these investments in the Shares of Andhra Pradesh Power Development Corporation Ltd and Andhra Pradesh Gas Infrastructure Corporation Ltd based on its claim that the said shares should be apportioned as per Andhra Pradesh Reorganisation Act on population ratio, since these assets are not operational units assets of combined APGENCO. In respect of investment in Equity of M/s.APPDCL and APGIC, APGENCO considered in the revised draft De-Merger as geographical location wise asset to Andhra Pradesh whereas TGGENCO interpretation is that it is Head Quarter Assets and apportioned on Population ratio. As the given investments are under resolution with Andhra Pradesh Power Generation Company Limited, investments equity in APGIC & APPDCL and investment in APDISCOM Bonds have been carried at the amount recognised as per AP Reorganisation Act, 2014. | | |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 6A (i) | It was known from the annual report of residual APGENCO, Andhra Pradesh Gas Infrastructure Corporation Private Ltd (APGIC) setup with the [illegible] losses from the FY 2013-14 to 2015-16 and net worth of the company is completely eroded. TGGENCO share (49.68%) of Investment (At Cost) as share capital of APGIC amount of Rs 8.12 crores will be provided upon notification of the demerger plan. Further, it is evident that the Expert Committee recommended for allocation the entire investments of APITCL and APGIC to residual APGENCO on location basis. TGGENCO raised a dispute on the recommendation of Expert Committee and the issues are to be settled between Govt. of Andhra Pradesh and Govt. of Telangana. Whether the diminution in the value of investment to be adjusted in the opening balance of the company or be charged to the profit and loss account towards diminishing value of investment will be finalised on final notification of demerger scheme. | | |
| 6B | Non - current loans (Unsecured and considered good) | | |
| | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
| | Loans to employees | 53.32 | 77.10 |
| | Total | 63.32 | 77.10 |
| 6C | Other Financial Assets | | |
| | Security Deposits with Coal Authorities | 55.88 | 45.16 |
| | Total | 55.88 | 45.16 |
| 7 | Other non-current assets | | |
| | Capital Advances | 190.94 | 329.56 |
| | Other advances | 93.19 | 55.01 |
| | Prepaid expense | 24.19 | 15.60 |
| | Deferred employee cost | 0.97 | 0.98 |
| | Security deposits | 4.37 | 1.36 |
| | Total | 313.66 | 409.53 |
| | CURRENT ASSETS | | |
| 8 | Inventories | | |
| i) | Raw Materials (Valued at cost on weighted average basis) | | |
| | Coal | | |
| | In Stocks | 437.56 | 446.57 |
| | In Transit | 15.51 | 5.01 |
| | Sub - total | 453.07 | 451.58 |
| | Oil | | |
| | In Stocks | 65.17 | 67.90 |
| | In Transit | | - |
| | Sub - total | 65.17 | 67.90 |
| ii) | Stores and Spares (Valued at cost on weighted average basis) | | |
| | In Stocks | 487.02 | 425.57 |
| | At site | 2.19 | 2.21 |
| | In Transit | 1.95 | 5.60 |
| | Pending inspection | 5.66 | 5.24 |
| | Asset held for sale* (Refer Note No 25(i)) | | 59.17 |
| | Sub - total | 493.72 | 497.79 |
| | Total (i+ii) | 998.96 | 1,017.22 |
| | Provision for non moving stores and spares | (54.30) | (45.25) |
| | Total | 927.66 | 971.97 |
| | Inventories not moved for more than 5 years are considered as non moving valued at Rs 115.84 crores and 50% there of being Rs 57.92 crores has been provided for. Shortage of material for Rs 0.15 crores and theft of material for Rs 0.82 crores has been provided for 100% based on physical verification report of the stores. | | |
| | Amount recognised in profit or loss | | |
| | Write down/ (reversal) of obsolete, unserviceable and non moving inventories amounted to INR 19.86 crores (FY 2022-23 : INR [illegible] crores) and shortage of material for Rs 0.15 crores and theft of material for Rs 0.82 crores. This has been recognised during the year in the statement of profit or loss. | | |
| | * Residual assets of the KTPS ABC (4x60 MW, 2x120 MW, 2x120 MW) which was phased out during the FY 2019-20 was sold to M/s [illegible] Commercials Pvt Ltd as [illegible] for Rs 485.05 crores plus applicable GST. The residual assets are divided into four segments for the purpose of billing, CHP area, KTPS C, KTPS B and KTPS A. However, the break up value of each segment is not available on record. The amount is receivable in four equal installments. First two installments of R 242.525 crores were received in the previous year and remaining two installments received in during the FY 2023-24. The profit on sale of residual assets is arrived proportionately in the absence of break up details for each segment during the year. | | |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crore rupees except as otherwise stated)

| Note No. | [illegible] | [illegible] | [illegible] |
|---|---|---|---|
| 9 | Trade receivables | | |
| | (Unsecured and Considered Good) | | |
| | Receivables for inter state sale of power | 115.58 | 114.[illegible] |
| | Receivables for O&M Contracts | 20.34 | 28.44 |
| | Receivables for sale of power | 11825.84 | 9[illegible].75 |
| | Receivables for consultancy and supervision contracts | 89.02 | 89.66 |
| | TOTAL | 12061.38 | 9,977.06 |

Trade Receivables outstanding ageing schedule FY: 2023-24

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1 yr to 2 yrs | 2 yr to 3 yrs | More than 3 yrs | Total |
| i) Undisputed Trade receivables - Considered Good | 11,8[illegible] | 12.91 | 8.26 | 13.47 | 165.91 | 12061.38 |
| ii) Undisputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade receivables - Credit Impaired | - | - | - | - | - | - |
| iv) Disputed Trade receivables - Considered Good | | - | - | - | - | - |
| v) Disputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade receivables - Credit Impaired | | - | - | - | - | - |

Trade Receivables outstanding ageing schedule FY 2022-23

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1 yr to 2 yrs | 2 yr to 3 yrs | More than 3 yrs | Total |
| i) Undisputed Trade receivables - Considered Good | 9,787.[illegible] | 1.34 | 13.67 | [illegible] | 102.30 | 9977.06 |
| ii) Undisputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| iii) Undisputed Trade receivables - Credit Impaired | | - | - | | - | |
| iv) Disputed Trade receivables - Considered Good | - | - | - | - | - | - |
| v) Disputed Trade receivables - Which have significant increase in credit risk | - | - | - | - | - | - |
| vi) Disputed Trade receivables - Credit Impaired | - | - | - | - | - | - |

| | Particulars | (Rs in crores) | |
|---|---|---|---|
| | | As at 31-Mar-24 | As at 31-Mar-23 |
| 10 | Cash and cash equivalents | | |
| | Balances with Banks | 208.40 | 306.06 |
| | Cash on Hand | 0.02 | 0.02 |
| | Bank Deposits with maturity less than 3 months | 0.13 | 0.20 |
| | Total Cash and cash equivalents | 208.57 | 306.28 |
| 11 | Bank balances other than cash and cash equivalents | | |
| | Earmarked and Escrow Accounts with Banks | 0.04 | 12.67 |
| | Total | 0.04 | 12.67 |

## Telangana Power Generation Corporation Limited
## (Formerly Telangana State Power Generation Corporation Limited)
Notes to financial statement for the year ended 31st March, 2024
(All Amounts in crores rupees except as otherwise stated)

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 12 | Loans (Unsecured and considered good) | | |
| | Loans & Advances to Staff | 11.18 | 10.19 |
| | Total | 11.18 | 10.19 |
| 13 | Other current financial assets | | |
| | Unsecured and considered good | | |
| | Interest /Income Accrued | 72.62 | 31.55 |
| | Other Deposits (Refer Note No.4(b)) | 16.55 | 25.52 |
| | Others Receivables | 682.73 | 680.58 |
| | | 773.52 | 737.65 |
| | Unsecured and considered doubtful | | |
| | Others Receivables | 5.73 | 5.73 |
| | Allowance for Doubtful Receivables | (5.73) | (5.73) |
| | | - | - |
| | Total | 773.52 | 737.65 |
| 13.1 | Note: Others receivables includes an amount of Rs.549.04 crore receivable from APGENCO as detailed below. | | |

Excess amount of Common Loans and Cash Credits being Serviced by TGGENCO

| Name of the Bank / FI Loan No | Combined Loan as on 02.06.2014 | As per the assessment of the company TGGENCO share as per Act (41.68%) | Loan being serviced by TGGENCO in compliance to the methodology of G.O.Ms.No.29, Dt.29.05.2014 | Excess Amount being serviced by TGGENCO Recoverable from APGENCO as per the assessment of the Company |
|---|---|---|---|---|
| | (Rs in crores) | | | |
| Towards common loan | | | | |
| PFC - 1032027 NSPDL Loan 1 | 197.72 | 113.00 | 197.72 | 84.72 |
| PFC - 1322011 | 250.00 | 106.20 | 250.00 | 143.80 |
| TS20000026 | 51.51 | 21.47 | 51.51 | 30.04 |
| SBH - 54259?4 | 300.00 | 125.08 | 300.00 | 174.[illegible] |
| UBI - 2003456 | 20.00 | 8.34 | 20.00 | 11.66 |
| LAT - 004066 | 400.00 | 125.04 | 300.00 | 174.96 |
| Towards cash credits | | | | |
| Canara Bank | 100.42 | 41.86 | 100.42 | 58.56 |
| Central Bank of India | 25.10 | 10.46 | 25.10 | 14.64 |
| Bank of Maharashtra | 39.50 | 16.47 | 39.50 | [illegible] |
| State Bank of Mysore | 50.25 | 20.94 | 50.25 | 29.31 |
| State Bank of Hyderabad | 100.05 | 41.94 | 100.05 | 58.11 |
| Total | 1,566.61 | 652.70 | 1,534.50 | 901.80 |

Excess amount of Common Loans and Cash Credits being Serviced by APGENCO

| Name of the Bank / FI Loan No | Combined Loan as on 02.06.2014 | As per the assessment of the company TGGENCO share as per Act (41.68%) | Loan servicing and Cash and Banks received by TGGENCO | Excess Amount being serviced by APGENCO and payable to APGENCO as per the assessment of the Company |
|---|---|---|---|---|
| | (Rs in crores) | | | |
| Towards common loan | | | | |
| PFC - 1322011 | 250.00 | 104.20 | 0.00 | 104.20 |
| Towards cash credits | | | | |
| Union Bank of India | 141.06 | 58.82 | 0.05 | 38.50 |
| Vijaya Bank | 150.92 | 62.92 | 50.00 | 12.90 |
| Andhra Bank | 77.00 | 32.13 | 0.00 | 32.13 |
| Towards Cash and Bank | | | | |
| Cash & Bank payable to APGENCO | 132.58 | 55.29 | 100.00 | 44.71 |
| Total | 751.64 | 313.25 | 150.00 | 252.56 |
| | | | | |
| Net amount recoverable from APGENCO | | | | 549.04 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crore rupees except as otherwise stated)

| Note No | Particulars | [illegible] | [illegible] |
|---|---|---|---|
| | Note: As per the opinion of the company, the above amounts are receivable from APGENCO along with interest thereon in addition to the TGGENCO share of investment in DISCOM Bonds. As the demerger scheme is yet to be approved and considering the pending final settlement and consequential significant uncertainties on realisation of interest on APGENCO share of common loans being serviced by TGGENCO have not recognised in these accounts. Further APGENCO is disputing the above payables to TGGENCO, stating their Reorganisation Adjustment (Balance Sheet gap) Amount on De-Merger is to be compensated by TGGENCO. In this connection, TGGENCO filed a Writ Petition vide W.P.No.[illegible] of 2022, dated 06.06.2022 before Hon'ble High Court of Telangana State. Hence a dispute is existed between APGENCO and TGGENCO. | | |
| 14 | Other current assets | | |
| | Advance to Suppliers | 5.21 | 12.[illegible] |
| | Prepaid expenses - coal purchase | 14.42 | 14.73 |
| | Deferred employee cost | 1.44 | 2.03 |
| | Total | 21.07 | 29.09 |
| 15 | Equity Share capital | | |
| | Authorised Capital | | |
| | 500,00,00,000 equity shares of Rs. 10 each | 5,000.00 | 5,000.00 |
| | Issued, Subscribed and Paid up Capital | | |
| | 86,96,40,000 equity shares of Rs.10 each | 869.64 | 869.64 |
| | Total | 869.64 | 869.64 |
| 15.1 | Movement in equity share capital | | |
| | Particulars | [illegible] | [illegible] |
| | Share outstanding as at 1st April, 2023 | 869,640,000 | 869.64 |
| | Share issued during the year | - | - |
| | Share outstanding as at 31st March, 2024 | 869,640,000 | 869.64 |
| 15.2 | Details of shareholder holding more than 5% of the share capital in the company | | |
| | Shares held by promoter at the end of the year | | |

| S.No | Promoter Name | No.of Shares | % of total shares | % Change during the year |
|---|---|---|---|---|
| 1 | Govt of Telangana | 86,96,40,000 | 100 | - Nil - |

| Note No | Particulars | | |
|---|---|---|---|
| 15.3 | The Company has only one class of shares i.e. equity shares ranking pari passu in all respects including entitlement of dividend, voting and repayment of capital. Each equity share carries one vote. | | |
| 16 | Other Equity | | |
| a) | Reorganisation Resultant Reserve (Telangana Government Assets minus Liabilities treated as Telangana Government Investment in the Company) The De-Merger of combined APGENCO (Sl. No.[illegible] of IX Schedule Corporations of Andhra Pradesh Reorganisation Act, 2014) is yet to be finalised. TGGENCO assessed the Telangana State Government Share in the Assets and Liabilities of combined APGENCO as per section 53 (1) of Andhra Pradesh Reorganisation Act, 2014. With a presumption that on notification of Final De-Merger, the Government of Telangana transfers vest its share of Assets and Liabilities of Combined APGENCO as on 02-06-2014 to TGGENCO, those Assets and Liabilities are considered as opening Assets and Liabilities of the company and the difference between Asset and Liabilities treated as Telangana Government Investments in TGGENCO. However pending notification of De-Merger, pending issue of orders for transfer of Asset and Liabilities from Telangana Government to TGGENCO and pending issue of shares for consideration other than cash the net assets balance is shown as Investment of Telangana Government | 3865.22 | 3865.22 |
| | Sub - Total (a) | 3,865.22 | 3,865.22 |
| b) | Retained earnings | | |
| | As per last Balance Sheet | 1799.82 | 1526.85 |
| | Add: Surplus for the year as statement of Profit & Loss | 404.15 | 308.96 |
| | Items of other comprehensive income directly recognised in retained earnings | | |
| | Remeasurement gain or loss on net defined benefit plan | 22.77 | (3[illegible]) |
| | Sub-total (b) | 2226.74 | 1,799.82 |
| | Total (a+b) | 6,091.96 | 5,665.04 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 17 | Non-current financial Liabilities | | |
| 17A | Borrowings | | |
| 17A.1 | Secured loans from banks and financial institutions | | |
| a) | Borrowings from banks | | |
| | Andhra Bank (now Union Bank of India) | 0.00 | 72.44 |
| | Secured by (a) Pari passu charge on the project assets of 1x600 MW Kakatiya Thermal Power Project Stage II at Chelpur village in Warangal District | | |
| | Less: Current portion | 0.00 | 72.44 |
| | | - | - |
| | State Bank of India | 701.42 | 912.22 |
| | Secured by pari pass first charge on stock current assets/other current assets of the company along with other working capital lender in Multiple Banking Arrangements (MBA) | | |
| | Less: Current portion | 210.60 | 210.60 |
| | | 490.82 | 701.62 |
| | Punjab National Bank | 353.09 | 458.21 |
| | Secured by pari-passu charge on current assets including receivables alongwith other working capital lenders | | |
| | Less: Current portion | 125.00 | 125.00 |
| | | 228.09 | 333.21 |
| | Canara Bank | 561.65 | 416.70 |
| | Secured by (a) Hypothecation on the entire project assets (excluding project land) of 4000 MW Pulichintala HES located at Pulichintala, Suryapet District (b) pari-passu first charge on the current assets of the company including receivables and continuation of exclusive charge of point (a). | | |
| | Less: Current portion | 135.42 | 125.00 |
| | | 426.23 | 291.70 |
| | Total loans - Banks (a) | 1,145.12 | 1,326.53 |
| b) | Borrowings from Financial Institutions | | |
| | Loans from Power Finance Corporation | 12,040.24 | 11,371.04 |
| | Secured by (a) Charge to the extent of present and future movable assets of Priyadarshini Jurala Hydro Electric Station (b) First charge of present and future movable assets of KTPS Stage-VI and first charge on all Borrowers movable assets of lower jurala HEP(6x40MW) (Save & except book debts) including movable machinery, spares, tools, accessories & material at project site present & future | | |
| | (c) The whole of the Borrower's movable assets of 4x270 MW Coal based Bhadradri (Manuguru) Thermal Power Project at Manuguru Mandal in Bhadradri Kothagudem District, Telangana (Save and except book debts) consisting of its movable Plant & Machinery, Machinery Spares, tools and accessories,fuel and stock,spares and materials, Plant turbine and other various equipments etc., and creation of mortgage of land to the extent of Ac 1069.38 Gts on pari-passu basis. (d) Pari-passu charge on whole of the movable properties (save and except book debts) of the borrowers project (5X800 MW) coal based Yadadri Thermal Power Station at Veerlapalem village, Damaracherla Mandal in Nalgonda District, Telangana State, consisting of its movable plant and machinery, machinery spares, tools and accessories, fuel stock, spares and materials, plant turbine and other various equipments etc., including associated balance of plant equipments/items and other movables, both present and future. Equitable mortgage has created by deposit of title deed of immovable property of Ac 700.13 Gts situated at Veerlapalem village in favour of REC and PFC on pari-passu basis. (e) secured by a first pari passu charge by way of hypothecation over entire receivables present and future of the Borrower to the extent of Rs 4000 crores. (f) The whole of the movable properties of the borrowers existing and future assets of Manuguru FGD System at 4X270MW coal based Bhadradri (Manuguru) Thermal power project at Manuguru Mandal in Bhadradri Kothagudem District, Telangana consisting of its movable plant and machinery, machinery spares, tools and accessories, fuel stock, spares and material, plant turbine and other equipments etc., including associated balance of plant equipment items and other movables both present and future(save and except book debts) of the borrower etc., and creation of mortgage of land to the extent of Ac 306.75 Gts on pari-passu basis | | |
| | (g) Secured by hypothecation of movable assets of Kothagudem Thermal Power Station - Stage V, Stage VI at paloncha in Bhadradri Kothagudem Dist, Lower Jurala HES in Jogulamba Gadwal Dist, Nagarjuna Sagar in Nalgonda Dist of TSGENCO in the state of Telangana having valuation of Rs [illegible] crores (after deducting security coverage for Loan Nos 31301014, 31302006, 31302008, 31306029 and 31306030) | | |
| | Less: Current portion | 763.37 | 773.21 |
| | | 11,276.87 | 10,597.83 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No | Particulars | As at 31-March-24 | As at 31-March-23 |
|---|---|---|---|
| | Loans from REC | 17588.66 | 17629.98 |
| | Secured by (i) Present and future assets to be created out of the loan from REC for KTPP Stage-II (1X600-2X?) i.e. Steam Generator, Turbine and Generator with Auxiliaries and Balance of Plant (Mechanical, Electrical & Civil) equipments including Spares, Other Civil Works etc. at above mentioned site. (ii) Existing movable Plant & Machinery together with civil work (excluding project land) created under KTPP-I (iii) All existing and future movable assets of 1X800 MW coal based Thermal Power Plant at Kothagudem (i.e. KTPS-VII) (iv) hypothecation of all existing and future movable assets of 5X800 MW Yadadri Coal based Thermal Power Plant at Veerlapalem village, Damaracherla mandal of Nalgonda district in Telangana state and by equitable mortgage was created by deposit of title deed of immovable property of Ac [illegible] Gs situated in Veerlapalem village in favour of REC and PFC on pari-passu basis. | | |
| | Less Current portion | 790.98 | 550.72 |
| | | 16,797.68 | 17,079.26 |
| | | (Rs in crores) | |
| | | As at 31-March-24 | As at 31-March-23 |
| | Loans from L&T Infrastructure Finance Co Ltd | - | 6.25 |
| | Pari-passu 1st charge on current assets of the company | | |
| | Less: Current portion | - | 6.25 |
| | | - | - |
| | Total loans - financial institutions (b) | 28,061.55 | 28,277.15 |
| | Total secured loans (a+b) | 29,166.67 | 29,603.66 |
| 17A.1.1 | Terms of repayment of secured loans | | |
| | Residual maturity | Balance outstanding As at 31 March 2024 | Balance outstanding As at 31 March 2023 |
| | 1. Term Loans from Banks | | |
| | 1-3 years | 920.94 | 921.20 |
| | 3-5 years | 184.18 | 405.31 |
| | 5-10 years | - | - |
| | Sub - total (1) | 1,105.12 | 1,326.51 |
| | 2. Term Loans from Financial Institutions | | |
| | 1-3 years | 1339.85 | 2342.85 |
| | 3-5 years | 6334.74 | 4568.65 |
| | 5-10 years | 9596.66 | 9832.09 |
| | 10 years above | 10790.30 | 11533.56 |
| | Sub - total (2) | 28,061.55 | 28,277.16 |
| | Total (1+2) | 29,166.67 | 29,603.67 |
| | | (Rs in crores) | |
| | | As at 31-March-24 | As at 31-March-23 |
| 17A.2 | Unsecured loans from banks and financial institutions | | |
| | Loans from PFC | 0.02 | 0.02 |
| | Fully, unconditionally and irrevocably guaranteed by the Govt. of Andhra Pradesh in respect of repayment of principal, interest. | | |
| | Less: Current portion | | |
| | Total unsecured loans | 0.02 | 0.02 |
| | | | |
| | Total long term borrowings excluding pension bonds (17A.1+17A.2) | 29,166.69 | 29,603.57 |
| | Secured loans from Banks and FIs interest rate ranging from 8.00% p.a. to 11.25% p.a. with monthly/quarterly rests. These loans are repayable in monthly/quarterly installments as per the terms of the respective loan agreements | | |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crore rupees except as otherwise stated)

