Telangana Power Generation Corporation Limited

(Formerly Telangana State Power Generation Corporation Limited)

PROVISIONAL ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2025

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

Board of Directors & Key Managerial Personnel		
Sarva Sri/Smt		
S.Harish, I A S	Chairman & Managing Director	From 21.05.2025 FN
Sandeep Kumar Sultania, I A S	Chairman & Managing Director/FAC	From 16.10.2024 AN to 20.05.2025 AN
	Director (Non-Whole time)	From 16.11.2024
D.Ronald Rose, I A S	Chairman & Managing Director/FAC	From 26.06.2024 to 16.10.2024 AN
S.A.M.Rizvi, I A S	Chairman & Managing Director/FAC	From 15.12.2023 to 26.06.2024
G.Veera Mahender	Director (Finance & Commercial)	From 27.06.2025
Y. Rajashekara Reddy	Director (Thermal & Projects)	From 27.06.2025
M. Sachidanandam	Director (Projects)	From 05.08.2014 to 26.06.2025
B. Laxmaiah	Director (Thermal)	From 05.09.2018 to 26.06.2025
P. Bala Raju	Director (Hydel)	From 27.06.2025
CH. Venkata Rajam	Director (Hydel)	From 05.08.2014 to 19.09.2024
A. Ajay	Director (Civil)	From 05.09.2018
S.V.Kumar Raju	Director (HR & IR)	From 27.06.2025
B.Nagya, IRTS	Director (Coal & Logistics)	From 30.06.2025
Naveen Mittal, I A S	Director (Non-Whole time)	From 19.06.2025
K. Rama Krishna Rao, I A S	Director (Non-Whole time)	From 16.04.2015 to 31.03.2025
E.Anuradha	FA&CCA (Audit) and CFO	From 05.05.2017
	Director (Finance) L/A	From 26.02.2024 to 26.06.2025
G.P.R.Hrudaya	Company Secretary	From 01.10.2016

STATUTORY AUDITORS
N G RAO & Associates
Chartered Accountants,
H.NO:6-3, Chinna Balreddy Apartments,
1186/A/6, B.S Maqta, Greenlands,
Begumpet,Hyderabad-500016.

COST AUDITORS
M/s. Nageswara Rao & Co.,
Cost Accountants,
H.No:30-1569/2, Plot No:35, Anantanagar
Colony, Neredmet, Secunderabad,
Telangana - 500056.

REGISTERED OFFICE
Vidyut Soudha, Khairatabad,
Hyderabad - 500082.

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, 2025
(All amounts in crores rupees except as otherwise stated)

Particulars	Note No.	As at 31.03.2025	As at 31.03.2024
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	3	26310.10	18280.01
(b) Capital Work-in-Progress	5	22544.78	26579.54
(c) Other Intangible Assets	4	16.05	17.25
(d) Financial Assets			
(i) Investments	6A	940.42	940.42
(ii) Loans	6B	63.51	83.32
(iii) Other Financial Assets	6C	64.27	55.88
(e) Other Non-current Assets	7	226.45	303.67
Total Non-current Assets		50,165.58	46,260.09
Current Assets			
(a) Inventories	8	1387.31	927.65
(b) Financial Assets			
(i) Trade Receivables	9	11649.11	12061.38
(ii) Cash and Cash equivalents	10	189.19	208.57
(iii) Bank balances other than (ii) above	11	0.09	0.04
(iv) Loans	12	5.13	11.16
(v) Other Financial Assets	13	730.92	723.52
(c) Other Current Assets	14	27.22	21.27
Total Current Assets		13,988.97	13,953.59
Total Assets		64,154.55	60,213.68
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	869.64	869.64
(b) Other Equity	16	6236.07	6091.96
Total Equity		7,105.71	6,961.60
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17A.1, 17A.2	29869.60	29,166.68
(ii) Pension Bonds	17A.3	537.10	683.59
(iii) Other Financial Liabilities	17B	1033.27	1,178.96
(b) Provisions	18	3464.47	3,319.57
(c) Deferred Tax Liabilities (net)	19	1060.57	1,017.05
Total Non-current Liabilities		35,965.01	35,365.85

N G RAO & ASSOCIATES
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Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20A	1981.50	3380.68
(ii) Trade Payables	20B	15314.98	10617.44
(iii) Other Financial Liabilities	21	2954.04	3092.69
(b) Provisions	22	580.95	553.89
(c) Other Current Liability	23, 24	252.36	225.56
(d) Current Tax Liability (net)	25	-	15.97
Total Current Liabilities		21,083.83	17,886.23
Total Equity and Liabilities		**64,154.55**	**60,213.68**

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 N G RAO & Associates.,
Chartered Accountants
Firm Regn.No.009399S

Kiran Parsa
Partner
M.No.220629
Place: Hyderabad
Date: 28.07.2025

G.Veera Mahender
Director (Finance & Commercial)
(DIN No. 06882970)

S.Harish, I.AS
Chairman & Managing Director
(DIN No. 11080054)

E.Anuradha
FA&CCA (Audit) and CFO

G.P.R Hrudaya
Company Secretary

N G RAO & ASSOCIATES
HYDERABAD
FRN: 009399S
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Telangana Power Generation Corporation Limited
(Formerly Telangana State Power Generation Corporation Limited)
Statement of Profit and Loss for the year ended 31st March, 2025
(All amounts in crores rupees except as otherwise stated)

	Particulars	Note No.	For the year ended 31.03.2025	For the year ended 31.03.2024
I	Revenue From Operations	26	15009.05	16416.88
II	Other Income	27	80.37	289.21
III	Total Income (I + II)		15,089.42	16,706.09
IV	EXPENSES			
	Cost of Materials Consumed (Coal & Oil)	28	8413.13	9244.96
	Employee Benefits Expense	29	2283.23	2282.72
	Finance Costs			
	i) Interest on Borrowings	30A	1252.63	1526.59
	ii) Interest on Pension & Gratuity Bonds (Pension Payments)	30B	1716.44	1360.55
	Depreciation and Amortization Expense	31	799.37	1323.78
	Other Expenses	32	463.68	421.10
	Total Expenses (IV)		**14,928.48**	**16,159.70**
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**160.94**	**546.39**
VI	Exceptional Items		-	-
VII	**Profit/(loss) before tax (V + VI)**		**160.94**	**546.39**
VIII	Tax Expense:			
	(1) Current Tax	36	0.00	105.09
	(2) Deferred Tax		36.80	37.11
IX	**Profit/(loss) for the year (VII - VIII)**		**124.14**	**404.19**
X	**Other Comprehensive Income**			
	A) Items that will not be reclassified to profit or loss			
	Re-measurement gain/ (loss) on defined benefit plans		26.68	30.37
	Tax relating to re-measurement gain/ loss on defined benefit plans		(6.71)	(7.64)
	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)**		**144.11**	**426.92**
XII	**Earning per Equity Share (in INR.):**			
	Basic - 86,96,40,000 equity shares of Rs.10/- each	35	1.43	4.65
	Diluted - 86,96,40,000 equity shares of Rs.10/- each	35	1.43	4.65

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 N G RAO & Associates.,
Chartered Accountants
Firm Regn.No. 009399S

Kiran Parsa
Partner
M.No.220629
Place: Hyderabad
Date: 28.07.2025

For and on behalf of the Board

G.Veera Mahender
Director (Finance & Commercial)
(DIN No. 06882970)

S.Harish, I.A.S
Chairman & Managing Director
(DIN No. 11080054)

E.Anuradha
FA&CCA (Audit) and CFO

G.P.R Hrudaya
Company Secretary

N G RAO & ASSOCIATES
HYDERABAD
FRN: 009399S
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Telangana Power Generation Corporation Limited
(Formerly Telangana State Power Generation Corporation Limited)
Cash flow Statement for the year ended 31st March, 2025
(All amounts in crores rupees except as otherwise stated)

	Particulars	For the year ended 31.03.2025	For the year ended 31.03.2024
1)	**Cash flow from Operating Activities**		
	Profit Before Tax	160.94	546.39
	Adjustments		
	Depreciation and Amortisation	799.37	1,323.78
	Interest Income	(3.55)	(2.28)
	Interest Expense on Borrowings	1,252.63	1,526.59
	Unwinding of discount on security deposit and employee loans	(1.94)	(12.55)
	Loss(Profit) on de recognition of Assets of KTPS - A, B and C Stations	-	(172.67)
	Operating Profit before Working Capital Changes	**2,207.45**	**3,209.26**
	Movement in Working Capital		
	(Increase)/ decrease in Trade Receivables	412.27	(2,084.30)
	(Increase)/ decrease in Inventories	(459.66)	(25.54)
	(Increase)/ decrease in Loans	27.78	5.36
	(Increase)/ decrease in Bank balance other than Cash and Cash equivalent	(0.05)	12.63
	(Increase)/ decrease in Other Financial Assets	(9.06)	2.46
	(Increase)/ decrease in Other Assets	(10.35)	(30.68)
	(Decrease)/ increase in Trade Payables	4,697.54	5,593.54
	(Decrease)/ increase in Other Financial Liabilities	(68.28)	191.39
	(Decrease)/ increase in Provisions	198.64	165.56
	(Decrease)/ increase in Other Liabilities	26.88	27.30
	(Decrease)/ increase in Other Current Liabilities	(16.05)	(0.07)
	Cash generated from Operating Activities	**7,007.11**	**7,066.91**
	Tax (Paid)/ Refund	-	(112.00)
	Net Cash Flow from Operating Activities (1)	**7,007.11**	**6,954.91**
2)	**Cash Flow from Investing Activities**		
	Payment for Property,Plant & Equipment, Intangible and CWIP	(4,606.37)	(5,218.11)
	Receipt on sale of Assets (KTPS-A,B and C stations)	-	242.53
	Interest Received	(3.18)	1.23
	Net Cash used Investing Activities (2)	**(4,609.55)**	**(4,974.35)**
3)	**Cash Flow from Financial Activities**		
	Proceeds from Borrowings	1,263.87	3,621.65
	Repayment of Borrowings*	(2,230.11)	(4,138.09)
	Interest Expense	(1,335.46)	(1,467.87)
	Net outflow on Pension Funds	(115.24)	(93.95)
	Net Cash Flow Financing Activities (3)	**(2,416.94)**	**(2,078.26)**
4)	**Net (decrease)/ increase in Cash and Cash Equivalents (1+2+3)**	(19.38)	(97.70)
	Add: Cash and Cash Equivalent at 1st April	208.57	306.28
	Closing Cash and Cash Equivalent at 31st March (Refer Note 10)	**189.19**	**208.57**