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 174.3 | Pension and Gratuity bonds (See Note 174.3.1) | | |
| a) | Employee Bonds for service rendered before 01-02-1999 | 195.95 | 224.00 |
| | Interest accrued but not due - as per Ind AS fair valuation | 1.35 | 5.06 |
| | TGGENCO's share of the balance outstanding as at the date of the Balance Sheet, against 13043 Nos of non-convertible, non-transferable, non-bankable redeemable bonds of Rs. 1,00,000/- each, repayable in varying monthly installments by 2033, as originally issued by APGENCO and pending bifurcation to TGGENCO. As per the terms of the bonds, Amounts paid to the pensioners of the erstwhile APSEB is accounted as repayment/interest on these bonds for the year | | |
| | Less: Current portion | 20.91 | 27.27 |
| | Sub Total (a) | 176.39 | 201.79 |
| b) | Employee Bonds for service rendered after 01-02-1999 | 555.62 | 603.00 |
| | Interest accrued but not due - as per Ind AS fair valuation | 65.20 | 67.46 |
| | TGGENCO's share of the balance outstanding as at the date of the Balance Sheet, against 30652 Nos of non-convertible, non-transferable, non-bankable, redeemable bonds of Rs. 1,00,000/- each, repayable in varying monthly installments by 2029, as originally issued by APGENCO and pending bifurcation to TGGENCO. The percentage share of the master trust and corporate bonds is subject to change based on the report of the actuary. Presently, 79% pension (including commutation) and gratuity paid during the year to the employees as on 1st February, 1999 of the erstwhile APSEB has been accounted as repayment/interest on these bonds for the year as per the terms of the bond. | | |
| | Less: Current portion | 39.61 | 41.62 |
| | Sub Total (b) | 581.21 | 628.84 |
| | Total pension and gratuity bonds (a+b) | 681.59 | 830.13 |

**174.3.1 Note on pension and gratuity bonds**

Under the Andhra Pradesh Electricity Reform Act 1998 and the Andhra Pradesh Electricity Reform (Transfer Scheme) Rules 1999, the responsibility of discharging the past liabilities for the period prior to 1st February, 1999 towards pension and gratuity of the employees and pensioners of the erstwhile APSEB was entrusted to APGENCO, which in turn issued bonds to the trustees of the Andhra Pradesh State Electricity Employees Master Pension and Gratuity Trust (Master Trust). In accordance with the terms of the said Bonds, APGENCO shall have a right to call the whole or any part of the bonds.

Pursuant to the reorganisation under the AP Reorganisation Act,2014, the said liability in respect of such employees and pensioners who come under the purview of the concerned drawing offices in Telangana State has become the liability of TGGENCO Master Trust. TGGENCO's liability relating to the above bonds as per section 53 of the AP Reorganisation Act 2014 is worked out on population ratio basis i.e., 58.32 : 41.68 between APGENCO and TGGENCO respectively. The repayment, payment of interest and other charges if any in respect of the said bonds when originally issued were fully, unconditionally and irrevocably guaranteed by the Government of Andhra Pradesh. The assumption of proportionate guarantee by the Government of Telangana in respect of the allocated employees coming under the purview of the concerned drawing offices in Telangana State is pending on the date of this Balance Sheet.

The above bonds are in the name of erstwhile APSEB Master Trust. Telangana share of above bonds need to be issued to Telangana State Electricity Employees Master Pension and Gratuity Trust (TSEE Master Trust). It is pending for want of approval of demerger by the successive Governments and notification of demerger plan and transfer of Assets and Liabilities to TGGENCO by Govt. of Telangana. However, pending orders on finalisation of demerger plan and consequential notification thereof, TGGENCO is discharging the liability of TSEE Master Trust as per the indents raised by the TSEE Master Trust. The share of scheduled liability is being discharged by TGGENCO by redemption of bonds and discharging of interest liability as per the Bond schedule.

The TGGENCO liability towards TSEE Master Trust pension liability is limited to the pension bonds along with scheduled interest liability thereon. The over and above scheduled pension liability of TSEE Master Trust is being discharged by claiming through Generation Tariff of TGGENCO as per PPA entered with TGDISCOMs and as per Hon'ble TGERC regulation No.1 of 2019.

| Note No | Terms of repayment of pension and gratuity bonds | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 174.3.2 | Residual maturity | Balance outstanding As at 31 March 2024 | Balance outstanding As at 31 March 2023 |
| | 1-3 years | 307.37 | 253.01 |
| | 3-5 years | 295.58 | 417.15 |
| | 5-10 years | 80.64 | 159.96 |
| | 10 years above | - | - |
| | Total | 681.59 | 830.13 |
| 177 | Other financial liabilities (Long term) | | |
| | Company Insurance Scheme - Savings Fund | 2.95 | 1.97 |
| | Company Insurance Scheme - Insurance Fund | 0.74 | 0.97 |
| | Security Deposits, Retention amounts etc | 1,173.82 | 1,055.04 |
| | Total | 1,171.56 | 1,058.74 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No | Particulars | As at [illegible] | As at [illegible] |
|---|---|---|---|
| 18 | Long term provisions | | |
| | Provision for Pension and Gratuity | 2358.24 | 2607.57 |
| | Provision for leave Benefits | 808.16 | 665.14 |
| | Provision for Medical Benefits | 53.34 | 80.66 |
| | Total | 3,219.57 | 3,342.57 |
| | For disclosure relating to employee benefits as per Ind AS 19 - Refer note 37. | | |
| 18.1 | The company obtained the actuarial valuation of its liability at the date of the Balance Sheet for Employees' pension and Gratuity in respect of employees and pensioners who were in service before 01-02-1999 in the erstwhile Andhra Pradesh State Electricity Board. The company have provided the incremental liability during the year towards pension and gratuity for CPF employees who are presently working and pension & family pension disbursement made by the company as on the balance sheet date | | |
| | In respect of the other employees i.e. employees recruited on or after 01.02.1999, the company has obtained the actuarial valuation of its liability at the date of the Balance Sheet for Employees' Gratuity. | | |
| | The updated liability at the date of this Balance Sheet for unutilised encashable leave wages and medical benefits was provided based on the actuarial valuation report | | |
| 19 | Deferred tax liabilities (net) | | |
| | Deferred tax liability related to fixed assets | 1,549.17 | 1521.37 |
| | Deferred tax asset on pension and gratuity bonds | (15.97) | (23.12) |
| | Deferred tax asset on security deposit - amortised cost | (0.96) | (0.60) |
| | Deferred tax (asset)/ Liability on employee loan - amortised cost | 10.92 | 8.45 |
| | Deferred tax asset relating to Payments u/s 43B of IT Act | (526.11) | (455.71) |
| | Net Deferred Tax Liability | 1017.05 | 952.30 |
| | For disclosure relating to deferred tax as per Ind AS 12 - Refer note 36 c | | |
| 20 | Current financial liabilities | As at [illegible] | As at [illegible] |
| 20A | Short term borrowings | | |
| | Secured loan repayable on demand - Bank | | |
| | Cash Credits* | 1795.10 | 596.25 |
| | Current maturities of Secured long term debt | 2038.38 | 2056.23 |
| | Current maturities of Pension Bonds | 115.22 | 91.75 |
| | Total | 3,950.64 | 3,388.26 |
| | *Secured by First charge on inventory, Receivables and current assets on Pari-passu basis | | |
| 20B | Trade payables | | |
| i) | MSME# | | - |
| | Sub Total (i) | - | - |
| ii) | Other than MSME | | |
| | For Coal and Oil | 10,150.06 | 4812.61 |
| | For Purchase of Power | 1.84 | 1.84 |
| | For O&M Supplies/Works | 465.54 | 209.46 |
| | Sub Total (ii) | 10,617.44 | 5,023.91 |
| | Total (i+ii) | 10,617.44 | 5,023.91 |

Trade payables includes an amount of Rs.3021.57 crores towards Bill discounting

Considering the Due Rakes/Wagons in a power station and the excess Rakes / Wagons in other station the Trade Payable towards coal and oil to that extent are shown net of Receivables, Pending confirmation from vendors and reconciliation thereof.

# The Company is making efforts to identify the Micro, Small and Medium Enterprises as defined under "The Micro Small and Medium Enterprises Development Act, 2006". However based on the information available with the Company, the amount due to Micro, Small and Medium Enterprises for the period of more than 45 days and Interest thereon for delay in payments is nil

**Trade Payables Due for payment Ageing Schedule FY: 2023-24**

| Particulars | Outstanding for following periods from due date of Payment # | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 Years | 2 to 3 Years | More than 3 Years | Total |
| i) MSME | - | - | | - | |
| ii) Others | 9080.86 | 1035.75 | 32.09 | 468.74 | 10617.44 |
| iii) Disputed dues - MSME | | - | - | | - |
| iv) Disputed dues - Others | - | - | - | - | - |

**Telangana Power Generation Corporation Limited**

**(Formerly Telangana State Power Generation Corporation Limited)**

**Notes to financial statement for the year ended 31st March, 2024**

(All amounts in crore rupees except as otherwise stated)

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|

**Trade Payables Due for payment Ageing Schedule FY: 2022-23**

| Particulars | Outstanding for following periods from due date of Payment # | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | Total |
| i) MSME | - | - | - | - | - |
| ii) Others | 4511.06 | 37.18 | 1.25 | 474.42 | 5021.91 |
| iii) Disputed dues - MSME | | - | | | - |
| iv) Disputed dues - Others | - | - | - | - | |

| Note No | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 21 | Other financial liabilities | | |
| | Interest accrued but not due on pension bonds | 21.53 | 25.02 |
| | Interest accrued but not due on borrowings | 212.05 | 127.85 |
| | Interest accrued and due on borrowings | 10.18 | 10.48 |
| | Deposits and Retentions From Suppliers / Contractors * | 1,119.73 | 941.42 |
| | Other Payables | | |
| | For Staff | 751.58 | 565.46 |
| | For Expenses & Others | 367.92 | 221.66 |
| | Capital Liabilities | 1,009.62 | 710.32 |
| | Total | 3,092.69 | 2,595.40 |
| | *Includes Rs. 548.54 crores (Previous year Rs.300.42 crores) representing the amounts payable to certain vendors towards delay in supplies of material/services for want of Extension of Time (EOT) or finally ascertain the reasons for delays are attributable to the suppliers/contractors and the amount of damages suffered by the company on account of delays attributable to the contractors, pending finalisation, reconciliation and closure of respective contracts with the vendors. | | |
| 22 | Short term provisions | | |
| | Provision for employee benefits | | |
| | Provision for Pension and Gratuity | 485.64 | 337.53 |
| | Provision for leave Benefits | 62.90 | 53.23 |
| | Provision for Medical Benefits | 5.35 | 4.54 |
| | Total | 553.89 | 395.30 |
| | For disclosure relating to employee benefits as per Ind AS 19 - Refer note 37. | | |
| 23 | Current Liabilities | | |
| | Statutory dues | 225.48 | 196.18 |
| | Total | 225.48 | 196.18 |
| 24 | Current tax liabilities | | |
| a) | Provision for taxation | | |
| | As per the last balance sheet | 22.88 | 7.92 |
| | Add: Additions during the year | 105.09 | 14.96 |
| | Add: Interest under income tax act | | - |
| | Closing balance | 127.97 | 22.88 |
| b) | Tax paid/Adj during the year (net of refunds) | 112.00 | |
| | Net current tax liability | 15.97 | 22.88 |
| 25 | OTHER CURRENT LIABILITIES | | |
| | Grant received from Government | 0.08 | 0.15 |
| | Total | 0.08 | 0.15 |

# Telangana Power Generation Corporation Limited
## (Formerly Telangana State Power Generation Corporation Limited)
### Notes to financial statement for the year ended 31st March, 2024
(All amounts in crores rupees except as otherwise stated)

| Note No. | Particulars | [illegible] | [illegible] |
|---|---|---|---|
| 26 | Revenue From Operations | | |
| a) | Sale of goods | | |
| | Revenue from Sale of Power from TSDISCOMs | 16359.15 | 15532.80 |
| | Revenue from Inter state Sale of Power | 50.68 | 74.77 |
| | Sub total - (a) | 16,409.83 | 15,607.57 |
| b) | Sale of services | | |
| | Revenue from O&M and Supervision Contracts - (b) | 7.07 | 6.80 |
| | Total (a+b) | 16416.88 | 15614.37 |
| 26.1 | The revenue approved vide Hon'ble TGERC Mid – Term Review Order 23.03.2023, is subjected to True – up as per clause no. 6.8 & 6.9 of Hon' ble TGERC regulations 1 of 2019. Hence, the revenue for the FY 2023-24 is recognised to the extent of certainty and realisability, as per regulations and necessary debit/credit notes issued to the beneficiaries (TGDISCOMs & Karnataka ESCOMs). | | |
| 26.2 | The fixed charges towards additional pension liability recognised at actual over & above schedule pension payments as per clause no 19.8 of Hon'ble TGERC Generation Tariff Regulations, Gazette Dt.01.02.2019. | | |
| 26.3 | The Non-Tariff incomes including income from Sale of scrap at KTPS O&M and income from Sale of Fly Ash are passed on to the beneficiaries as per Hon'ble TGERC Generation Tariff Regulations, Gazette Dt.01.02.2019 and in line with MOEF & CC Notification S.O 5481(E) Dt.31.12.2021 and CCC, MoP Letter No.9/7/2013-St.Th (Vol.IV), Dt.22.02.2022. | | |
| 26.4 | After evaluating collectability of late payment surcharge as per Ind AS 115 Para No.9 (e) based on the non realization of such surcharge amount from the past 25 years i.e., 01.02.1999 there is significant uncertainty in realization, the company has not recognised the income towards surcharge of late payment as per its accounting policy at 3(k) | | |
| | Particulars | For the year ended [illegible] | For the year ended [illegible] |
| 27 | Other Income | | |
| a) | Income from sale of Ash | | |
| | Income from sale of Ash * | 76.59 | 102.56 |
| | Sub total - (a) | 76.59 | 102.55 |
| b) | Interest income | | |
| | Interest on Staff Loans based on EIR | 13.42 | 12.46 |
| | Interest Income | 0.42 | 1.25 |
| | Interest income based on Effective interest rate on security deposit for coal purchase | 0.98 | 0.91 |
| | Sub total - (b) | 14.83 | 14.62 |
| c) | Other non-operating Income | | |
| | Income/Profit on sale of stores & scrap | 5.27 | 6.55 |
| | Profit on sale of residual assets of KTPS-ABC stations (refer Note No.8(ii)) | 172.66 | 172.66 |
| | Misc. Receipts | 20.13 | 11.72 |
| | Sub total - (c) | 198.06 | 190.93 |
| | Total (a+b+c) | 289.48 | 308.10 |
| | Less: Other Income Capitalised | 0.27 | 0.10 |
| | Total | 289.21 | 308.00 |
| | *Ministry of Environment and Forest and Climate Change (MoEF &CC), Government of India (GOI), vide notification dated. 31.12.2021 repealed all earlier notifications and prescribed new set of principles for utilisation of ash w.e.f FY2022-23. Accordingly, accounting treatment for amounts collected from sale of ash is revised from FY2022-23 and transferred to income from ash. The income from sale of ash passed on to TGDISCOMs as non tariff income as per the TGERC (Terms & Conditions of Generation Tariff) regulations 2019. | | |
| 28 | Cost of materials consumed (Coal & Oil) | | |
| | Cost of coal consumed | 9169.71 | 7552.46 |
| | Cost of oil consumed | 75.25 | 275.91 |
| | Total Cost of Coal and Oil before capitalisation | 9,244.96 | 7,828.37 |
| | Less:Capitalised | | |
| | Total | 9,244.96 | 7,828.37 |