N G RAO & ASSOCIATES
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Changes in Liabilities arising from Financing Activities

Particulars	Opening Balance	Cash Flow	Non Cash Changes	Closing Balance
Borrowings	32,432.14	(966.24)	258.07	31,723.97
Pension Funds	820.13	(115.24)	(21.30)	683.59

* Includes pre payment of Rs.1800.00 crores to M/s.REC in the previous year 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 N G Rao & Associates.,
Chartered Accountants
Firm Regn.No.009399S

G.Veera Mahender
Director (Finance & Commercial)
(DIN No. 06882970)

S.Harish, I.A.S
Chairman & Managing Director
(DIN No. 11080054)

Kiran Parsa
Partner
M.No.220629
Place: Hyderabad
Date:28.07.2025

E.Anuradha
FA&CCA (Audit) and CFO

G.P.R Hrudaya
Company Secretary

N G RAO & ASSOCIATES ★ HYDERABAD FRN: 009399S ★ CHARTERED ACCOUNTANTS

"STATEMENT OF CHANGES IN EQUITY

Name of the Company: TELANGANA POWER GENERATION CORPORATION LIMITED

(Formerly TELANGANA STATE POWER GENERATION CORPORATION LIMITED)

A. Equity Share Capital

(1) Current reporting period (FY: 2024-25) (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: 2023-24) (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

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B. Other Equity

(1) Current reporting period : FY: 2024-25

(Rs in Cores)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Total
			Capital Reserve	Other Reserves (Re-organisation Resultant Reserve)	Retained Earnings				
Balance at the beginning of the current reporting period	-	-	-	3,865.22	2,226.74	-	-	-	6,091.96
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	3,865.22	2,226.74	-	-	-	6,091.96
Total Comprehensive Income for the current year	-	-	-	-	144.11	-	-	-	144.11
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	144.11	-	-	-	144.11
Any other change (Tranfer to non tariff income)	-	-	-	-		-	-	-	
Balance at the end of the current reporting period	-	-	-	3,865.22	2,370.85	-	-	-	6,236.07

(2) Previous reporting period: FY: 2023-24

(Rs in Cores)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Total
			Capital Reserve	Other Reserves (Re-organisation Resultant Reserve)	Retained Earnings				
Balance at the beginning of the current reporting period	-	-	-	3,865.22	1,799.82	-	-	-	5,665.04
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	3,865.22	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 (Tranfer to non tariff income)	-	-	-	-		-	-	-	
Balance at the end of the current reporting period	-	-	-	3,865.22	2,226.74	-	-	-	6,091.96

Note: Remeasurment 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"

N G RAO & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ HYDERABAD FRN: 009399S

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 28-07-2025.

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.

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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

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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., 01/04/2024:

Depreciation is charged under straight –line method on the basis of the expected useful life notified by Hon'ble TSERC in its Multi Year Tariff Regulation No.2 of 2023, w.e.f 01-04-2024 except where cost of acquisition of an asset does not exceed INR 5,000 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 except in respect of IT Equipment, Computer Software/Intangible Assets and Capital Spares Assets, which are depreciated up to 100% of the cost of the asset. 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 computed annually based on the straight line method on the basis of the expected useful life notified in the Regulation, except in respect of end user devices such as mobiles, laptops and other electronic goods which shall be depreciated in 3 years upto 100% of the cost.
- The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed up to a maximum of ninety per cent of the allowable capital cost of the asset except in respect of information technology equipment, computer software, intangible assets and capital spares, whose salvage value shall be considered at zero per cent of the capital cost.
- Depreciation in case of plants that have been renovated and modernization shall be allowed on the net asset value over the revised useful life of the plant for the existing assets. The new assets that have been installed as part of modernization and renovation, depreciation shall be allowed equally over the extended life.
- In respect of decapitalization of assets, the cumulative depreciation shall be adjusted by taking into account the depreciation charged on the decapitalized asset.
- Free hold lands used for mining operations shall be amortised based on the estimated mining reserve over the life of the respective mine/project.

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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.

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.

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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

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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

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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

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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

N G RAO & ASSOCIATES * CHARTERED ACCOUNTANTS * HYDERABAD FRN: 009399S 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.

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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.

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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.

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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

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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.

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

I. **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.

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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

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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.

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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

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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

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accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed in note 33.

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.

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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

"(i) 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.

(ii) 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.29, Dt.31.05.2014 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)/ Dy.CCA(A/cs)/ SAO(A/cs)/AO(A/cs)/D.No.188/15, Dt.26.05.2015 and a copy communicated to Chairman & Managing Director/ TGGENCO.

2.5 The TGGENCO Board at its 11th Board Meeting held on 30.05.2015 noted that the provisional Demerger Plan is not in accordance with the provisions of the AP Reorganisation Act, 2014 but also iniquitous, 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/Dy.CCA(A/cts)/SAO(A&B)/AO(A/cts/BS)/D.No.164/2015,Dt.29.05.2015 in its meeting held on 29.05.2015. Further, non acceptance of provisional demerger scheme was intimated to APGENCO and it was proposed to resolve the disputed matters on mutual consensus basis vide T.O.Lr.No.CMD/FA&CCA/Dy.CCA(A/cts)/SAO(A&B)/AO(A/cts/BS)/D.No.173/2015, Dt.05.06.2015.

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 19th May, 2014 to 31st March,2015 being its first financial year. It is taken on record 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)/ Dy.CCA(Accts)/SAO(Accts)/AO(Accts)/D.No.477/16, Dt.01.12.2016 with a copy communicated to TGGENCO and again the latest revised final demerger proposal furnished on 17/04/2018. 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	7,799	7,807
2	INTANGIBLE ASSETS	8	8
3	CAPITAL WORK-IN-PROGRESS	4,967	4,968
4	INVESTMENT IN EQUITY INSTRUMENTS	507	940
5	LOANS AND ADVANCES	173	171
6	INVENTORIES	354	355
7	TRADE RECEIVABLES	1,657	1,660
8	CASH AND CASH EQUIVALENTS	56	56
9	SHORT-TERM LOANS AND ADVANCES	41	39
10	OTHER CURRENT ASSETS	31	35
11	PRELIMINARY EXPENSES	3	3
	Assets Total	15,596	16,042
B	Liabilities		
1	LONG - TERM BORROWINGS	7,444	7,445
2	EMPLOYEE RELATED FUNDS	1,347	1,347
3	DEFERRED TAX LIABILITIES (NET)	813	813
4	OTHER LONG TERM LIABILITIES	388	388
5	LONG - TERM PROVISIONS	339	339
6	SHORT - TERM BORROWINGS	289	289
7	TRADE PAYABLES	833	835
8	OTHER CURRENT LIABILITIES	714	720
	Liabilities Total	12,167	12,176
C	Share Holders Funds		
1	SHARE CAPITAL	878	
2	RESERVES AND SURPLUS	1,026	
3	RESULTANT FIGURES (ASSETS -LIABILITIES)		3,866
	Share Holders Funds Total	1,904	3,866
D	Reorganisation Adjustment Account	1,525	-

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	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 Erragadda Building considered as Head Quarter Assets whereas TGGENCO opinion that it is location based assets goes to Telangana. The impact of it is INR 8 Crores.
	b) In respect of investment in APGENCO revised De-Merger investment in Equity of M/s.APPDCL and APGIC 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 INR 440.26 Crores.
	c) In revised De-Merger Plan furnished by APGENCO, APGENCO apportioned the Equity and Reserves on population ratio and an amount of INR 1525 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 if any matured and interest realised during the period from 02-06-2014 to 30-06-2015 was transferred provisionally to TGENCO P&G and PF Trusts. But, the provisional sharing mechanism followed from 02-06-2014 to 30-06-2015 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. TSEE Master Pension and Gratuity Trust and TGGENCO P&G Trusts adopted balances in the APSEE Master Pension and Gratutity 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 bifurcation 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 Reorganization 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, 16.12.2016 and 17.04.2018 to the Expert Committee constituted by the Government of Andhra Pradesh to finalize 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 Megawatt Ratio 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 ratio 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 finalty. Upon notification of 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.