# Telangana Power Generation Corporation Limited
## (Formerly Telangana State Power Generation Corporation Limited)
### Notes to financial statement for the year ended 31st March, 2024
(All amounts in crores rupees except as otherwise stated)

| Note No. | Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---|---|---|
| 29 | Employee benefits expense | | |
| a) | Salaries and wages | | |
| | Pay | 1105.67 | 1081.69 |
| | Dearness allowance | 96.97 | 36.12 |
| | Other allowances | 416.18 | 416.99 |
| | Sub total - (a) | 1,618.82 | 1,534.80 |
| b) | Contribution to provident and other funds | | |
| | Pension, gratuity, provident fund, leave and Medical expense | 768.11 | 585.75 |
| c) | Staff Welfare Expenses | 43.19 | 71.79 |
| | Total Employee benefit expense before capitalisation/ transferred to other heads (a+b+c) | 2,430.12 | 2,192.34 |
| | Less: Expenditure Capitalised / transferred to other heads | 147.40 | 77.86 |
| | Total | 2,282.72 | 2,114.48 |
| | For disclosure relating to employee benefits as per Ind AS 19 - Refer note 37. | | |
| | Note -Provision for DA arrears of Rs 6.25 crores is not made in respect of pensioners as on 31.03.2024, since it is allowed in the tariff on cash basis. There is no impact on the P&L statement of the company. | | |
| 30 | Finance costs | | |
| | Interest expense | | |
| 30A | Interest on Borrowings. | | |
| | Interest on Term Loans from Scheduled Banks | 1.32 | 3.15 |
| | Interest on Term Loans from FIs | 2959.79 | 2830.08 |
| | Interest on Term Loans from Others | 453.52 | 462.69 |
| | Interest on GIS / EBF | 0.20 | 0.24 |
| | Other borrowing/finance cost | 1.55 | 2.09 |
| | | 3418.39 | 3298.25 |
| | Less: Interest Capitalised | 1891.80 | 1636.40 |
| | Sub Total | 1526.59 | 1661.85 |
| 30B | Pension payments | | |
| | Interest on Pension and Gratuity Bonds (pension payments) | 1360.55 | 1348.17 |
| | Sub Total | 1360.55 | 1348.17 |
| | Total (30A+30B) | 2,887.14 | 3,010.02 |
| | Disclosure as per Ind AS 23 - Borrowing Cost | | |
| | Borrowing cost capitalised during the year is Rs 1891.80 crores ( Previous year 2022-23 is Rs 1636.40 crores) | | |
| 31 | Depreciation and amortization expense | | |
| | Depreciation on property, plant and equipment | 1326.51 | 1438.95 |
| | Amortisation on intangible assets | 0.85 | 0.45 |
| | | 1,327.36 | 1,439.40 |
| | Less: Amount capitalised | 3.58 | 2.07 |
| | Total | 1,323.78 | 1,437.33 |
| 32 | Other expenses | | |
| a) | Cost of water and water cess | | |
| | Water Charges - Hydel | 7.91 | 32.14 |
| | Water Charges - Thermal | 30.06 | 9.39 |
| | Sub total - (a) | 37.97 | 41.53 |
| b) | Repairs and maintenance expenses | | |
| | Cost of Consumables and Spares consumed | 132.09 | 143.01 |
| | Plant and Machinery incl Spares consumed | 62.25 | 59.27 |
| | Buildings incl.Materials consumed | 0.91 | 0.76 |
| | Civil Works incl Materials consumed | 38.70 | 32.48 |
| | Hydraulic Works | 0.38 | 0.16 |
| | Lines and Cable Net works | 0.40 | 0.29 |
| | Vehicles | 0.20 | 0.24 |
| | Furniture and office equipment | 2.27 | 2.27 |
| | Restoration Works | 0.24 | 20.15 |
| | Repairs and Main. Exp.before Capitalisation | 237.42 | 258.63 |
| | Less: Expenditure Capitalised | 0.14 | 1.04 |
| | Sub total - (b) | 237.28 | 257.59 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

| Note No. | Particulars | For the year ended 31-Mar-24 | For the year ended 31-Mar-23 |
|---|---|---|---|
| c | Administrative expenditure | | |
| | Rent | 0.43 | 0.64 |
| | Rates and taxes | 8.30 | 4.16 |
| | Insurance on Fixed Assets | 30.12 | 19.64 |
| | Vehicle expenses | 16.57 | 17.03 |
| | Electricity charges | 49.95 | 34.71 |
| | Cost of police guard | 53.62 | 40.52 |
| | Corporate Social Responsibility | 10.76 | 1.75 |
| | Other administrative expenses | 22.66 | 15.50 |
| | Misc. losses and provisions | 19.12 | 1.41 |
| | Total Expenditure before Capitalisation | 196.43 | 142.40 |
| | Less: Expenditure Capitalised | 30.57 | 21.67 |
| | Sub total - (c) | 165.86 | 120.73 |
| | Total (a+b+c) | 421.10 | 419.85 |
| 32.1 | Other Administrative expenses include the following auditors' remuneration | | |
| | Statutory Auditor | | |
| | Statutory Audit fee | 0.09 | 0.09 |
| | GST thereon | 0.02 | 0.02 |
| | Out of pocket expenses | 0.01 | 0.01 |
| | | 0.12 | 0.12 |
| | Cost Auditor | | |
| | Cost Audit fee | 0.02 | 0.02 |
| | GST thereon | 0.01 | 0.01 |
| | Out of pocket expenses | 0.00 | 0.00 |
| | | 0.03 | 0.03 |
| | Secretarial Auditor | | |
| | Audit fee | 0.01 | 0.01 |
| | GST thereon | 0.00 | 0.00 |
| | Out of pocket expenses | 0.00 | 0.00 |
| | | 0.01 | 0.01 |

33 **Use of estimates and judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) **Useful life of property, plant and equipment**
The Company reviews at the end of each reporting date the useful life of property, plant and equipment, other than the assets of generation of electricity business which are governed by ERC Regulations, and are adjusted prospectively, if appropriate.

Useful Life of the assets of the generation of electricity business is determined by the ERC tariff regulations in accordance with schedule II of the Companies Act, 2013.

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

ii) **Recoverable amount of property, plant and equipment**
The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

iii) **Post-employment benefit plans**
Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

iv) **Revenues**
The Company records revenue from sale of energy based on tariff rates approved by the ERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the last amounts of ERC Tariff Regulations.

v) **Provisions and contingencies**
The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

vi) **Impairment of non-financial asset**
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

vii) **Taxes**
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

34 **Contingent Liabilities and commitments (to the extent not provided for)**

| | Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|
| 34.1 | **Contingent liabilities** | | |
| a) | <u>Claims against the Company not acknowledged as debts</u> | | |
| | i) M/s SCCL - Interest on delayed payments* | 596.57 | 221.92 |
| | ii) Others | 316.88 | 193.88 |
| | Total (i+ii) | 913.45 | 415.80 |
| | * The SCCL Board has accorded approval for waiver of amount of Rs [illegible] crores upto [illegible] | | |
| b) | **Guarantees issued by Bankers for the Company** | 81.88 | 172.54 |
| c) | Other money for which the company is contingently liable: | | |
| | Suits/ Cases filed against the Company pending before judicial/ appellate tribunals not provided for | 581.39 | 545.72 |
| | Total (a+b+c) | 1,576.72 | 1,134.06 |
| 34.2 | **Commitments** | | |
| | Estimated amount of contracts remaining to be executed on Capital Account and not provided for | 5,686.92 | 4,281.98 |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

**35 Earning per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for the effect of potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|---|
| a) | Profit attributable to equity holders for basic earnings (in crores) | 404.19 | [illegible] |
| | Dilution effect | | |
| | Profit attributable to equity holders adjusted for dilution effect | 404.19 | 908.96 |
| b) | Weighted average number of equity shares used for computing Earning Per Share | | |
| | Opening balance of issued equity shares (Nos) | 869,640,000 | 869,640,000 |
| | Effect of shares issued during the year, if any | | |
| | Weighted average number of equity shares for Basic earning per share | 869,640,000 | 869,640,000 |
| | Adjustment for calculation of diluted earning per share | | |
| | - Share application money | | |
| | Weighted average number of equity shares for Diluted earning per share | 869,640,000 | 869,640,000 |
| c) | Earning Per Share | | |
| | Basic (Rs) | 4.65 | 10.45 |
| | Diluted (Rs) | 4.65 | 10.45 |
| | Face value per share (Rs) | 10.00 | 10.00 |

**36 Income taxes**

**a) Income tax expense**

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as follows:

(Rs in Crores)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| **Profit or loss section** | | |
| Current tax | 105.09 | 19.96 |
| Deferred tax | 37.11 | 183.40 |
| **Total** | 142.20 | 203.36 |
| **Other comprehensive section** | | |
| Remeasurement gain or loss on net defined benefit plan | 7.54 | (149.63) |
| Total | 7.54 | (149.63) |

**b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2024 and 31st March, 2023**

(Rs in Crores)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| Profit before tax | 546.39 | 1,112.32 |
| Tax using the Company's domestic tax rate of 25.168% (31st March, 2024 - 25.168%) | 137.52 | 279.95 |
| Tax effect of: | | |
| Non-deductible tax expenses | [illegible] | (0.46) |
| Unabsorbed depreciation recognised in past adjusted during the year | - | [illegible] |
| Previous year tax adjustments | - | 14.37 |
| Other adjustments | [illegible] | [illegible] |
| Total tax expense in the statement of profit and loss | 142.20 | 203.36 |

**c) Deferred tax asset/ liability reconciliation**

For FY: 2023-24

Rs in Crores

| Particulars | As at 1st April, 2023 | Provided during the year | As at 31st March, 2024 |
|---|---|---|---|
| i) Deferred tax liability | | | |
| Deferred tax liability related to fixed assets | 1,821.37 | 127.80 | 1,949.17 |
| Deferred liability on employee loan - amortised cost | 8.45 | 2.46 | 10.91 |
| | 1,829.82 | 130.26 | 1,960.08 |
| ii) Deferred tax assets | | | |
| On pension and gratuity bonds - amortised cost | 21.42 | (6.45) | [illegible] |
| On security deposit - amortised cost | 0.89 | 0.07 | [illegible] |
| Relating to Payments u/s 43B of IT Act | 833.21 | 91.89 | 925.10 |
| | 857.52 | 85.51 | 941.03 |
| Deferred tax liability (Net) - (i-ii) | 972.30 | 44.75 | 1,017.05 |

37 Employee benefit obligations

a) Defined contribution plans

Under the defined contribution plan, the company's obligation is limited to the amount contributed and it has no further contractual and constructive obligation. The expense recognised during the period towards these plans are as follows:

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| i) Employees' Provident Fund Scheme 1952 | 86.15 | 82.55 |
| ii) Employees' Pension Scheme 1995 | 5.06 | 5.30 |
| iii) Employees' Deposit linked Insurance Scheme, 1976 | 4.62 | 3.64 |
| Total | 95.83 | 91.49 |

b) Defined benefit plans

In respect of employees recruited before 01-02-1999 and transferred to the company pursuant to the AP Reorganisation Act, 2014 liability for pension, gratuity, leave encashment benefits and medical benefits is provided based on actuarial valuation made at the end of the year which is computed using projected unit credit method. Gains/losses arising out of actuarial valuation are recognised in the profit and loss account as income/expense. The said employees are not eligible to Provident Fund on retirement.

The contributions made by the employees recruited before 01-02-1999 to General Provident Fund are credited to Telangana GENCO Provident Fund Trust. The Company has the obligation to make good the shortfall if any between the return from the investment of the Trust and the notified interest rate. The contribution if any towards such shortfall will be accounted for in the year in which it is made.

In respect of employees recruited after 01-02-1999 and transferred to the company pursuant to the AP Reorganisation Act, 2014 the Company makes defined contributions to the Regional Provident Fund Commissioner under the provisions of Employees Provident Fund & Miscellaneous Provisions Act for provident fund and pension. The Company has no further obligation for Provident Fund/Pension beyond the monthly contributions. Estimated liability for gratuity, leave encashment benefits and medical benefits in respect of the said employees is provided based on actuarial valuation made at the end of the year which is computed using projected unit credit method. Gains/Losses arising out of actuarial valuation are recognised in the profit and loss account as income/ expense.

i) Pension and Gratuity (funded) liability

Net defined benefit (asset)/ liability

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| | (Rs in crores) | |
| Net defined benefit (asset)/ liability | 2605.11 | 2,424.79 |
| | 2,605.11 | 2,424.79 |
| Non current | 2,125.96 | 2,093.72 |
| Current | 479.15 | 331.07 |

Amount recognised in statement of profit and loss and other comprehensive income

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| Net Amount recognised in profit or loss | 410.45 | 205.82 |
| Amount recognised in other comprehensive income | | |
| Remeasurement (gain) or loss on pension | 17.32 | 954.13 |

Change in present value of net defined benefit plan

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Opening defined benefit obligation | 7194.95 | 5947.46 |
| Current service cost | 92.54 | 109.74 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 547.75 | 96.06 |
| Remeasurement (gain) or loss | (76.70) | 2205.73 |
| Benefit paid | (200.91) | (220.06) |
| Merger Trust Readjustments | (249.40) | (1,295.47) |
| Closing defined benefit obligation | 7396.47 | 7194.95 |

Changes in the fair value of plan assets are as follows

| Particulars | As at 31-Mar-2024 | As at 31-Mar-2023 |
|---|---|---|
| Opening fair value of plan assets * | 3359.18 | 2525.76 |
| Employer contributions | 450.70 | 637.32 |
| Interest | 228.16 | - |
| Benefit paid | (130.91) | (110.54) |
| Remeasurement gain or loss | (19.37) | 408.19 |
| Closing fair value of plan assets* | 3,507.59 | 3,359.18 |

*Includes 41.68% share of TGGENCO in the APGENCO Pension and Gratuity Trust as per AP Reorganisation Act, 2014 and interest accrued thereon.

## Telangana Power Generation Corporation Limited
## (Formerly Telangana State Power Generation Corporation Limited)
### Notes to financial statement for the year ended 31st March, 2024
(All amounts in crores rupees except as otherwise stated)

(i) Gratuity

Net defined benefit (asset)/ liability - EPF Employees

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| Net defined benefit (asset)/ liability | 273.74 | 276.24 |
| | 273.74 | 276.24 |
| Non-current | 264.02 | 270.12 |
| Current | 9.72 | 6.12 |

Amount recognised in statement of profit and loss and other comprehensive income - EPF Employees

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| Net Amount recognised in profit or loss | | |
| Gratuity | 50.05 | 37.58 |
| | 50.05 | 37.58 |
| Amount recognised in other comprehensive income | | |
| Remeasurement (gain) or loss on gratuity | (40.47) | 20.24 |
| | (40.47) | 20.24 |

Change in present value of net defined plan - GPF Employees

| Particulars | As at 31st Mar 2024 | As at 31st Mar 2023 |
|---|---|---|
| Opening defined benefit obligation | 217.54 | 193.59 |
| Current service cost | 7.45 | 7.39 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 15.44 | 13.55 |
| Remeasurement gain or loss | (23.63) | 7.61 |
| Benefit paid | (6.17) | (4.61) |
| Liabilities assumed/ settled* | - | - |
| Liabilities extinguished on settlements | - | - |
| Closing defined benefit obligation | 210.62 | 217.54 |

Change in present value of net defined plan - EPF Employees

| Particulars | As at 31st Mar 2024 | As at 31st Mar 2023 |
|---|---|---|
| Opening defined benefit obligation | 276.24 | 219.42 |
| Current service cost | 29.74 | 21.60 |
| Past service cost | - | - |
| Interest on defined benefit obligation | 20.31 | 15.98 |
| Remeasurement gain or loss | (40.47) | 20.24 |
| Benefit paid | (12.08) | (1.00) |
| Liabilities assumed/ settled* | | |
| Liabilities extinguished on settlements | | |
| Closing defined benefit obligation | 273.75 | 276.24 |

Note: While Arriving the Actuarial Liability towards Gratuity the maximum gratuity payable is considered Rs.20 lakhs as per Gratuity Act,1972 as conservative basis. Whereas certain employees also covered under AP Pension & Gratuity Rules 1980. As per said rules the maximum Gratuity payable by the company is Rs.16 lakhs.