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3 Property, Plant and Equipment (Please refer Note No.2.10 and 4(g))

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, 2024	716.94	132.66	1889.80	4767.41	19720.50	43.46	10.50	32.86	27314.13
Additions	9.78		234.97	1559.06	6991.82	6.88	0.79	40.71	8844.01
Deduction/ adjustments					2.57			0.17	2.74
As at 31st March,2025	726.72	132.66	2124.77	6326.47	26709.75	50.34	11.29	73.40	36155.40
Accumulated Depreciation									
As at 1st April, 2024	-	32.51	479.51	1,731.64	6,753.71	21.24	4.06	11.43	9034.12
For the year		6.98	63.87	139.98	584.19	10.97	0.95	6.73	813.67
Deduction/ adjustments					2.32			0.15	2.47
As at 31st March,2025	-	39.49	543.38	1,871.62	7,335.58	32.21	5.01	18.01	9,845.32
Net Block									
As at 31st March, 2024	716.94	100.15	1,410.29	3,035.77	12,966.79	22.22	6.44	21.43	18,280.01
As at 31st March,2025	726.72	93.17	1,581.39	4,454.85	19,374.17	18.13	6.28	55.39	26,310.10

* Land & Land Rights includes land deposits for which the land is under the possession of the company pending for alienation. Further, Ac 32-24Gts land alloted to TGTRANSCO for construction of 400/220/132kv substation at KTPP as per the decision of the Board of Directors in its 32nd Board meeting held on 11.04.2018. The title deed and sale consideration yet to finalised.

** includes Bulldozers.

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

Particulars	As at 31-03-2025	As at 31-03-2024
Buildings	11.90	11.90
Plant & Machinery	145.38	144.89
Furniture & Fixtures	1.91	1.84
Office Equipments	18.45	0.34
Intangible Assets	17.87	17.87
Total	195.51	176.84

4 Other Intangible assets

Particulars	Application Software	Mining Rights	Total
Cost			
As at 1st April, 2024	16.17	22.86	39.03
Additions	0.00	0.00	0.00
Deletions	0.00	0.00	0.00
As at 31st March,2025	16.17	22.86	39.03
Amortisation			
As at 1st April, 2024	16.17	5.61	21.78
For the year	0.00	1.20	1.20
Deduction/ adjustments	0.00	0.00	0.00
As at 31st March,2025	16.17	6.81	22.98
Net Block			
As at 1st April, 2024	0.00	17.25	17.25
As at 31st March, 2025	0.00	16.05	16.05

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

a. The Hon'ble Telangana State Electricity Regulatory Commission (TSERC) modified the depreciation as per Multi Year Tariff (MYT) Regulation No.2 of 2023, dated:30-12-2023 from CERC rates to the expected life. Accordingly all the assets are categorised under relevant heads. The company adopted the depreciation as per useful life notified by Hon'ble TSERC w.e.f., 01.04.2024. For the assets including assets of the solar power generating station, which are not categorised under any head, the life of the asset has been considered for the purpose of categorisation under one of the heads. As a result, the amount of depreciation, revenue and cash flows for the year has decreased by Rs. 613.97 crores but there is no impact on profit.

b. Depreciation on property, plant and equipment used in the Construction during the year INR 7.30 Crores (Previous Year is INR 3.58 Crores) is capitalised and transferred to the incidental expenditure during construction under the head 'Capital Work in Progress'.

c. Addition in Property, Plant and Equipment includes increase in liability of INR 0.02 Crores (Previous year increase in Property ,Plant and Machinery is INR 0.01 crores) on account of foreign exchange variation.

d. In respect of Fixed assets apportioned to the company pursuant to the AP Reorganisation Act, 2014, w.e.f.02-06-2014, the carrying amounts of such assets in the books of APGENCO, as at the end of office hours on 1st June 2014 have been adopted as the cost of additions. In respect of assets subsequently acquired by the company, the costs of acquisition, installation and other necessary expenses to make the assets ready for their intended use have been adopted as the cost of additions/acquisition.

e. The assets, properties, liabilities, obligations, proceedings and personnel relating to generation stations acquired through de-merger of Erstwhile Andhra Pradesh Power Generation Corporation Limited pursuant to the provisions of Andhra Pradesh Reorganisation Act. 2014. The Transfer scheme for De-Merger is yet to be finalised and notified.

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f **Tadicherla Captive Coal Mining**

Ministry of Coal, GoI has allotted Tadicherla-I coal Block to TGGENCO to meet the coal requirement of KTPP Stage-II (1X600 MW). Allotment Agreement was entered with Nominated Authority, Ministry of Coal, Government of India on 30.03.2015. Allotment Order to TGGENCO was issued on 31.08.2015 for 47.509 million metric tonnes. As per the terms of the allotment, the Company has maintain a deposit with the Ministry of Coal in a dedicated Escrow Account for fulfuilment of mine closure 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 06.05.2017.The activity of development,mining and transporation is entrusted to the Mine Developer cum Operator (MDO) and it is responsible for development, mining and mine closing activities during the term of the agreement in accordance with approved Mine Closure Plan. The base mining fee paid to the MDO as per the mining agreement with M/s. AMR India Limited (MDO) is inclusive of the expenditure towards mine closing activities. Hence the Company did not create any provision for mine closing activities in the books of account.

Freehold lands used for mining operations are amortised based on the estimated mining reserve over the life of the respective Mine/Project since the reclaimed lands are to be surrendered to the State Government and obtain a mine closure certificate from the Coal Controller of India as per the guidelines of Ministry of Coal, GoI, dated 29th May,2020. The Mining operations of Tadicherla-I Coal Mine (OB removal) commenced w.e.f 11.12.2017. The Transportation of Coal from Tadicherla-I Coal Mine to KTPP commenced w.e.f. 28.04.2018. The details of coal production and amount deposited with MOC are as detailed below.

S.No.	Details	UOM	As on 31.03.2025	As on 31.03.2024
1	Coal Production for the year	Million MT	2.50	2.50
2	Cummulative Coal Production to end of the year	Million MT	14.15	11.65
3	Deposit with Ministry of Coal (MOC) in a dedicated account (Escrow Account) opened with Punjab National Bank incl. Interest	Rs in Crores	41.31	33.96

g **Discontinued operation and Asset held for sale - RTS-B (1x62.5 MW)**

The Board of Directors of TGGENCO accorded approval to phased out the unit of Ramagundam Thermal Power Station (RTS)-B (1X62.5 MW), Ramagundam in the 69th Board meeting, held on 27.01.2025. The net book value of the assets of RTS-B (including stock excluding land & oils) are detailed below. The salvage value of the project estimation is more than the book value. Hence, there is no need for provision for impairment and closure of RTS-B station does not have any significant impact on the profitability of the company.The Property, Plant and Equipment (PPE) include an amount of Rs.12.75 crores towards Non-Current Assets held for Sale pertaing to phased out RTS B station (Please refer Note No.3).

Details	(Rs in Crores)	
	FY:2024-25	FY:2023-24
Property, Plant and Equipment (PPE)	12.75	13.20
Inventories	11.41	13.23
Revenue from Sale of power	15.62	179.86
Expenditure	103.42	225.10

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TELANGANA POWER GENERATION CORPORATION LIMITED
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5 Capital work in progress

Particulars	As at 31-03-2025	As at 31-03-2024
Opening Balance as at 1st April	26579.54	21,087.68
Add:- Additions during the year	4,794.59	5,746.71
Less:- Capitalised during the year	8,829.35	254.85
Closing Balance as at 31st March	22,544.78	26,579.54

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

Particulars	As at 31-03-2025	As at 31-03-2024
KTPS VII (1x800MW) Thermal Power Plant	213.89	158.28
BTPS (4X270MW) Thermal Power Plant	1,033.75	803.28
YTPS (5X800MW) Thermal Power Plant	21,252.84	25,599.25
Other Units	44.30	18.73
Total	22,544.78	26,579.54

5.2 (a) Capital - Work - in Progress (CWIP) 2024-25 ageing schedule:

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	4794.59	5644.05	5365.89	6740.25	22544.78
Projects temporarily suspended	-	-	-	-	-
Total	4794.59	5644.05	5365.89	6740.25	22544.78

5.2 (b) Capital - Work - in Progress (CWIP) 2023-24 ageing schedule:

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

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(All amounts in crores rupees except as otherwise stated)

Note No	Particulars	As at 31-Mar-25 (Rs in crores)	As at 31-Mar-24 (Rs in crores)
6	**Non Current Financial Assets**		
6A	Non current investments (See note - 6A.1.1)		
	Investment in APDISCOM Bonds Telangana Government Share @ 41.68% in the 9.95% unsecured redeemable Non Convertible APDISCOMs series 1/2014 in the nature of Debentures (APCPDCL Bonds 1766 Numbers, APEPDCL Bonds 2892 Numbers, APNPDCL Bonds 2995 Numbers and APSPDCL Bonds 4347 Numbers, each of face value of INR 10,00,000 each redeemable at the end of 15 Years). (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 (41.68% Share in 1029712363 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 (41.68% Share in 19600000 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:

a. The 9.95% DISCOM Bonds continue to be in possession of APGENCO. In this connection it is to inform 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 adjustment made against the same before the expert committee appointed by GOI.

b. The expert committee and Residual APGENCO authorities agreed with most of the objections raised by TGGENCO and rectified the apportionment method followed by the company for apportionment of pension bonds liability.

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 reorganization 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..

d. Residual APGENCO is disputing for transfer of these Bonds in the name of TGGENCO and retaining the entire interest thereon, stating their reorganization 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.25240 of 2022, dated:08.06.2022 before Hon'ble High Court of Telangana State.