(ii) The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

| Particulars | As at 31st Mar 2024 | As at 31st Mar 2023 |
|---|---|---|
| Discount Rate | | |
| Pension liability for GPF employees retired in service on reporting date | 7.10% | 7.24% |
| Pension liability for GPF employees retired on or before reporting date | 7.09% | 7.35% |
| Gratuity for GPF Employees | 7.07% | 7.30% |
| Gratuity for EPF Employees | 7.10% | 7.38% |
| Salary/ pension growth rate | | |
| Pension liability for GPF employees retired in service on reporting date | 5.10% | 5.12% |
| Pension liability for GPF employees retired on or before reporting date | 3.00% | 3.30% |
| Gratuity for GPF Employees | 5.10% | 5.12% |
| Gratuity for EPF Employees | 5.10% | 5.12% |
| Attrition rate | | |
| Pension liability for GPF employees retired in service on reporting date | 1.00% | 1.00% |
| Pension liability for GPF employees retired on or before reporting date | N.A. | N.A. |
| Gratuity for GPF Employees | 1.50% | 1.50% |
| Gratuity for EPF Employees | 1.50% | 1.50% |

(All amounts in crores rupees except as otherwise stated)

v) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | 31-Mar-24 Increase | 31-Mar-24 Decrease | 31-Mar-23 Increase | 31-Mar-23 Decrease |
|---|---|---|---|---|
| Discount Rate (1% movement) | | | | |
| Pension liability for GPF employees in service on reporting date | (720.00) | 339.22 | (312.57) | 371.43 |
| Pension liability for GPF employees retired on or before reporting date | - | - | - | |
| Gratuity for GPF Employees | (8.70) | 9.16 | (10.44) | 11.37 |
| Gratuity for EPF Employees | (29.56) | 34.85 | (28.22) | 33.11 |
| Salary/ pension growth rate (1% movement) | | | | |
| Pension liability for GPF employees in service on reporting date | 122.95 | (115.90) | 126.14 | (116.56) |
| Pension liability for GPF employees retired on or before reporting date | - | - | - | - |
| Gratuity for GPF Employees | 0.02 | (5.64) | 0.12 | (0.13) |
| Gratuity for EPF Employees | 11.06 | (13.45) | 17.01 | (14.54) |
| Attrition rate (50% movement) | | | | |
| Pension liability for GPF employees retired in service on reporting date | (20.94) | 32.42 | (17.14) | 11.46 |
| Pension liability for GPF employees retired on or before reporting date | - | - | | - |
| Gratuity for GPF Employees | (2.49) | 2.62 | 1.98 | (2.66) |
| Gratuity for EPF Employees | 2.99 | (3.35) | 23.40 | (25.56) |
| Mortality rate (10% movement) | | | | |
| Pension liability for GPF employees retired in service on reporting date | (9.24) | 64.55 | (77.31) | 78.83 |
| Pension liability for GPF employees retired on or before reporting date | - | - | | - |
| Gratuity for GPF Employees | (0.51) | 0.51 | 2.86 | (2.70) |
| Gratuity for EPF Employees | 0.47 | (0.46) | 5.65 | (5.77) |

vi) Expected maturity analysis of the defined benefit plans in future years

| Particulars | Less than 1 year | 2 to 5 years | 6 to 10 years | More than 10 years |
|---|---|---|---|---|
| 31-Mar-24 | | | | |
| Pension liability for GPF employees retired in service on reporting date (per annum) | 1.14 | 7.16 | 6.95 | 1.85 |
| Pension liability for GPF employees retired on or before reporting date | | - | | - |
| Gratuity for GPF Employees | 21.18 | 123.02 | 109.57 | 38.21 |
| Gratuity for EPF Employees | 5.99 | 18.52 | 85.33 | 676.49 |

| Particulars | Less than 1 year | 2 to 5 years | 6 to 10 years | More than 10 years |
|---|---|---|---|---|
| 31-Mar-23 | | | | |
| Pension liability for GPF employees retired in service on reporting date (per annum) | 2.07 | 5.12 | 12.25 | 2.66 |
| Pension liability for GPF employees retired on or before reporting date | - | - | | |
| Gratuity for GPF Employees | 16.21 | 71.29 | 106.65 | 71.40 |
| Gratuity for EPF Employees | 1.94 | 15.95 | 62.26 | 660.81 |

# Telangana Power Generation Corporation Limited
## (Formerly Telangana State Power Generation Corporation Limited)
### Notes to financial statement for the year ended 31st March, 2024
(All amounts in crores rupees except as otherwise stated)

38 Related party disclosures

a) List of related parties

i) Key Managerial Personnel (KMP)

| | | |
|---|---|---|
| D. Ronald Rose | From 26.06.2024 | Chairman & Managing Director |
| S.A.M. Rizvi | From 15.12.2023 to 26.06.2024 | Chairman & Managing Director |
| D. Prabhakar Rao | From 04.06.2014 to 04.12.2023 | Chairman & Managing Director |
| M. Sachidanandam | From 05.08.2024 | Director (Projects) |
| Ch. Venkata Rajam | From 05.08.2024 | Director (Hydel) |
| S. Ashok Kumar | From 28.11.2014 to 12.08.2024 | Director (HR) |
| B. Laxmaiah | From 06.09.2018 | Director (Thermal) |
| A. Ajay | From 06.09.2018 | Director (Civil) |
| T.R.K. Rao | From 30.06.2019 to 14.12.2023 | Director (Commercial & Coal) & Director (Finance)/FAC |
| K. Rama Krishna Rao, I.A.S | From 16.04.2015 | Director (Non-Whole time) |
| G.P.R. Hendaya | From 21.10.2015 | Company Secretary |
| S. Anuradha | | FA&CCA (Audit) and CFO |

ii) Entities under the control of same Government

The Company is a Public Sector Undertaking (PSU) controlled by State Government 100% shareholding. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same Government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for Government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include Southern Power Distribution Company Limited, Southern Power Distribution Company Limited and Singareni Collieries Company Limited.

iii) Post employment benefit plans

(1) TGENCO Pension and Gratuity Trust

(2) TGENCO Provident Fund Trust

Compensation of key management personnel of the Company

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| (a) short-term employee benefits | 4.33 | 3.87 |
| (b) post-employment benefits | 0.61 | 0.52 |
| (c) other long-term benefits | | |
| (d) termination benefits; and | | |
| (e) share-based payment | | |
| (f) Sitting fees | | |
| Total | 4.94 | 4.39 |

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel

39 Segment reporting

a) General Information

The Company has only one reportable segment i.e. generation of power

b) Entity wide disclosures

i) Geographical Information

| Particulars | Revenue from external customer | | Non-current assets* | |
|---|---|---|---|---|
| | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 | As at 31st March, 2024 | As at 31st March, 2023 |
| India | 16,416.88 | 15,614.37 | 44,676.81 | 40,453.88 |
| Outside India | - | - | - | - |
| | 16,416.88 | 15,614.37 | 44,676.81 | 40,453.88 |

* Non current assets excluding financial instruments, deferred tax assets and post-employment benefit assets. In other words, it includes PPE, Intangibles and CWIP

ii) Information about major customers

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|---|---|---|
| Revenue from four major customers from "Sale of energy" which is more than 10% of the Company's total revenues | 15,409.61 | 15,507.57 |

# Telangana Power Generation Corporation Limited

(Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

40 Fair values

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value and "Share of INR [illegible] in Investment of combined APGENCO"#) appearing in the financial statements is reasonable approximation of fair values.

| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|
| Financial assets | | | | |
| At Fair Value through profit or loss | | - | - | - |
| At Fair Value through other comprehensive income | | | - | - |
| At Amortised cost | | | | |
| Loans | 94.46 | 87.29 | 94.46 | 87.29 |
| Other financial assets | 723.52 | 737.65 | 723.52 | 737.65 |
| Trade receivables | 12061.38 | 9577.08 | 12,061.38 | 9,577.08 |
| Cash and bank balance | 208.61 | 218.95 | 208.61 | 218.95 |
| At cost | | | | |
| Investment# | 940.42 | 940.42 | 940.42 | 940.42 |
| Total financial assets | 14,028.41 | 11,561.39 | 14,028.41 | 11,561.39 |
| Financial liabilities at amortised cost | | | | |
| Borrowings excluding pension bonds | 32547.34 | 32891.93 | 32,547.34 | 32,891.93 |
| Pension bonds | 683.59 | 820.13 | 683.59 | 820.13 |
| Trade payables | 10,617.44 | 5023.91 | 10,617.44 | 5,023.91 |
| Other financial liabilities | 4271.05 | 3760.54 | 4,271.05 | 3,760.54 |
| Total financial liabilities | 48,120.04 | 42,496.51 | 48,120.04 | 42,496.51 |

\# As per AP Reorganisation Act, 2014 the Company has recognised its share of investment in secured redeemable non-convertible bonds of APDISCOMs, Investment in shares of Andhra Pradesh Power Development Company Limited, and Investment in shares of Andhra Pradesh Gas Infrastructure Corporation Private Limited. As the given investments are under resolution with Andhra Pradesh Power Generation Company Limited and in the absence of complete details about the terms and conditions, management believes that the amortised cost of APDISCOMS bonds and fair value of investment in equity shares are not reliably measurable. Hence these investments has been carried at the amount recognised as per AP Reorganisation Act, 2014.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

41 Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (i.e. interest rate). The Company's senior management oversees the management of these risks. The Company manages the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company based on the policies agreed by the Company's senior management. The same are summarised below.

a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions. None of the financial instruments except trade receivables of the Company result in material concentration of credit risk. However as majority of receivables are from government companies the chances of credit risk on account of concentration is very negligible.

i) Trade Receivables

The Company primarily sells electricity to bulk customers comprising mainly state utilities owned by State Governments. The Company has a robust payment security mechanism backed by the PPA agreements. These payment security mechanisms have served the Company well over the years. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.

The ageing analysis of Trade Receivables as of the reporting date is as follows:

| Particulars | Neither past due nor impaired | Past due but not impaired | | | | |
|---|---|---|---|---|---|---|
| | | Less than 30 days | 30 to 60 days | 60 to 90 days | Above 90 days | Total |
| Trade receivables as of 31st March, 2024 | 2962.53 | 1470.58 | 1,553.34 | 1634.29 | 3819.64 | 12061.38 |
| Trade receivables as of 31st March, 2023 | 5364.04 | 1218.70 | 1106.36 | 1499.58 | 788.40 | 9977.08 |

ii) Investments

The Company has recognised its share of INR 940.42 crores in the investment of "Combined APGENCO" based on AP Reorganisation Act, 2014. These investments are under resolution with APGENCO (a demerged entity of combined APGENCO). Management believes its recoverability in the future based on final demerger resolution with APGENCO and between the successor Governments as per APRA, 2014.

iii) Amount recoverable from APGENCO

The Company has INR [illegible] crores recoverable under "Other financial assets" from APGENCO post the bifurcation of "Combined APGENCO" based on AP Reorganisation Act, 2014. The amount is under resolution with APGENCO (a demerged entity of combined APGENCO). Management believes its recoverability based on final demerger resolution with APGENCO and between the successor Governments as per APRA, 2014.

iv) Cash and Bank Balance

The company held cash and bank balance of INR 208.61 crores (31st March 2023: INR 218.95 crores). The cash and cash equivalents are held with banks with high rating and between the successor Governments as per APRA, 2014.

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

(All amounts in crores rupees except as otherwise stated)

b) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| As at 31st March, 2024 | On demand | Within 1 year | 1 to 3 years | 3 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 1,213.10 | 7,031.36 | 4,060.79 | 4,715.91 | 20,384.96 | 37,610.11 |
| Pension bonds | - | | 307.37 | 295.58 | 82.64 | 685.59 |
| Trade and other payables | - | 9,083.86 | 1,067.64 | 469.74 | - | 10,617.11 |
| Other financial liabilities | | 2,318.17 | 1,178.96 | - | - | 3,497.13 |
| Total | 1,213.10 | 18,433.39 | 6,614.56 | 5,481.24 | 20,467.60 | 48,230.29 |

| As at 31st March, 2023 | On demand | Within 1 year | 1 to 3 years | 3 to 5 years | >5 years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 988.25 | 2,706.77 | 3,564.06 | 4,925.96 | 20,645.65 | 32,790.15 |
| Pension bonds | - | | 220.01 | 310.15 | 223.96 | 670.12 |
| Trade and other payables | | 4,511.06 | 38.43 | 474.42 | - | 5,023.91 |
| Other financial liabilities | - | 2,399.14 | 1,058.58 | - | - | 3,058.72 |
| Total | 988.25 | 9,617.37 | 5,344.24 | 5,755.53 | 20,895.61 | 42,600.91 |

c) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk.

The entity is not having any foreign currency receivables and it is carrying the investments at cost on account of same being under resolution with APGENCO post the demerger of Erstwhile APGENCO based on AP Reorganisation Act, 2014. Hence the entity is significantly exposed only to interest rate risk. Financial instruments affected by market risk includes loans and borrowings excluding pension bonds. Pension bonds are subject to predetermined rate of interest mentioned in bonds schedule.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumption have been made in calculating the sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2024 and 31st March, 2023.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs In Crores)

| Particulars | Balance | Effect on profit before tax | |
|---|---|---|---|
| | | 50 bp increase | 50 bp decrease |
| 31st March, 2024 | | | |
| Loans with floating interest rate | 29,156.66 | (145.83) | 145.83 |
| 31st March, 2023 | | | |
| Loans with floating interest rate | 29,613.57 | (148.07) | 148.07 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. The analysis is performed on the same basis for the previous year.

41) **Capital Management**

The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and all other equity reserves attributable to the equity holders. The gearing ratio at the end of the reporting period was as follows:

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Net debt | | |
| Long term borrowings excluding pension bonds | 29,166.69 | 29,525.67 |
| Pension bonds | 685.59 | 520.13 |
| Short term borrowings | 3,380.68 | 3,299.25 |
| Current maturities of long term borrowings | 243.16 | 51.03 |
| Total borrowings | 33,474.12 | 33,396.08 |
| Less: cash and cash equivalents | 208.57 | 436.78 |
| Total Net debt | 33,266.24 | 32,959.27 |

## Telangana Power Generation Corporation Limited

### (Formerly Telangana State Power Generation Corporation Limited)

Notes to financial statement for the year ended 31st March, 2024

(All amounts in crore rupees except as otherwise stated)

| | | | | | |
|---|---|---|---|---|---|
| | Equity | | | | |
| | Share capital | | | 869.64 | 869.64 |
| | Other equity | | | 6,071.96 | 5,665.04 |
| | Total Equity | | | 6,941.60 | 6,534.68 |
| 43 | Details of Corporate Social Responsibility (CSR) : | 31-Mar-24 | | 31-Mar-23 | |
| | i) Amount required to be spent by the company during the year | | 3.09 | | 7.91 |
| | ii) Amount of expenditure incurred (excluding unspent amount deposited for ongoing projects) | 10.76 | | 1.25 | |
| | iii) Shortfall at end of the year | - | | - | |
| | iv) Total of previous years shortfall | - | | - | |
| | v) Reasons for shortfall | - | | - | |
| | vi) Nature of CSR activities | Section 135 of the Companies Act 2013 | | Section 135 of the Companies Act 2013 | |
| | vii) Details of related party transactions example contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard. | | | | |
| | viii) Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movements in the provision during the year shall be shown separately | | | | |
| | Note: A separate bank account opened in the name of Unspent Corporate Social Responsibility account and transferred an amount of Rs 0.51 crores (Rs 7.27 crores excess spent in the previous years deducted from the total CSR expenditure) for the FY 2023-24 and remaining balance of Rs 6.05 crores for the FY 2022-23 and Rs 3.30 crores for the FY 2021-22 is available in the fund specified in schedule VII of Companies Act, 2013. Further, an amount of Rs 0.01 crores towards balance amount available under unspent corporate social responsibility account opened in the year 2020-21 is transferred to Swachh Bharat Kosh as per section 135(6) of the Companies Act, 2013. | | | | |
| 44 | Reconciliation and Confirmations:- Balances shown under advances, debtors, creditors, other receivables/payables etc., as on Balance Sheet date are subject to confirmation and reconciliation. | | | | |
| 45 | Figures for the previous period have been regrouped / reclassified wherever necessary to confirm to current year's classification. | | | | |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

[illegible]

| S No | Description of Ratio | 2023-24 | 2022-23 | Type | Change % | Remarks |
|---|---|---|---|---|---|---|
| 1 | Current Ratio | 0.75 | 1.04 | Times | (29.68) | |
| 2 | Debt - Equity Ratio | 4.56 | 4.96 | Times | (8.22) | |
| 3 | Debt Service Coverage ratio | 0.89 | 1.06 | Times | (16.04) | |
| 4 | Return on Equity Ratio | 5.99 | 14.37 | Percentage | (58.32) | Due to change in PAT (excluding OCI) |
| 5 | Inventory Turnover Ratio | 12.14 | 11.78 | Times | 3.06 | |
| 6 | Trade Receivables Turnover Ratio | 1.49 | 1.49 | Times | 0.00 | |
| 7 | Trade Payables Turnover Ratio | 1.24 | 1.37 | Times | (9.49) | |
| 8 | Net Capital Turnover Ratio | (15.65) | 5.56 | Times | (381.47) | Due to increase in current liabilities (Trade Payables) |
| 9 | Net Profit Ratio | 2.62 | 3.05 | Percentage | (14.09) | |
| 10 | Return on Capital Employed | 9.24 | 11.10 | Percentage | (16.76) | |
| 11 | Return on Share Holder's Fund | 49.09 | 54.38 | Percentage | (9.73) | |

# Telangana Power Generation Corporation Limited

## (Formerly Telangana State Power Generation Corporation Limited)

### Notes to financial statement for the year ended 31st March, 2024

| | |
|---|---|
| 47 | **No transaction to report against the following disclosure requirements are notified by MCA pursuant to amended schedule III:** |
| (a) | Crypto Currency or Virtual Currency |
| (b) | Benami Property held under Prohibition of Benami Property Transaction Act,1988 and rules made thereunder |
| (c) | Registration of charges or satisfaction yet to be with Registrar of Companies (ROC) beyond the statutory period |
| (d) | Undisclosed Income |
| (e) | Additional Disclosures relating to borrowed funds: |
| | i. Wilful defaulter |
| | ii. Utilisation of borrowed funds & share premium |
| | iii. Discrepancy in Reports/ Statemetns furnished to Banks and Finacial Instutions in repsct of Borrowings obtained on the basis of security of current assets |
| | iv. Discrepancy in utilisation of borrowings |
| (f) | Relation with Struck off companies |