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 recognized.

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.

6A.1.3 It was known from the annual report of residual APGENCO, Andhra Pradesh Gas Infrastructure Corporation Private Ltd (APGIC) endup with the continuous losses from the FY:2013-14 to 2015-16 and networth of the company is completely eroded. TGGENCO share (@41.68%) of Investment (At Cost) in share capital of APGIC amount of Rs.8.17 crores will be provided upon notification of the demerger plan. Further, it is to inform that the Expert Committee recommended for allocation the entire investments of APPDCL 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 of value of investment to be adjusted in the opening balances 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 (Secured and considered good)

Particulars	As at 31-Mar-25 (Rs in Crores)	As at 31-Mar-24 (Rs in Crores)
Loans to employees	63.51	83.32
Total	63.51	83.32

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Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
6C	Other Financial Assets		
	Security Deposits with Coal Authorities	64.27	55.88
	Total	64.27	55.88
7	Other non-current assets		
	Capital Advances	109.33	190.94
	Other advances	84.48	93.19
	Prepaid expense	12.43	14.19
	Deferred employee cost	16.52	0.97
	Security deposits	3.69	4.38
	Total	226.45	303.67
	CURRENT ASSETS		
8	Inventories		
i)	Raw Materials: (Valued at cost on weighted average basis)		
	Coal		
	In Stocks	912.45	417.56
	In Transit	5.92	15.51
	Sub - total	918.37	433.07
	Oil		
	In Stocks	55.43	65.17
	Sub - total	55.43	65.17
ii)	Stores and Spares (Valued at cost on weighted average basis)		
	In Stocks	472.21	482.01
	At site	1.96	2.16
	In Transit	1.26	3.89
	Pending inspection	1.80	5.66
	Sub - total	477.23	493.72
	Total (i+ii)	1,451.03	991.96
	Provision for non moving stores and spares	(63.72)	(64.31)
	Total	1,387.31	927.65

Inventories not moved for more than 5 years are considered as non moving valued at Rs.113.94 crores and 50% there of being Rs.56.97 crores had been provided for ,

Shortage of material for Rs.0.16 crores and theft of material for Rs.1.18 crores had 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 (-) 0.59 crores [FY: 2023-24 - INR 19.06 crores] and shortage of material for Rs.0.16 crores and theft of material for Rs.1.18 crores. This has been recognised during the year in the 'statement of profit or loss'.

Note No	Particulars	As at 31-Mar-25	As at 31-Mar-24
9	Trade receivables		
	(Unsecured and Considered Good)		
	Receivables for inter state sale of power	133.31	115.58
	Receivables for O&M Contracts	40.48	30.34
	Receivables for sale of power	11357.42	11825.84
	Receivables for consultancy and supervision contracts	117.90	89.62
	TOTAL	11649.11	12061.38

Trade Receivables outstanding ageing schedule FY: 2024-25

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	Morethan 3 yrs	Total
i) Undisputed Trade receivables - Considered Good	10,775.86	665.65	19.98	8.38	179.24	11,649.11
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: 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	Morethan 3 yrs	Total
i) Undisputed Trade receivables - Considered Good	11,860.82	12.91	8.38	13.47	165.80	12,061.38
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	-	-	-	-	-	

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TELANGANA POWER GENERATION CORPORATION LIMITED
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Notes to financial statement for the year ended 31st March, 2025
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Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
10	**Cash and cash equivalents**		
	Balances with Banks	189.07	208.43
	Cash on Hand	0.01	0.01
	Bank Deposits with maturity less than 3 months	0.11	0.13
	Total Cash and cash equivalents	189.19	208.57
11	**Bank balances other than cash and cash equivalents**		
	Earmarked and Escrow Accounts with Banks	0.09	0.04
	Total	0.09	0.04
12	Loans (Unsecured and considered good)		
	Loans & Advances to Staff	5.13	11.16
	Total	5.13	11.16
13	**Other current financial assets**		
	Unsecured and considered good		
	Interest /Income Accrued	39.33	32.60
	Other Deposits	39.60	10.59
	Others Receivables	651.99	680.33
		730.92	723.52
	Unsecured and considered doubtful		
	Others Receivables	5.32	5.73
	Allowance for Doubtful Receivables	(5.32)	(5.73)
		-	-
	Total	730.92	723.52

13.1 **Note: Other receivables includes an amount of Rs.549.04 crores receivable from APGENCO as detailed below.**

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

(Rs in crores)