These are the notes referred to in Balance Sheet

For Laxminiwas & Co.,
Chartered Accountants
Firm Regn.No.011168S

Guha Roy Ashish Kumar
Partner
M.No.018659
Place: Hyderabad
Date: 09.09.2024

For and on behalf of the Board

E.Anuradha
FA & CCA (Audit) and CFO
& Director (Finance)/LA

D.Ronald Rose, I.A.S
Chairman & Managing Director/FAC
(DIN No.06930580)

G.P.R Hrudaya
Company Secretary

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT

To The Members of Telangana Power Generation Corporation Limited (Formerly known as Telangana State Power Generation Corporation Limited)

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of **TELANGANA POWER GENERATION CORPORATION LIMITED** (Formerly known as Telangana State Power Generation Corporation Limited) ("the Company") which comprise the balance Sheet as of 31st March 2024, the statement of profit & loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year then ended and notes to the financial statements, including 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 effects of the matters described in the "Basis for Qualified Opinion" section of our report, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

1) As per section 53 of The Andhra Pradesh Reorganization Act 2014, required the apportionment of the assets and liabilities of Andhra Pradesh Power Generation Corporation Limited ("APGENCO"), as at the commencement of business hours on 2nd June 2014, in the manner specified therein, between the states of Andhra Pradesh and Telangana. The manner in which the said apportionment has been assessed by the Company and recognized in the financial statements was as stated in Note No. 2 to the said financial statements.

    a) The impact on the financial statements, in relation to the matters specified in Note No. 2 which includes pending approval/notification by Andhra Pradesh and Telangana State Governments and final acceptance by APGENCO with respect to Demerger Plan, cannot be ascertained.

    b) The following amounts, assessed and recognized by the Company in these financial statements pursuant to the AP Reorganization Act 2014, are subject to final agreement and approval of various parties mentioned therein, and is pending as on 31st March 2024

i) As stated in Note no. 13.1 Other current financial assets include an amount of Rs. 549.04 crores (on net basis) receivable from APGENCO, as assessed by the company towards loans & cash credits apportioned in addition to the share of 41.68% on a population basis but the same was disputed by APGENCO. As the receivable from APGENCO and Interest paid on these loans is under legal claim, the company did not account the interest paid on these loans as receivable from APGENCO.

ii) As stated in Note no. 6A.1.1 Discom Bonds of the value Rs.300.16 Crores, being 41.68% share on a population basis relating to the Company have been retained by APGENCO. As stated in accounting policy "1.B.3 J-Accounting policy of Financial Instruments", the company did not measured these investments as per 'IND AS 109 - Financial Instruments'. The impact on the financial statements cannot be ascertained.

iii) As stated in Note no. 6A.1.2 Investments in Andhra Pradesh Power Development Corporation Limited (APPDCL) and Andhra Pradesh Gas Infrastructure Corporation Private Limited (APGIC) aggregating to Rs. 440.26 Crores is apportioned by the Company on a population basis and recognized the share of 41.68% in its books of account. However, the same was considered on a location basis and retained entirely by APGENCO. The company does not have ownership of these investments in equity. The impact on the financial statements cannot be ascertained.

2) As per clause 16.5 of fuel supply agreement entered with M/s Singareni Collieries Company Limited (SCCL), the company is liable to pay interest on delayed payments of coal bills for the period June'22 to March'24 amounting to Rs. 596.57 crores. The same has not been accounted by the company, resulting in understatement of "Other expenses" and "Current Liabilities" by Rs. 596.57 crores and overstatement of profits by a similar amount.

3) As per balance confirmations along with reconciliations received from TGPCC/TGDISCOM's, noted balances amounting to Rs. 355.57 crores are pending for confirmation and subject to reconciliation of opening balances as on 2nd June 2014 between APDISCOM's and TGDISCOM's.

Details of balances as per books and as per confirmations received are as follows:

| Name of Customer | As per Books (Rs. in crores) | As per Balance confirmations & reconciliations (Rs. in crores) | Balance pending for confirmation (Rs. in crores) |
|---|---|---|---|
| TGPCC/TGDISCOM's | 11,825.84 | 11,470.27 | 355.57 |

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter**

We draw attention to the following in the Notes to financial statements:

1) Note No. 21 of financial statements representing other financial liabilities Includes Rs. 549.54 crores representing the amounts payable to certain vendors towards delay in supplies of material/services for want of Extension of Time (EOT) or finality whether the reasons for delays are attributable to the suppliers/contractors and the amount of damages sustained by the company on account of delays attributable to the contractors, pending finalisation, crystallisation and closure of respective contracts with the vendors

2) Note No.44 states balances shown under advances, other financial assets, other financial liabilities, other receivables, trade receivables (other than TGPCC), other payables etc., as on Balance Sheet date are subject to confirmations and reconciliation.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31st March 2024. We have determined that there are no key audit matters to communicate in our report.

**Information other than the financial statements and auditor's report thereon:**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures and other company related information (but does not include the financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

**Responsibilities of Management 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with Ind AS and other accounting principles generally accepted in India

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 financial reporting process of the company

**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 an 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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the

Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, based on our audit we report that.

(a) We have sought, except for the matters described in the Basis for Qualified Opinion paragraph, 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, except for the matters described in the Basis for Qualified Opinion paragraph, 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 (including other comprehensive income), the Statement of Changes in Equity and the statement of Cash Flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, except for the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) Being a government company, pursuant to notification no. G.S.R. 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India; the provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable to the company.

(f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and

(g) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Company.

(h) 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note no. 34 of the financial statements,

(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 such amounts that were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2024;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared any dividend during the year.

4. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Laxminiwas & Co
Chartered Accountants
Firm's Registration Number: 011168S

Guharoy Ashish Kumar
Partner
**Membership Number:** 018659

**UDIN:** 24018659BKBOWC5617
**Date:** 09-09-2024
**Place:** Hyderabad

**Annexure A to the Auditors' Report**

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements "of our report of even date.

(i). In respect of the company's Property, Plant and Equipment, and Intangible Assets:

a. (A) Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is maintaining proper records showing full particulars including quantitative details and situation of property, plant & equipment.

(B) Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is maintaining proper records showing full particulars of intangible assets.

b. Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the Company is having a regular programme of physical verification of all Property, Plant and Equipment on periodic basis, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the company, we report that the title deeds/award copies, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as on the balance sheet date.

d. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not revalued its property, plant, and equipment or intangible assets, or both during the year. Therefore, the clause 3(i)(d) of the order is not applicable to the company and hence not commented upon.

e According to the information and explanations given to us, there are no proceedings initiated or pending against the company for holding any Benami property under the Benami Transaction Prohibition Act 1988. Therefore, Clause 3(i)(e) of the order is not applicable to the Company and hence not commented upon

(ii) (a) Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the inventories were physically verified during the year by the Management at reasonable intervals. In our opinion the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No material discrepancies were noticed on such verification.

(b) Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, in our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion the returns or statements comprising stock statements, book debt statements filed by the Company with such banks till the date of this report are in agreement with the unaudited books of accounts of the Company of the respective period and no material discrepancies have been observed.

(iii). According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made investments in, provided any guarantee or security or 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. Therefore, clause 3(iii) (a), (b), (c), (d), (e), and (f) of the order is not applicable to the Company and hence not commented upon.

(iv). According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not granted any loans or given any Guarantee or security under section 185 of the companies Act, 2013. The company has no subsidiaries hence reporting under section 186 is not applicable.

(v). According to information and explanations given to us and on the basis of our examination of the records of the company, the Company has not accepted any public deposits during the year. Therefore, clause 3(v) of the order is not applicable to the Company and hence not commented upon.

(vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Subject to the possible effects of our inability to comment on the nature of the transactions described in the Basis for Qualified Opinion section of the main report, according to the information and explanations are given to us, in respect of statutory dues:

a) According to the information and explanation given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods & Service Tax, Customs duty, Cess and any other statutory dues applicable to it as on 31st March 2024 except for the following payments which were outstanding for a period of more than six months from the date they became payable as at the year-end

| Act | Purpose | Year | Total Amount (Rs. in Crores) | Amount paid (Rs. in Crores) | Amount Due (Rs. inCrores) | Payment Date |
|---|---|---|---|---|---|---|
| Mines Act, 1952 | Royalty | 2023-24 | 23.82 | - | 23.82 | - |
| | DMFT* | 2023-24 | 12.09 | 9.38 | 2.51 | 14-09-2023 |
| | NMET# | 2023-24 | 2.42 | 1.86 | 0.56 | 14-09-2023 |

* DMFT – District Mineral Foundation Trust

#NMET – National Mineral Exploration Trust

b) According to information and explanations given to us, the gross disputed statutory dues of income tax or sales tax or value-added tax amounts to Rs. 52.88 crores in aggregate as on 31st March 2024, out of which Rs. 8.08 crores have been deposited under protest/adjusted by tax authorities and the balance of Rs. 44.8 crores of dues have not been deposited on account of matters pending before appropriate authorities as detailed below:

| Name of Statute | Particulars | Period which belongs | Forum | Gross Disputed Amount (Rs. in crores) |
|---|---|---|---|---|
| Income Tax Act.1961 | Income Tax | 2017-18 | CIT (A), Hyderabad- 2 | 12.69 |
| | Income Tax | 2018-19 | CIT (A), Hyderabad- 2 | 6.61 |
| | Income Tax | 2019-20 | CIT (A), Hyderabad- 2 | 2.72 |
| | Income Tax | 2022-23 | CIT (A), Hyderabad- 2 | 2.52 |
| Finance Act,1994 | Service Tax | 2021-22 | Appellate Tribunal | 5.07 |
| Telangana VAT | Entry Tax | 2014-15 | High Court | 8.49 |
| | Entry Tax | 2015-16 | High Court | 11.75 |
| | Entry Tax | 2016-17 | High Court | 4.37 |
| | Entry Tax | 2017-18 | High Court | 0.36 |
| Total | | | | 52.88 |

(viii). According to the information and explanation given to us and based on examination of the books of accounts of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix). (a) According to the information and explanations given to us and on the basis of the examination of the records of the company, the company has not defaulted in the repayment of loans or other borrowings in the payment of interest thereon to any lender.

(b) According to the information and explanations are given to us and on the basis of the examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or, any other lenders.

(c) According to the information and explanations are given to us and on the basis of the examination of records of the company, the term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on the basis of the examination of records of the company, no funds raised on a short-term basis have been utilized for long-term purposes.

(e) According to the information and explanations given to us and on the basis of the examination of records of the company, the company has no subsidiaries, Associates or Joint ventures. Therefore clause 3(xi)(e) of the order is not applicable and hence not commented upon.

(f) According to the information and explanations given to us and on the basis of the examination of records of the company, the company has no subsidiaries, Joint ventures, or Associate companies. Therefore clause 3(xi)(f) of the order is not applicable and hence not commented upon.

(x). (a) According to the information and explanations given to us and on the basis of the examination of records of the company, no money was raised by the way of an initial public offer or further public offer (including debt instruments). Accordingly, Clause 3(x)(a) of the Order is not applicable and hence not commented upon.

(b) According to the information and explanations given to us and on the basis of the examination of records of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, or partially optionally convertible) during the year. Accordingly, Clause 3(x)(b) of the Order is not applicable and hence not commented upon.

(xi). (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year

(b) According to the information and explanations are given to us, no report under section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.

(c) According to the information and explanations are given to us, there were no whistle-blower complaints received during the year.

(xii). According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Accordingly, Clause 3(xii) (a), (b), and (c) of the Order is not applicable and hence not commented upon.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, no transactions with the related parties as per sections 177 and 188 of the Act have been entered by the company during the year. Accordingly, Clause 3(xiii) of the Order is not applicable and hence not commented upon

(xiv) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.

(b) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided by the management, we considered the reports of the Internal Auditors issued till date for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the order is not applicable and hence not commented upon.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance Activities. Accordingly, Clause 3(xvi)(b) of the order is not applicable to the company and hence not commented upon.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) The Company is not part of any group. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the company and hence not commented upon.

(xvii) According to the information and explanations are given to us and on the basis of our examination of the records of the company, the company has not incurred any cash losses in the financial year and the immediately preceding financial year.

(xviii). According to the information and explanations are given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the Order is not applicable and hence not commented upon.

(xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

(xx). (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the order is not applicable.

(b) In respect of ongoing projects, the company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with sub-section (6) of Section 135 of the Act

(xxi). According to the information and explanation provided to us and based on the examination of records of the company, it does not hold any subsidiary, Joint venture, or associate, Therefore, Clause 3(xxi) of the Order is not applicable to the Company and hence not commented upon.

For Laxminiwas & Co.
Chartered Accountants
**Firm's Registration Number:** 011168S

Guharoy Ashish Kumar
Partner
**Membership Number:** 018659

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

UDIN: 24018659BKBOWC5617
**Date:** 09-09-2024
**Place:** Hyderabad

**Annexure B to the Auditors' Reports**

Referred to in paragraph 2 under the heading "**Report on Other Legal and Regulatory Requirements** "of our report of even date.

Replies to the directions and Sub-directions issued by the Comptroller and Audit General of India under Section 143(5) of the Companies Act, 2013

| S.NO | | PARTICULARS | Auditor's Reply | Impact On Financial Statements |
|---|---|---|---|---|
| I | | **Directions** | | |
| | 1 | Whether the company has a system in place to process all the accounting transactions through the IT system? If yes, the implications of processing accounting transactions outside the information technology system on the integrity of the accounts along with the financial implications, if any, may be stated | - Yes<br>As all the accounting transactions are processed through SAP, there are no information coming into financials from outside SAP | Nil |
| | 2 | Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, the lender is a Government Company, then this direction is also applicable to the statutory auditor of the lender company) | - Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/ interest etc. made by the lender to the company due to the company's inability to repay the loan. | Nil |
| | 3 | Whether funds (grants/subsidy etc.) received / receivable for specific schemes from the Central/State Government or its agencies properly accounted for/ utilized as per its term and conditions? List the causes of deviation | - Based on the audit procedures carried out and as per the information and explanations given to us, the funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per the respective terms and | Nil |

| | | |
|---|---|---|
| | | conditions. |
| II | Sub Directions | |
| | We were not provided any Sub-directions by the Comptroller and Auditor General of India (C&AG) for the year under report | |

For Laxminiwas & Co.
Chartered Accountants
**Firm's Registration Number:** 011168S

Guharoy Ashish Kumar
Partner
**Membership Number:** 018659

UDIN: 24018659BKBOWC5617
Date: 09-09-2024
Place: Hyderabad

**Annexure C to the Auditors' Report**

Referred to in paragraph 3(f) under the heading "**Report on Other Legal and Regulatory Requirements** "of our report of even date.

Report on the Internal Financial Controls 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 **TELANGANA POWER GENERATION CORPORATION LIMITED** (Formerly known as Telangana State Power Generation Corporation Limited) ("the Company") as of 31st March 2024 in conjunction with our audit of the financial statements of the company for the year ended on that date

**Management's Responsibility for Internal Financial Controls**

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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility**

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 (ICAI) 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 were established and maintained and if such controls operated effectively in all material respects.

Our 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

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.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the 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 the authorizations of management and directors of the company, and

(3) Provide reasonable assurance regarding the 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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 2024, 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. However, the company need to have documented framework with respect to internal financial control over financial reporting to further strengthen the internal financial controls system.

For Laxminiwas & Co.
Chartered Accountants
**Firm's Registration Number:** 011168S

Guharoy Ashish Kumar
Partner
**Membership Number:** 018659

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

CDIN: 24018659BKBOWC5617
Date : 09-09-2024
Place: Hyderabad

महालेखाकार का कार्यालय (लेखापरिक्षा)
तेलंगाना, हैदराबाद
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
Telangana, Hyderabad

**Lr.No.AG (Audit)/TSC/TGGENO/2023-24/ 335** **Date: 06.12.2024**

To
**The Chairman & Managing Director,**
**Telangana Power Generation Corporation Limited,**
**Vidyut Soudha,**
**Hyderabad – 500 082.**

**Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of the Telangana Power Generation Corporation Limited for the year ended 31 March 2024.**

Sir,

1. I am to forward herewith **NIL** comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on financial statements of your Company for the year ended 31 March 2024 for necessary action.

2. The date of placing of '**NIL**' comments along with financial statements and Auditors' Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting furnished.

3. The date of forwarding the annual report for the year 2023-24 and financial statements of the Company together with the Auditors Report and **'NIL'** comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be intimated.

4. Three copies of the annual report for the year 2023-24 may be furnished in due course.

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

**Yours faithfully,**

**Encl: As Above**

M Nageswara Reddy

**(Nageswara Reddy M, IAAS)**
**Sr. Deputy Accountant General/AMG-II**

Saifabad, Hyderabad - 500 004
Phone No. : 040-22331393
https://cag.gov.in/ag/telangana/en
E-mail : agautelangana@cag.gov.in
Fax No. 040-23234157
040-23215185

**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 TELANGANA POWER GENERATION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of the financial statements of Telangana Power Generation Corporation Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 09.09.2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of the Telangana Power Generation Corporation Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company's personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143 (6) (b) of the Act.

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

**Place: Hyderabad**
**Date: 06-12-2024**

**(P. Madhavi)**
**Accountant General (Audit)**

# NOTICE

**NOTICE** is hereby given that the 10th Annual General Meeting of the members of the Company will be held on Sunday, the 29th December, 2024 at 12.15.P.M at the Registered Office of the Company to transact the following businesses:

**ORDINARY BUSINESS:**

**1)** To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2024 together with the Reports of Board of Directors and Statutory Auditors thereon along with the comments received from C & AG, New Delhi.

**2)** To take note of appointment of Statutory Auditors by the Comptroller and Auditor General of India for the Financial Year 2024-25 as per the provisions of Section 139 of the Companies Act, 2013 and to fix the remuneration of Statutory Auditors for the Financial year 2024-25 as per the provisions of Section 142 of the Companies Act, 2013.
To consider and if thought fit, to pass, with or without modifications the following resolution as ordinary resolution:

**"**RESOLVED THAT the appointment of M/s N G Rao & Associates, as Statutory Auditors of the Company for the Financial Year 2024-25 made by the Comptroller and Auditor General of India vide No.CA.V/COY/ TELANGANA, TPGCL(1)/380 dated 21.09.2024 be and is hereby noted and taken on record."

"Further, it is resolved that the members have agreed to fix the remuneration for the year 2024-25 as follows in addition to reimbursement of tax thereon."

| | |
|---|---|
| For Statutory Audit | Rs.12,00,000 |
| Out of Pocket Expenses | Rs.1,00,000 |

**Special Business:**

**1) To ratify the action in having fixed the remuneration of Cost Auditors at the time of their appointment by the Board of Directors for the F.Y. 2024-25.**

To consider and if thought fit, to pass, with or without modifications the following resolution as ordinary resolution:

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration Rs.2,00,000/-(Rupees Two Lakhs only) + XBRL conversion fee of Rs.15,000/- and GST thereon at18%. thereon to be paid to the Cost Auditors M/s Nageswara Rao & Co, Cost Accountants appointed by the Board of Directors of the Company , to conduct the cost audit of the Company for the financial year 2024 -25 be and is hereby ratified”.

“**RESOLVED FURTHER THAT** Smt. G. P. R. Hrudaya, Company Secretary, be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the resolution.”

**By order of the Board of Directors,**
For and on behalf of
Telangana Power Generation Corporation Limited

**Smt. G. P. R. Hrudaya**
Company Secretary

Date: 29.12.2024

**Registered Office:**
Vidyut Soudha,
Khairatabad,
Hyderabad – 500 082

**NOTES:**

1. A. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and such proxy need not be a member of the company.
2. Proxy form is enclosed. Instrument appointing proxy shall be deposited at the Registered Office of the company by not less than 48 hours before commencement of the meeting.
3. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE:**

**Special Business: Item No.1.**

The Board of Directors in its meeting held on 29.12.2024 ofM/s Nageshwara Rao & Co., the cost accountant firm noted the appointment for the Financial Year 2024-2025 by resolution by circulation. The work was assigned to Cost Auditor and total fee of Rs.2,00,000/- + XBRL conversion fee of Rs.15,000/- and GST thereon at18%.plus taxes thereon payable for cost audit for the financial year 2024 – 25. The fee structure for cost audit is broadly based on station capacity and number of stations. The reimbursement of out of pocket expenses applicable statutory taxes/levies shall be in addition to fees. The name of cost auditor is as under:

| Sl.No. | Name of Cost Auditor |
|---|---|
| 1. | M/s Nageshwara Rao & Co |

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 with Section 148(3) of the Companies Act, 2013, the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and to be ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2024– 25.

None of the Directors or key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors,
For and on behalf of
Telangana Power Generation Corporation Limited

**Smt. G. P. R. Hrudaya**
Company Secretary

Date:29.12.2024

## BOARD'S REPORT

**Dear Members,**

The Board of Directors of your Company are pleased to share the highlights of developments and progress of your Company since its last report along with the Financial Statements for the period from 01st April,2023to 31stMarch, 2024.

**FINANCIAL SUMMARY:**

The Financial Results for the year ended 31st March, 2024 are summarized below:

(Rupees in Crores)

| S.No | Particulars | Current Year 2023-24 (01.04.2023-31.03.2024) | Previous Year 2022-23 (01.04.2022-31.03.2023) |
|---|---|---|---|
| 1. | Revenue from Operations | 16416.88 | 15614.37 |
| 2. | Other Income | 289.21 | 308.00 |
| 3. | **Total Revenue(A)** | **16706.09** | **15922.37** |
| 4. | **Total Expenses excluding depreciation and amortisation (B)** | 14835.92 | 13372.72 |
| 5. | **Depreciation and amortization expenses ( C)** | 1323.78 | 1437.33 |
| 6. | Total expenses including Depreciation **( D) = (B) + ( C )** | **16159.70** | **14810.05** |
| 7. | **Profit after depreciation and before extraordinary items and tax ( A ) – ( D )** | **546.39** | **1112.32** |
| 8. | Extraordinary items | ---- | ---- |
| 9. | **Profit before tax** | **546.39** | **1112.32** |
| 10. | Tax expense: | | |
| | 1. Current Tax | 105.09 | 19.96 |
| | 2. MAT Credit | ---- | ---- |
| | 3. Deferred Tax | 37.11 | 183.40 |
| 11. | Profit(loss) for the year | **404.19** | **908.96** |
| 12. | **Other comprehensive Income**<br>**A)Items that will not be reclassified to profit or loss**<br>-Re-measurement gain(loss) on defined benefits plans<br>-Tax relating to re-measurement gain/loss on defined benefit plans<br>**B)Items that will be reclassified to profit or loss** | 30.37<br>(7.64) | (582.67)<br>146.65 |
| 13. | Total Comprehensive Income for the Year (Comprising Profit/loss and other comprehensive Income for the Year) | **426.92** | **472.94** |

**BIFURCATION:**

As per AP Reorganization Act, 2014 the state of Andhra Pradesh was bifurcated in to Andhra Pradesh and State of Telangana from 02.06.2014.As per section 53 of AP Reorganization Act, 2014 the assets and liabilities were divided between the two entities provisionally and final bifurcation is yet to take place. The Sheela Bide Committee has given their final recommendations for the bifurcation of assets and liabilities between the newly formed State of Telangana and residual State of Andhra Pradesh and yet to be notified by the respective state Governments for final adjustments in the accounting statements.

**PERFORMANCE REVIEW**:

**PERFORMANCE HIGHTLIGHTS FOR THE YEAR 2023– 2024:**

**INSTALLED CAPACITY:**

- ♦ Installed capacity of TGGENCO as on 31-03-2024 is 6485.26 MW comprising Thermal – 4042.50 MW, Hydro – 2441.76 MW and Solar - 1 MW.

**GENERATION:**

- ♦ TGGENCO has achieved annual generation of 29538.74 MU during 2023-24.
- ♦ Thermal power stations achieved annual generation of 28280.07 MU during 2023-24.
- ♦ Thermal power stations achieved 79.64% PLF during the period 2023-24.
- ♦ The total backed down and reserve shutdown generation of thermal stations was 1234.69 MU during 2023-24 as per the instructions of Load Dispatch Centre. Considering the backdown and regeneration deemed PLF of TGGENCO is 83.12% during 2023-24.
- ♦ Generation from Hydro power stations is 1257.64 MU during 2023-24.
- ♦ Srisailam reservoir received about 134.15 TMCft during 2023-24.

**TS POWER GRID:**

- ♦ TGGENCO contribution to TS Power grid is 27580.73 MU (32.41%) during 2023-24.
- ♦ Highest Maximum Daily Demand handled by TS Power grid is 15623 MW on 08.03.2024.
- ♦ Highest Maximum Daily Consumption handled by TS Power grid is 308.54 MU on 14.03.2024.

**PLFS OF TGGENCOTHERMAL STATIONS FROM 01.04.2023 TO 31.03.2024:**

- KTPS Stage-V (2x250 MW): 79.42% (U9: 84.49%, U10: 74.34%)
- KTPS Stage-VI (1x500 MW): 76.05%
- KTPS Stage-VII (1x800 MW): 85.54%
- KTPP Stage-I (1x500 MW): 85.35%
- KTPP Stage-II (1x600 MW): 84.99%
- BTPS U-1: 75.57%, BTPS U-2: 71.87%, BTPS U-3: 70.82%, BTPS U-4: 74.95%.
- RTS-B (62.5 MW): 47.16%

**RECORDS& ACHIEVEMENTS:**

- TGGENCO stood 4th among all State owned Power Utilities in the Country with 79.64% PLF for the period Apr'23 to Mar'24.

**Transfer of unclaimed dividend to investor education and protection fund:**

During the financial year 2023-2024, there was no unpaid or unclaimed dividend which required to be transferred to the IEPF. Hence not applicable.

**Dividend:**

No dividend is recommended by the Board of Directors to its shareholders for the financial institution year 2023-24.

**Deposits:**

Your Company has not accepted/renewed any deposits from the public in terms of Section 73 of the Companies Act, 2013.

**Borrowings:**

During the year under review, your Company has availed loans from banks and financial in compliance with companies Act, 2013. Details of borrowing of the company as on 31st March, 2024 are given in notes to financial statements.

**Insurance:**

Your Company has insured its assets to the extent wherever necessary during the year 2023-24.

**Human Resource Management:**

The fast changing economic scenario and technological innovations are creating an increasingly competitive market environment. Your Company consistently evaluates the training needs of its employees to keep them updated with latest changes, to improve their productivity and work efficiency.

In this regard,“Centre of Excellence for Training and Development” has been established in Paloncha, BhadradriKothagudem District, Telangana State on 12-04-2017 to cater the training needs of employees of TGGENCO.TGGENCO’s apex training and development centre, Training Institute delivers training programmes on wide gamut of topics covering management development, construction, operation & maintenance of power plants – thermal, gas, hydro and information technology.

**Employee Relations:**

Employees are the driving force behind the sustained stellar performance of your company over all these years of company’s ascendancy. As a commitment towardsyour Company’s core values, Employees’ Participation in Management was made effective based on mutual respect, trust and a feeling of being a progressive partner in growth and success. Communication meetings with unions and associations, workshop on production and productivity, etc were conducted at projects, regions and corporate level during the year.

Both, employees and management complemented each other’s efforts in furthering the interest of your company as well as its stakeholders, signifying and highlighting over-all harmony and cordial employee relations prevalent in your Company.

**Safety at all Projects:**

1) Monitoring and making efforts to attain zero accidents within the plant.
2) Protecting all the employees and workers from occupational health hazards.
3) Monitoring safe working conditions in the plant.
4) Providing employees with safety appliances.
5) Creating safety awareness among the employees and workers through pep Talks, Safety Slogans, Safety banners, conducting Safety day celebrations etc.

i. Daily inspections in the field for identifying the un-safe conditions, unsafe Practices in the plant.

ii. Insisting the employees to use PPEs at work places.

iii. Monitoring safe working conditions at working areas and insisting the HODs to arrange to supply PPEs to employees
iv. Ash dust leakages were controlled from SILOs and coal leaks from conveyors, transfer points, crushers, tippler floors etc.
v. Developing the safety culture among the employees by conducting trainings and Seminars.
vi. Inculcating the safety culture in the neighbor industries by the way of visiting the Plants by the safety committee members.
vii. Creating safety awareness among the workers through pep talks, insisting the Workers to wear PPEs.

6.Checking of work permits.

7. Maintenance of all types of portable fire extinguishers.

8. MaintainingFire tenders to attend all types of fire calls, emergencies within the plant etc.

9.Testing of all the Tools, tackles, lifts, hoists, cranes, chain pulley Blocks, ropes, Slings is carried out yearly by competent authority and allowing the work at sites through the Tested Tools Tackles only.

10. Safety Audit is carried out and in addition Disaster Management Plan, Hazard Analysis and Risk Assessment Plan was prepared.

The safety in the plant was achieved by the following:

i) Daily inspections in the field for identifying the un-safe conditions, unsafe Practices in the plant.

ii) Insisting the employees to use PPEs at work places.

iii) Monitoring safe working conditions at working areas and insisting the HODs to arrange to supply PPEs to employees

iv) Ash dust leakages were controlled from SILOs and coal leaks from conveyors, transfer points, crushers, tippler floors etc.

v) Developing the safety culture among the employees by conducting trainings and Seminars.

vi) Inculcating the safety culture in the neighbour industries by the way of visiting the Plants by the safety committee members.

vii) Creating safety awareness among the workers through PEP talks, insisting the Workers to wear PPEs.

10) Testing of all the Tools, tackles, lifts, hoists, cranes, chain pulley Blocks, ropes, Slings is carried out yearly by competent authority and allowing the work at sites through the Tested Tools Tackles only.

11) Monitoring of all statutory licenses, explosives licenses, renewal of plant assets, insurances, submission of insurance claim proposals etc.

12) Issuing the safety work instructions to all Field engineers i.e. Safe work practices, Permit to work practices and issuing safety circulars while attending the unit captial over hauls.

13) Eye testing to LOCO drivers, Shunters, Escort crane operators, Dozer operators is being carried out every year by the ophthalmologist; it was also carried out this year.

14) Medical checkup to the staff working in canteen is being carried out every year; it was carried out this year.

15) Safety Audit is carried out and in addition Disaster Management Plan, Hazard Analysis and Risk Assessment Plan was prepared.

16) In Occupational Health Centre one qualified MBBS Doctor and 02 no. health assistants (02 no. artisans) are available.

- In OHC First aid, Out Patient/In Patient treatment is carried out by giving the available medicines and Emergency cases are referred to outside hospitals.
- Supplying of ORS packets to all the employees during summer.
- Conducting of health camps at MCR to all employees and Conducting of medical camps to surrounding villages as per CSR policy.

**Security aspects at all Projects:**

1. The entire plant premises are provided with Security gates including Plant Premises and Colony. The security personnel are posted for all the Gates round the clock.
2. In addition to main gates locations, the security personnel are posted round the clock for some of the important locations/ areas of plant.
3. Regular patrolling by security duty officer in and round the plant and colony areas
4. Recording of inward and outward of material at main gates by the security personnel.
5. Issue of gate passes to the contract workers and employees, and only allowing the authorized gate pass / ID card holders inside plant.
6. Checking of vehicles and men while entering and leaving the plant at gates.
7. Noticing of any abnormalities pertaining to law and order issues within the plant premises and brought to the notice of concerned and see that to resolve the same.
8. Identifying the unsafe conditions and activities at plant premises including suspicious personnel and material etc.,
9. Maintaining the vehicles for proper parking/speed limit /traffic control within and around the plant premises
10. Any works as instructed/endorsed by the Station head will be followed keeping in view of security of personnel and plant property.

11. Flood Lights in and around the plant compound (Security purpose) were fixed with LED Lamps and Timers for saving power consumptions.
12. Installed CC Cameras at all important locations and entry points of the plant and colony and monitoring the situation regularly, through the video wall located at Security office and Chief Engineer office.
13. Thorough checking of vehicles and personnel entering in to the plant to stop the entry of any un- authorized and anti social elements to prevent any sabotage activities.
14. Recording of inward Non returnable outward and Returnable Inward/outward of materials (maintained in SAP) at main gates by the Genco constables.
15. Issue of gate passes to the contract workers and employees, and only allowing only the authorized gate passes persons / ID card holders inside plant.
16. Identifying the unsafe conditions and activities at plant premises including suspicious personnel and material etc.,
17. Flood Lights in and around the plant compound (Security purpose) were fixed with LED Lamps and Timers for saving power consumptions.
18. Installed CC Cameras at all important locations and entry points of the plant, Stores and Colony for monitoring the situation regularly, through the video wall located at Vigilance & Security office and Chief Engineer office.

**Renovation & Modernization at Thermal & Hydel Plants:**

The proposal for renovation and modernization (R&M) of U#10 Air Pre-Heaters by replacing the existing single sealing APHs with double sealing arrangement envisaging phenomenal improvement in terms of reduction in auxiliary power consumption and improvement in boiler efficiency &unit heat rate is under progress and shall be accomplished during the upcoming U#10 overhaul.

The double sealing arrangement would certainly minimize the air leakages with an additional reduction of 2% when compared to single seal arrangement by reducing the differential pressure ($\Delta P$) across the sector. The following advantages can be achieved by modifying the existing single seal arrangement of air heaters with double sealing arrangement.

i) Improvement in the reliability of APH.
ii) Reduction in Air Preheater Leakages from existing 40% to 6% air leakages.
iii) Significant improvement in Boiler & APH efficiencies.
iv) Improvement in Station Gross heat rate.
v) Reduction in % APC.
vi) Reduction in particulate matter due to better ESP performance.
vii) Reduction in Coal Consumption & Mill loading.
viii) Reduced Maintenance Cost.

**B. KTPP:** Nil.

**C. KTPS-VII Stage:** Nil.

**D. RTS-B:** Nil.

**E. BTPS:** Nil.

**Information relating to capacity addition:**

**HPS/Pochampad:**

Renovation and Modernisation of 2 X5 MW Hydro Generators of Nizamsagar Power House is taken up and major material is received at site, 63% of the work completed so far and the units will be available for service from next monsoon.

**Unit-1** of YTPS has completed its oil Synchronisation on 03.11.2024.

**Unit – 2** of YTPS has completed its oil Synchronisationon 12.09.2024, Coal firing on 12.11.2024 and sychronisation with grid on 14.11.2024 with coal.

Unit-4 boiler lightup on 15.11.2024

**Corporate Social Responsibility (CSR):**

The Provisions of Section 135 of the Companies Act, 2013 relating to contributing under Corporate Social Responsibility provisions is applicable to the Company. The Company has formed CSR Committee comprising of 1)Sri M. Sachidanandam - Member 2) Sri S. Ashok Kumar - Member 3) Dr.T.R.K.Rao, IRTS - Member 4) Sri A. Ajay- Member and special invitee 5) Smt.E.Anuradha, as members of the Committee and Company Secretary being the Secretary of the Committee. The details of CSR policy is available in the website of the Company **www.tggenco.com.** List of CSR activities taken up by the Company during the Financial Year 2023-2024 are set out in **Annexure-II**of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**Vigil Mechanism:**

The Audit Committee constituted by the Company takes care of the Vigil Mechanism under provisions of section 177(9) and rule 7(1) to rule 7(2) of the companies act, 2013.The Company has formulated the Vigil Mechanism Policy of the Organisation and the same is available in the website **www.tggenco.com.**

The Audit Committee shall oversee the Vigil mechanism and if any of the members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

The Vigil mechanism provides for adequate safe guards against victimization of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the Directors nominated to play the role of Audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by the Director or any employee, the Audit Committee or the Director nominated to play the role of Audit Committee may take suitable action against the concerned Director or employee.

**Right to Information:**

TGGENCO incorporated as per the provisions of Companies Act, 2013 and functioning w.e.f. 02.06.2014 as State Power Generation Utility had implemented Right to Information Act, 2005 and taken concrete steps to provide information to the citizens of the country in accordance with the provisions of the said Act.

The Company has put RTI manual on website for access to all citizens of the state and has designated a Public Information Officer (PIO), and Appellate Authority and APIOs at all sites and offices of the Company.

Your Company has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has put RTI manual on website for access to all citizens of India and has designated a Central Public Information Officer (CPIO), an Appellate Authority and APIOs at all sites and offices of the Company.

During 2023-24, 192 applications were received under the RTI Act, out of which 183 applications were replied to, till 31.03.2024.

**Applications:-**

| Pending as on 31.03.2024 | Received during 01.04.2023 to 31.03.2024 | Total | Disposed during 01.04.2023 to 31.03.2024 | Pending as on 31.03.2024 |
|---|---|---|---|---|
| 09 | 244 | 253 | 235 | 18 |

**Appeals:-**

| Pending as on 31.03.2024 | Received during 01.04.2023 to 31.03.2024 | Total | Disposed during 01.04.2023 to 31.03.2024 | Pending as on 31.03.2024 |
|---|---|---|---|---|
| **03** | **43** | **46** | **40** | **06** |

**Manpower:**

Details of ManPower ( No. of Officers & Staff is 6700.No.s) Training provided to employees 2231.No.s and Employees Welfare 13 No.s of TGGENCO as on 31.03.2024.

**Fuel Security:**

a) TGGENCO has entered Fuel Supply Agreement (FSA) dt:01.04.2016 and Subsequent Supplementary Instrument-I dt:01.03.2019 and Supplementary

Instrument-II dt:01.03.2019 dt:27.04.2022 with M/s. SCCL for supply of coal to KTPS Stages V, VI, VII, KTPP Stage-I, RTS 'B' and BTPS and YTPS as detailed below.

| Sl.No. | Thermal Power Station | Installed Capacity (MW) | Coal Linkage MTPA | Source |
|---|---|---|---|---|
| 1 | Kothagudem Stage - V | 500 | 2.200 | SCCL |
| 2 | Kothagudem Stage - VI | 500 | 2.312 | SCCL |
| 3 | Kothagudem Stage-VII | 800 | 4.000 | SCCL |
| 4 | Kakatiya TPS Stage I | 500 | 2.160 | SCCL |
| 5 | Ramagundam B | 62.5 | 0.300 | SCCL |
| 6 | Bhadhradri TPS | 1080 | 4.200 | SCCL |
| 7 | Yadadri TPS | 4000 | 14.00 | SCCL |
| **TOTAL** | | **3442.50** | **29.172** | |
| 1 | Kakatiya TPS Stage II | 600 | 2.500 | *Tadicherla-I Coal Block |
| **TOTAL** | | **4042.50** | **31.672** | |

* Ministry of Coal, GOI allotted Tadicherla-I Coal block to meet the coal requirement of KTPP Stage-II with a peak rated capacity of 2.5 Million Tonnes per Annum. Coal requirement for KTPP Stage-II is being met from Tadicherla-I captive Coal Block.

**Rationalization of Linkage and Swapping of coal:**

No Rationalization of Linkage and Swapping of coal during the year 2022-2023, since entire linkage is with M/s SCCL.

**Developing of Coal Mine Projects:**

1) Ministry of Coal vide letter dated 24.03.2015 has allotted Tadicherla-I Coal Mine to TGGENCO to meet the coal requirement of Kakatiya Thermal Power Project Stage-II (1X600 MW).

2) Allotment Agreement was entered into with Nominated Authority, Ministry of Coal, Government of India on 30.03.2015.

3) Ministry of Coal, Government of India issued Allotment Order to TGGENCO on 31.08.2015 for the development of the mine and prescribed time lines for development of the block.

4) The Mining operation of Tadicherla-I Coal Mine (OB removal) is commenced w.e.f. 11.12.2017.The Transportation of Coal from Tadicherla-I Coal Mine to KTPP is commenced w.e.f. 28.04.2018.

5) Tadicherla-I Coal Mine achieved Coal production Target during the period from 01.04.2022 to 31.03.2023 is tabulated as below:

| Coal Target in Tonnes | Coal Production in Tonnes | Percentage of achievement (Production/Target) |
|---|---|---|
| **2500000.00** | **2500000.00** | **100.00%** |

**INFORMATION PURSUANT TO STATUTORY AND OTHER REQUIREMENTS:**

Information required to be furnished as per the Companies Act, 2013 are as under:

**Statutory Auditors:**

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. The Statutory Auditors for the financial year 2023-2024were M/s Lakshminivas& Co., Chartered Accountants, opp RTA Office, Above BMW Showroom Khairatabad, Hyderabad.

**Management Commentson Statutory Auditors' Report:**

The Management response to Statutory Auditor's report is attached herewith in **Annexure No.III.**

**Reviewof Accountsby COMPTROLLER & AUDITOR GENERAL OFINDIA (C&AG):**

The Comptroller & Auditor General of India (C&AG) has given Nil comments on theSupplementary Audit conducted by them.

**Cost Audit:**

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all stations of your Company.

The Cost Accountant M/s NageswaraRao& Co., Hyderabad was appointed under Section 148(3) of the Companies Act, 2013 for the financial year 2023-24.

**Details of fraud asper Auditors Report:**

There is no fraud in the company during the Financial year ended 31st March 2023. This is also being supported by the report of the auditors of the company as no fraud has been reported in their audit report for the financial year ended 31st March 2024.

**Performance evaluation of the Directors and the Board:**

The Ministry of Corporate Affairs, through Notification dated 05.06.2015, has exempted the Government Companies from these provisions. Theappointment of the Functional Directors, Government Nominee Directors and Independent Directors of your Company is made by State Government of Telangana.

**Secretarial Audit:**

The Board has appointed M/s KuldeepBengani& Associates, LLP, Company Secretaries, pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel)

Rules, 2014 to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 along with management responses is annexed herewith marked as Annexure-IV to this Report.

**Particulars of contracts or arrangements with related parties:**

During the period under review, your Company had not entered into any material transaction with any of its related parties.

**Loans and Investments:**

Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of financial statementinformation on the same is available in notes to the financial statements.

Your Company had not granted any loans to parties during2023-24 covered under Section 186 of the Companies Act,2013.

**MATERIAL CHANGES AND COMMITMENT 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:**

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate on the date of this report.

**Share Capital:**

The Authorized Share Capital of the Company as on 31.03.2024 is Rs.3000 crores divided into 300,00,00,000 Equity Shares of Rs.10/- each. The paid up Capital of the company as on 31stMarch2024 is Rs.8,69,64,00,000 divided into Rs.86,96,40,000 Equity shares of Rs.10/- each.

**Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

Particulars to be disclosed under Section 134 of the Companies act, 2013 read with the rule 8 of Companies(Accounts) Rule 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished in Annexure "I" attached hereto.

**Statement concerning development and implementation of risk management policy of the company:**

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company regularly maintains a proper check in the normal course of its business regarding Risk Management. At present the company has not identified any element of risk which may threaten the existence of the Company.

**Particulars of contracts or arrangements made with related parties:**

There were no contract and arrangements, which are covered under section 188, made with related parties as defined under Section 188(1) of the Companies Act, 2013 during the financial year under review.

**Annual Return:**

The Annual Return pursuant to the provisions of Section 92 of the Companies Act,2013read with Rule 12 of the Companies (Management and Administration) Rules, 2014will be placed in website of the company **www.tggenco.com**after filing with ROC.

The particulars of annexureforming part of this report are as under:

| Particulars | Annexure |
|---|---|
| Energy Conservation, Technology Absorption And Foreign Exchange Earnings & Outgo. | Annexure-I |
| CSR Report. | Annexure-II |
| Management response to Statutory Auditors Report. | Annexure – III |
| Management response to Secretarial Auditors Report. | Annexure-IV |

**Key Managerial Personnel:**

The following are the past key managerial personnel of the Company,Sri.D.Prabhakar Rao, Chairman & Managing Director (up to 04.12.2023), Sri. S.A.M.Rizvi,IAS, Chairman & Managing Director(FAC) (up to 26.06.2024),Sri.D.Ronald Rose, IAS.,Chairman & Managing Director(FAC) (up to 16.10.2024) and the presentkey managerial personnel of the Company isSri. Sandeep Kumar Sultania, IAS, Chairman & Managing Director(FAC) of the Company, Smt. E. Anuradha, Director(Finance) (L/A) &FA & CCA & CFO, and Smt. G.P.R.Hrudaya, Company Secretary of the Company.

During the year, the Company held 4 (four)Board Meetings on 30.06.2023, 27.09.2023, 26.12.2023 and 23.03.2024.

**Audit Committee:**

The Audit Committee of the Company consists of Two Non-Whole Time Directors and One Whole Time Director of the company. During the year, the Company conducted3Audit Committee Meetings on 30.06.2023, 27.09.2023and 23.03.2024.

The Board has considered and accepted all the recommendations of the Audit Committee and there are no recommendations which were not accepted during the Financial Year 2023-2024.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards hadbeen followed along with proper explanation relating to material departures;

2. 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 2023-24 and of the profit of the company for that period;

3. The Directors had taken proper and sufficient care for the maintenance of adequateaccounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. The Directors had prepared the Annual Accounts on a going concern basis;

5. 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.

**Secretarial Standards:**

Your Company has followed applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' issued by Institute of Company Secretaries of India (ICSI).

**Declaration of Independent Directors:**

TELANGANA POWER GENERATION CORPORATION LIMITEDa public sector undertaking is a wholly owned State Government Company. The Directors on the Board are to be nominated by the Telangana State Government from time to time. Letter requesting appointment of Independent Director as per section 149 of the Companies Act 2013 on the Board of the Company has been written to the State Government and orders for the same is yet to be received.

**Disclosure under sexual harassment of women at work place(prevention prohibition and redressal) act 2013:**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention Prohibition &Redressal) Act, 2013 read with rules made there under, the Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment vide T.G.O.O 148/CGM(Adm)/2018-19 dated 22.11.2018.During the year under review, there were no complaints pertaining to sexual harassment.

**<u>Adequacy of internal financial controls with reference to financial statements:</u>**
The details are available in Statutory Auditors report.

**<u>Details of significant and material orders passed by the regulators courts and tribunals:</u>**
The Company as per the directions received from Government of Telangana vide U.O.note dt:17.05.2024 & Memo Dt:18.05.2024 from Energy department, it was proposed to change the name of the company “Telangana State Power Generation Corporation Limited” to “Telangana Power Generation Corporation Limited” and after obtaining the approval of Board and shareholders the proposal to change the name of the Company is filed with ROC and the Approval for new Name **“Telangana Power Generation Corporation Limited”** has been received on 26.06.2024 from ROC. The change of name has been made in all the official correspondences and documents of the Company.

**<u>ACKNOWLEDGEMENT:</u>**
The Directors of your Company acknowledge with deep sense of appreciation, the co-operation received from the Government of India, Government of Telangana, Energy Department, Ministry of Power, Ministry of New & Renewable Energy, Ministry of Finance,Ministry of Environment, Forests & Climate Change, Ministry of Coal, Ministry of Petroleum & Natural Gas, Ministry of Railways, TSDISCOMS, Singareni Collieries Company Limited, Central Electricity Authority, StateElectricity Regulatory Commission, Comptroller &Auditor General of India.

The Directors of your Company also convey their gratitude to the shareholders, ourBankers and Financial Institutions M/s REC Limited, New Delhi and Hyderabad and M/s PFC Limited, New Delhi for the confidence reposed by them in the Company. The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company. The Board also acknowledges the constructive suggestions received from the Office of C&AG, Statutory Auditors, Secretarial Auditors and Cost Auditors.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel. We also thank associations, and unions for their whole hearted co-operation in maintaining good and cordial industrial relations.

Place: Hyderabad
Date:29.12.2024 **For and on behalf of the Board**

**Sri. Sandeep Kumar Sultania,IAS.,**
**Chairman & Managing Director(FAC)**

## Annexure - I to Directors' Report

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

{PURSUANT TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014}

**GENERATION, NET EXPORT AND AUXILIARY CONSUMPTION FOR THE FY 2023-24**

| Station | Generation (MU) | Export (MU) | Auxiliary Consumption (MU) | Auxiliary Consumption (%) |
|---|---|---|---|---|
| KTPS-V Stage | 3488.05 | 3101.48 | 386.57 | 11.08 |
| KTPS VI Stage | 3340.30 | 3174.03 | 166.27 | 4.98 |
| KTPS-VII Stage | 6011.28 | 5756.62 | 254.66 | 4.24 |
| RTS-B | 258.89 | 219.06 | 39.83 | 15.39 |
| KTPP-I | 3748.54 | 3521.31 | 227.23 | 6.06 |
| KTPP-II | 4479.11 | 4219.00 | 260.11 | 5.81 |
| BTPS | 6953.82 | 6325.39 | 628.43 | 9.04 |

**Energy conservation measures taken&Impact of measures taken for energy conservation.**

1.Utmost emphasis is laid on % unburnt carbon in combustibles. Mill classifiers are proactively adjusted in a way to achieve better results.

The coal savings due to reduced % unburnt carbon in KTPS V & VI stages is 14686.92 MT.

2. Due to significant renewable energy (RE) penetration in to the Grid, all coal based thermal power plants need to facilitate unit operation at 55% and 40% MCR capacities ensuring security, reliability of power supply and stability of electricity grids while maximizing generation from renewable energy sources (RES). Thus, it is inevitable that base load coal-fired power plants shall be subjected to cyclic mode of operations, running at minimum loads for extended periods when the load demand is low.

3. Under part-load operation (i.e., at technical minimum load), Heat rate is one such critical parameter which is highly influenced by unit load operation. The

lower the load, the higher is the heat rate. In comparison with the conventional constant-pressure mode operation as against sliding pressure mode operation, the later offers reduced heat rate envisaging significant performance improvement owing to the very fact that controlling load by sliding pressure operation would yield some benefit by way of reduced throttling losses at part load.

4. The SHO pressure Vs Load plot with both constant pressure operation as well as sliding pressure operation of a typical 250 MW unit is shown hereunder for better comprehension.

Trail operation in sliding pressure mode was successfully accomplished during the FY 2023-24 with a view to reduce heat rate at part-load conditions in compliance with theCentral Electricity Authority (Flexible Operation of Coal based Thermal Power Generating Units) Regulations, 2023 notified videCEA-TH-17-13/4/2022-TETD Division. Flexible operation of thermal units at 55% MCR capacity shall commence from 1st April 2024 onwards as per TGSLDC instructions.

Vigilant observance during unit startups& emergencies thereby minimizing the secondary fuel oil consumption which is approximately three times higher the GCV of design fuel resulted in optimizing annual Specific oil consumption of KTPS V&VI Stages to 0.395 ml/kWh despite undergoing U#11 annual overhaul during the FY 2023-24. The anticipated oil savings of about 10,959 KL achieved during the FY 2023-24 in comparison with normative specific oil consumption of 2.00 ml/kWh as specified by TSERC. The reduction in specific oil consumption also accounts for reduction in station heat rate and specific energy consumption.

**A. <u>Energy conservation measures & Impacts of measures taken at KTPP:</u>**

1. Providing LED lamps in the Main plant, coal handling plant and colony areas.
2. Creating awareness among the employees for power conservation.
3. Energy conservation by replacing light fittings with LED Light fittings for FY 2023-24
4. Impact of measures taken Impact of measures taken for Energy conservation in Plants & Station

KTPP STAGE-I (1x500 MW) PLANT AREA:Total energy Saving 9KWh) 73612.8

KTPP STAGE-II (1x600 MW) PLANT AREA by replacing light fittings with LED Light fittings in FY 2023-2024: Total energy Saving (KWh): 59771.52

Coal Handling Plant Area: Saved energy in units(KWH) for FY 2023-2024:90000

Additional Coal Handling Plant Area: saved energy in units(KWH) for FY 2023-2024:29296.16

KTPP Colony Area:Saved energy in units(KWH) for FY 2023-2024 is 34011.60

**B. <u>KTPS-VII Stage:Energy conservation measures taken in Plant & Station during FY 2023-2024:</u>**

The maintenance activities carried out during short shutdown in November- 2023, played a pivotal role in enhancing the performance of critical equipment such as

Boiler, Turbine and other critical auxiliary systems and in achieving more efficient operations, energy conservation and cost savings. Further, the following problems existing prior to overhaul were attended, which improved the performance.

1. During the mandatory energy audit, in the month of Oct-23, Thermal insulation survey of boiler has been carried out, temperatures are more than the allowable levels were identified. During the short shutdown in Nov-23, the surface insulation has been improved at those identified and recommended areas and the surface temperatures were brought down to the recommended level.

2. Suspecting tube leak in HPH 6A, HPH-A stream regenerative heating circuit was bypassed at 15:13 Hrs on dt.12-10-2023. During 2023-2024 Short shutdown, Flood test was conducted for LPH-3, LPH-4, HPH-6A & HPH-6B de-super heater. 7 No's tubes in HPH-6A and 11 no's tubes in HPH-6B de-super heater were identified and dummied.

3. During overhaul, to resolve the turbine bearing no.01 vibrations issue, bearing no.01 was replaced with available reconditioned bearing and existing side pads were also replaced with new modified side pads. Bearing no.02 torus and the recommended support clearance was achieved by carrying out lapping and blue matching at site and resolved the turbine bearing vibrations issue.

**ii) Impact of Energy conservation measures carried out/implemented:**

In FY:2023-2024, persistent commitment to proactive maintenance practices, swift rectification of equipment breakdowns, and leveraging every opportunity for performance enhancement has yielded significant energy conservation results. The energy conservation measures & best operation practices have not only reduced equipment(s) downtime but also achieved a notable improvement in the performances indices of the station when compared to previous year, which include:

- ✓ Reduction of auxiliary power consumption by 0.46%.
- ✓ Improved capacity availability by 26%.
- ✓ Improvement in Net Unit Heat rate by 48.96 Kcal/KWH.
- ✓ Reduction in forced outages considerably from 8.55% to 2.38%.
- ✓ Reduction in specific oil consumption by 0.7218 ml/KWH.

As a result of the above, KTPS-VII stage has become the top-performing thermal power plant among all TGGENCO thermal power plants, with a Plant Load Factor (PLF) of 85.54% in FY:2023-24. Furthermore, all Key Performance Indicators (KPIs) are in compliance with ERC norms, which demonstrates the commitment to operational excellence and financial gains.

**C. RTS-B**

**Energy conservation measures & Impacts of measures taken:**

The following actions /programs were taken up to reduce the Auxiliary Power consumption of the unit:

De-rating of street lighting inside and outside the plant was carried out wherever possible in the previous year i.e.2023-24. Total 35 Nos LED lamps were replaced i.e.25 nos of 40 watt LEDs were installed in place of 150 W lamps and 70 W lamps and 10 nos of 72 watt LEDs were installed in place of 250W SV lamps. There by resulting in energy saving of approximately 63.01% of existing lighting consumption.

**Energy Saved:**

| S. NO | Old SV lamp(Watts) | New LEDs(Watts) | Difference of wattage | Quantity (no.s) | Time (hrs) | Total energy saving/day(Wh) |
|---|---|---|---|---|---|---|
| 1 | 150 | 40 | 110 | 05 | 12 | 6600 |
| 2 | 70 | 40 | 30 | 20 | 12 | 7200 |
| 3 | 250 | 72 | 178 | 10 | 12 | 21360 |
| | | | | | Total | 35160 |

**Impact of measures taken for Energy conservation:** Energy saved from the above measures is submitted below.

Total energy saved per day = 35.160 kwh/day

Total energy saved per month = 1054.8 kwh/month

Total energy saved per year = 12833.4 kwh/year

**D. BTPS:**

**Energy conservation measures & Impacts of measures taken:**

1) Creating awareness among employees for power conservation.
2) Providing LED lamps in the Main plant, coal handling plant and office areas.
3) Energy conservation by providing LED light fittings to the plants.

**Steps taken for Environment Protection in plants:**

a. Ash is being issued to cement, brick industries, RMC units. Efforts are being made to achieve maximum ash utilization in KTPP.

b. Three (03) Ambient Air Quality Monitoring Stations (AAQMS) have been installed, commissioned and calibrated. Further, all three (03) AAQM stations has online connectivity to CPCB & TSPCB servers for real time monitoring of parameters and the 4$^{th}$ AAQM station location has been finalized by the TSPCB in KTPS VII Satge.

c. Effluent Treatment Plant is in service to utilize the treated water for green belt development. Pipelines have been laid to utilize the ETP treated water for ESP and Boiler areas floor cleaning in KTPS VII stage.

d. Two additional ash water collection tanks of 10 m3 capacity each has been constructed to avoid discharges into storm water drain. Further an additional ash sludge collection tank of capacity of 78.5 m3 has been constructed at Ash Clarifier.

e. The Flue Gas Desulphurization (FGD) plant construction has taken up in KTPS-VII stage for reducing SO2 emissions from the stack and the civil works are in progress with 69.13% of the civil construction has been completed.

f. Ash water recovery pump house was constructed at ash pond for pumping out the decanted water to Auxiliary clarifier in plant and for utilization of the same water after treatment for disposal of ash generated into Ash pond again.

g. Neutralization tanks and settling tanks have been constructed for treating RO permeates. Boiler blow down water, cooling tower blow down water and all the liquid effluent discharge drain in the plant are connected to the Effluent treatment plant(ETP) for treatment. After treatment, the discharge from ETP is being utilized for plantation and dust suppression etc.

h. Construction of Flue Gas Desulphurization (FGD) plant and selective catalytic reduction plant (SCR) are under construction. They are proposed for elimination of Sox and Nox from gaseous effluents being exhausted from chimneys so that there will not be any harm to the health of the people living in nearby villages of BTPS due to Sox and Nox in the flue gas effluents from chimneys.

**FORM B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY**

**NA**

Place: Hyderabad

Date:29.12.2024 **For and on behalf of the Board**

**Sri. Sandeep Kumar Sultania,IAS.,**
**Chairman & Managing Director(FAC)**

## ANNEXURE-II

### ANNUAL REPORT OF CSR FOR THE FINANCIAL YEAR 2023-2024

1. Brief outline on CSR Policy of the Company: (The details of the CSR policy is available in the website of the company. www.tggenco.con)

   The brief outline of the Corporate Social Responsibility (CSR) policy of the company and the initiatives undertaken by the company on CSR activities.

   **The policy covers following Aims and Objectives:**

   i. To create a positive impact towards society by undertaking activities which support environmental and ecological balance through energy conservation and taking steps towards reduction in emission of Greenhouse gases and other pollutants.
   ii. Providing access to basic healthcare facilities such as sanitation, safe drinking water and awareness camps.
   iii. Promoting education and vocational training skills to all disadvantaged sections of society.
   iv. Any other Programme which falls under the Company's CSR policy and purpose is towards welfare of the society.
   v. To make effective mechanism for undertaking CSR activities.

2. Composition of CSR Committee:

| Sl.No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Sri.M.Sachidanandam | Director (Projects) Member/CSR Committee | 3 | 3 |
| 2 | Sri.S.Ashok Kumar (up to 12.01.2024) | Director(HR) Member/CSR Committee | 3 | 3 |
| 3 | Sri.T.R.K.Rao (up to 14.12.2023) | Director (Commercial & Fuel) & Director /Finance(FAC) Member/CSR Committee | 3 | 3 |
| 4 | Sri.A.Ajay | Director (Projects) Member/CSR | 3 | 3 |

| | | | | |
|---|---|---|---|---|
| | | Committee | | |
| 5 | **Special Invitee:-**<br>Smt.E.Anuradha<br>(from 26.02.2024) | Director(Finance)(L/A) & FA&CCA(Audit) & CFO | 1 | 1 |

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8, if applicable:- **NA**

5. (a) Average net profit of the company as per sub-section (5) of section 135. **Rs.4,65,52,47,550.30**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 – **Rs.9,31,04,951.00**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -

(d) Amount required to be set off for the financial year, if any - **Rs. 26,82,541.00**

(e) Total CSR obligation for the financial year [(b)+(c)- (d)]. – **Rs.9,04,22,410.00**

6. (a) CSR amount spent on CSR Projects(both Ongoing Project and other than Ongoing Project:-sanctioned for ongoing projects.

(b) Amount spent in Administrative Overheads – **Not Applicable**

(c) Amount spent on Impact Assessment, if applicable – **Not Applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:- Nil

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (inRs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of section 135 | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of transfer |
| 8,53,34,447.00 | Rs.50,58,553.00 | 29.04.2024 | Swachhbharatkosh | Rs.30,820.00 | 28.12.2024 |

(f) Excess amount for set off, if any –**0**

| Sl.No | Particular | Amount(in Rs.) |
|---|---|---|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135. | **---** |

| | | |
|---|---|---|
| (ii) | Total amount spent for the Financial Year | 0 |
| (iii) | Excess amount spent for the financial year [(ii)- (i)] | --- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | **NA** |
| (v) | Amount available for set off in succeeding financial years[(iii) – (iv)] | **0** |

7. Details of Unspent CSR amount for the preceding three financial years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No | Preceding FinancialYear. | Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in Rs.) | *Balance Amount in unspent CSR Account under subsection (6) of section 135 (in Rs.) | Amount spent in the Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | Amount remaining to be spent in succeeding Financial Years(in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs) | Date of Transfer | | |
| | | | | | | | | |
| | **2020-2021** | **3,00,00,000** | **1,17,92,501** | **1,15,00,653** | **2,91,848** | **09.07.2024** | - | - |
| | **2021-2022** | **1,20,00,000** | **20,00,000** | **78,08,872** | - | - | **20,00,000** | - |
| | **2022-2023** | **6,33,17,459** | **6,03,17,459** | **30,00,000** | - | - | **6,03,17,459** | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- **NO**

If yes, enter the number of Capital assets created/acquired:-**NA**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:- **NA**

| Sl.No | Short particulars of the property or asset(s) (including complete address and location of the property) | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/Authority beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR Registration number, if | Name | Registered address |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | applicable | | |
| | ----- | --- | --- | --- | ----- | --- | --- |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

9.Specify the reason(s),if the company has failed to spend two per cent of the average net profit as per section 135(5)-An amount of Rs.30,820.00 remain unspent eventhough project was sanctioned. Hence, the above amount was transferred to swachh Bharat Kosh for necessary compliance.

**A.Ajay**
**Chairman of CSR Committee**

**Sri.Sandeep Kumar Sultania, IAS.,**
**Chairman & Managing Director(FAC),**

## ANNEXURE - III

<table>
<tr><th>Para No.</th><th>Comment</th><th>Management Reply</th></tr>
<tr><td>1.</td><td>The following amounts, assessed and recognized by the Company in these financial statements pursuant to the AP Reorganization Act 2014, are subject to final agreement and approval of various parties mentioned therein, and is pending as on 31st March, 2024.<br>a) As stated in Note no. 13.1 Other current financial assets include an amount of Rs. 549.04 crores (on net basis) receivable from APGENCO, as assessed by the company towards loans & cash credits apportioned in addition to the share of 41.68% on a population basis but the same was disputed by APGENCO. As the receivable from APGENCO and Interest paid on these loans is under legal claim, the company did not account the interest paid on these loans as receivable from APGENCO.<br><br>b) As stated in Note no. 6A.1.1 Discom Bonds of the value Rs.500.16 Crores, being 41.68% share on a population basis relating to the Company have been retained by APGENCO. As stated in accounting policy "1.B.3.J - Accounting policy of Financial Instruments", the company did not measure these investments as per "IND AS 109 - Financial Instruments". The impact on the financial statements cannot be ascertained.<br><br>c) As stated in Note no. 6A.1.2 Investments in Andhra Pradesh Power Development Corporation Limited (APPDCL) and Andhra Pradesh Gas Infrastructure Corporation Private Limited (APGIC) aggregating to Rs. 440.26 Crores is apportioned by the Company on a population basis and</td><td>As per Section 53 (1) of AP Reorganisation Act,2014:<br>(a) The operational units of the undertaking shall be apportioned between the two successor states on location basis; and<br>(b) The headquarters of such undertaking shall be apportioned between the two successor states on the basis of population ratio.<br><br>Based on the Act, TGGENCO arrived the provisional opening balance as on 02.06.2014 for Head quarter Assets and liabilities based on population Ratio [i.e.,58.32(AP):41.68(TG)] and the operational units based on geographical location.<br><br>TGGENCO is discharging the loans as per methodology ordered in GO Ms.No.29, Dated 31.05.2014 wherein the pension bonds liability was apportioned on the fixed assets ratio between the successor entities instead of population ratio. The excess liability towards pension bonds apportioned to TGGENCO was adjusted by transferring APGENCO loans to TGGENCO and TGGENCO Share of investment to APGENCO. However, TGGENCO did not accept the apportionment of pension bonds liability on Fixed Assets basis. The above objectionswere communicated to the Expert committee and residual APGENCO.<br><br>APGENCO agreed with contention raised by TGGENCO on pension bonds liability apportionment.<br>The excess loans & cash credit as per the assessment of TGGENCO and payable by residual APGENCO are not accepted by APGENCO. Hence, there is significant uncertainty on the realisation of interest thereon.</td></tr>
</table>

<table>
<tr><td></td><td>recognized the share of 41.68% in its books of account. However, the same was considered on a location basis and retained entirely by APGENCO. The company does not have ownership of these investments in equity. The impact on the financial statements cannot be ascertained.</td><td>In view of the above uncertainty, the Company did not account for the interest paid as receivable right from the inception of the company.<br>The uncertainty if any on realisation of principal amount of Loans & cash credits will be adjusted on finalisation of demerger scheme.<br>Any excess loans discharge by the TGGENCO and TGGENCO share of investment in the erstwhile APGENCO Investment in DISCOM Bonds will be settled on finalisation of demerger between GENCOs.</td></tr>
<tr><td>2.</td><td>As per clause 16.5 of fuel supply agreement entered with M/s Singareni Collieries Company Limited (SCCL), the company is liable to pay interest on delayed payments of coal bills for the period June’22 to March’24 amounting to Rs.596.57 crores. The same has not been accounted by the company, resulting in understatement of “Other expenses” and “Current Liabilities” by Rs.596.57 crores and overstatement of profits by a similar amount.</td><td>M/s SCCL was requested for waiver of interest on delayed payment of coal bills and the Company is expecting the same. Pending receipt of waiver orders, the interest claim was shown under contingent liability, which is reasonable and consistent. Hence, there is no understatement of other expenses and current liabilities and overstatement of profits.</td></tr>
<tr><td>3.</td><td>As per balance confirmations along with reconciliations received from TGPCC/TGDISCOM’s, noted balances amounting to Rs.355.57 crores are pending for confirmation and subject to reconciliation of opening balances as on 2nd June 2014 between APDISCOM’s and TGDISCOM’s.<br><br>Details of balances as per books and as per confirmations received are as follows:
<table>
<tr><th>Name of Customer</th><th>As per Books (Rs. in crores)</th><th>As per Balance confirmations & reconciliations (Rs. in crores)</th><th>Balance pending for confirmation (Rs. in crores)</th></tr>
<tr><td>TGPCC/ TGDISCOMs</td><td>11,825.84</td><td>11,470.27</td><td>355.57</td></tr>
</table></td><td>TGPCC/TGDISCOMs in their confirmation letter informed that outstanding balance as on 31st March,2024 for purchase of power is Rs.11,470.27 crores which is exclusive of certain amount admissible by TGPCC/TGDISCOMs against the opening balance as on 2nd June,2014 after reconciliation with APDISCOMs.<br>Hence, the receivables of Rs.11,825.84 crores as on 31.03.2024 is fully realizable.</td></tr>
</table>

Place: Hyderabad

Date:29.12.2024 **For and on behalf of the Board**

**Sri. Sandeep Kumar Sultania,IAS.,**
**Chairman & Managing Director(FAC)**

## Annexure-IV

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31.03.2024
[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
**Telangana Power Generation Corporation Limited**
Vidyut Soudha, Khairatabad,
Hyderabad – 500082

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Telangana Power Generation Corporation Limited (formerly known as Telangana State Power Generation Corporation 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 our opinion thereon.

Based on our verification of the **Telangana Power Generation Corporation 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, we hereby report that in our opinion, the Company has, during the audit period covering that is to say from 1st April, 2023 to 31st March, 2024 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities;

(f) Securities and Exchange Board of India ((Delisting of Equity Shares) Regulations, 2021;

(g) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(vi) Other laws specifically applicable to the Company as per the representation made by the Management:

1) The Electricity Act, 2003

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;-**Not applicable**

During the period under review and as per the explanations and clarifications given by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

(i)The Composition of Board of Directors of the Company is required to be in compliance with Section 149(4) of the Companies Act 2013. *The Company does not have the requisite number of Independent Directors as required under Section 149(4) of the Companies Act, 2013.This has a consequential impact on all required Constitutions and decisions of the committees and the Board.*

*Further, the Company is also required to comply with the proviso to Section 149(1) read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, w.r.t the appointment of atleast one women director on the board of the Company. During the financial year 2023-24 there was no woman director on the board of the Company.*

(ii) *Further, the Company doesn't have Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013.*

*(iii) As per the information provided to us and the representations made by the Management, although ₹30,820 was allocated for the CSR Projects, the company could not spend ₹30,820 of the total CSR amount required to be spent during the financial year 2023-2024 before 31st March 2024. On 28/12/2024, the company transferred the unspent amount of ₹30,820 to the Swachh Bharat Kosh (a Schedule VII specified fund).*

**We further report that**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors except that of Independent Directors and a woman director. 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 generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance and as informed by the management, system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

**We further report that** as per the explanations given to us and the representations made by the Management and relied upon by us generally there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

**We further report that**, during the audit period there were no other specific events/actions inpursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearingon the Company's affairs in pursuance of the above referred laws, rules etc.

This report is to be read with our letter of even date which is **annexed as Annexure A** and Forms an integral part of this report.

For KuldeepBengani& Associates LLP
Company Secretaries

KuldeepBengani
Partner
FCS No. :8049
C P No.: 8372
UDIN:F008049F003518402

Place: Hyderabad
Date: 28/12/2024

**Annexure A**

To,
The Members,
**TELANGANA POWER GENERATION CORPORATION LIMITED**
Vidyut Soudha, Khairtabad,
Hyderabad - 500082.

Our report of even date is to be read along with this letter.
1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our 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.

For KuldeepBengani& Associates LLP
Company Secretaries

KuldeepBengani
Partner
FCS No. :8049
C P No.: 8372
UDIN: F008049F003518402

Place: Hyderabad
Date: 28/12/2024

## The Management replies to the Secretarial Auditors' comments for the FY 2023-2024

**i.The Composition of Board of Directors of the Company is required to be in compliance with Section 149(4) of the Companies Act 2013. The Company does not have the requisite number of Independent Directors as required under Section 149(4) of the Companies Act, 2013. This has a consequential impact on all required Constitutions and decisions of the committees and the Board.**

**Further, company is also required to comply with the proviso to Section 149(1) read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, w.r.t appointment of atleast one women director on the board of the Company. During the financial year 2023-24 there was no woman director on the board of the Company.**

The Board of Directors of the Company are to be nominated by the Telangana Government from time to time and the nominated directors are appointed as directors of the company through Board noting. The Company has written a letter on 29.12.2021 to the State Government requesting them to appoint independent Director and Woman Director on the Board of the Company to comply with the provisions of Section 149(1) Companies Act, 2013 and the necessary directions from the State Government is awaited.

**ii.Further, the Company doesn't have Nomination and Remuneration Committee as required under the section 178 of the companies Act, 2013.**

The Nomination & remuneration Committee should consists of three or more non-executive Directors out of which not less than one half shall be independent Directors as per Section 178(1) of the Companies Act, 2013. Telangana Power Generation Corporation Limited is a Government of Telangana undertaking and the Directors on the Board of the Company are to be nominated by the Telangana Government. As the orders for appointment of Independent Directors are not yet been received from the State Government, the Company will constitute the Nomination & Remuneration Committee once the independent Directors are appointed in the Board of TGGENCO.

**iii)As per the information provided to us by the management, although Rs.30,820 was allocated for the CSR Projects, the company could not spend Rs.30,820 of the total CSR amount required to be spent during the financial year 2023-2024 before 31st March 2024. On 28/12/2024, the company transferred the unspent amount of 30,820 to the Swachh Bharat Kosh (a Schedule VIl specified fund).**

Even though the projects were sanctioned, Rs.30820.00 remained unspent in the financial year 2023-2024 and was remitted to Swachh Bharat Kosh for compliance.

**For and on behalf of the Board**

**Sri.Sandeep Kumar Sultania, I.A.S.,**
**Chairman & Managing Director(FAC)**