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 incompliance to the methodology of G.O.Ms.No.29, Dt:29.05.2014	Excess amount being serviced by TGGENCO and recoverable from APGENCO as per the assessment of the Company
Towards common loan				
PFC - 302007 NSTPD Loan *	397.72	313.00	397.72	84.72
PFC - 1322010	250.00	104.20	250.00	145.80
PSB0000006	51.51	21.47	51.51	30.04
SBH - 5425994	300.00	125.04	300.00	174.96
UBI - 0003456	20.00	8.34	20.00	11.66
L&T - 0014186	300.00	125.04	300.00	174.96
Towards cash credits				
Canara Bank	100.42	41.85	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	23.04
State Bank of Mysore	50.25	20.94	50.25	29.31
State Bank of Hyderabad	110.10	45.89	100.00	54.11
Total	1644.61	832.70	1634.50	801.80

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

(Rs in crores)

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
Towards common loan				
PFC - 1322011	250.00	104.20	0.00	104.20
Towards cash credits				
Union Bank of India	141.06	58.80	0.00	58.80
Vijaya Bank	150.92	62.90	50.00	12.90
Andhra Bank	77.08	32.13	0.00	32.13
Towards Cash and Bank				
Cash & Bank payable to APGENCO	132.58	55.26	100.00	44.74
Total	751.64	313.28	150.00	252.76

Net amount recoverable from APGENCO	549.04

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.

Residual APGENCO is disputing the above payables to TGGENCO, stating their Reorganization 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.25240 of 2022, dated:08.06.2022 before Hon'ble High Court of Telangana State. Hence a dispute is existed between APGENCO and TGGENCO.

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Note No	Particulars	As at 31-Mar-25 (Rs in crores)	As at 31-Mar-24 (Rs in crores)
14	Other current assets		
	Advance to Suppliers	9.35	6.21
	Prepaid expense	16.99	14.42
	Deferred employee cost	0.88	0.64
	Total	27.22	21.27
15	Equity Share capital		
	Authorised Capital		
	300,00,00,000 equity shares of Rs. 10 each	3,000.00	3,000.00
	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	Number of shares	Equity Share Capital (Rs in Crores)
Share outstanding as at 1st April, 2024	869,640,000	869.64
Share issued during the year	-	-
Share outstanding as at 31st March, 2025	869,640,000	869.64

15.2 Details of shareholder holding more

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-

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.

Note No	Particulars	As at 31-Mar-25	As at 31-Mar-24
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.5 of IX Schedule Corporations of Andhra Pradesh Reorganisation Act, 2014) is yet to be finalized. 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 01-06-2014 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	2226.74	1,799.82
	Add: Surplus for the year in statement of Profit & Loss	124.14	404.19
	Items of other comprehensive income directly recognised in retained earnings		
	Remeasurement gain or loss on net defined benefit plan	19.97	22.73
	Sub-total (b)	2,370.85	2,226.74
	Total (a+b)	6,236.07	6,091.96
17	**Non-current financial Liabilities**		
17A	**Borrowings**		
17A.1	**Secured loans from banks and financial institutions**		
a)	**Borrowings from banks**		
	State Bank of India	490.76	701.40
	Secured by pari-passu first charge on entire 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
		280.16	490.80
	Punjab National Bank	208.07	333.09
	Secured by pari-passu charge on current assets including receivables alongwith other working capital lenders.		
	Less: Current portion	125.00	125.00
		83.07	208.09
	Canara Bank	406.13	541.65
	Secured by (a) Hypothecation on the entire project assets (excluding project land) of 4X30 MW Pulichintala HES located in 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	187.50	135.42
		218.63	406.23
	Total loans - banks (a)	581.86	1,105.12

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(All amounts in crores rupees except as otherwise stated)

Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
b)	**Borrowings from Financial Institutions**		
	Loans from Power Finance Corporation 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.	13316.66	12040.24
	(c) The whole of the Borrower's movable assets of 4X270 MW Coal based Bhadradri (Manuguru) Thermal Power Plant at Manuguru Mandal in Bhadradri Kothagudem Distrcit, Telangana, (save and except book debts) consisting of it's movable Plant & Machinery, Machinery Spares, tools and accessories,fuel and stock,spares and materials, Plant turbine and other various equipments etc., and creation of martgage of land to the extent of Ac 1063.33 Gts on pari-passu basis. (d) Pari-passu charge on whole of the movable properties (save and except book debts) of the borrower's project (5X800 MW) coal based Yadadri Thermal Power Station at Veerlapalem village, Damarcherla 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 equipment/items and other movables, both present and future. Equitable martgage has created by deposit of title deed of immovable property of Ac 703.11 Gts situated in 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.4189.66 crores. (f) The whole of the movable properties of the borrowers existing and future assets of Manuguru FGD System in 4X270MW coal based Bhadradri (Manuguru) Thermal power project at Manuguru Mandal in Bhdradri Kothagudem District, Telangana consisting of it's movable plant and machinery, mandatory 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 martgage of land to the extent of Ac 1063.33 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 TGGENCO in the state of Telangana having valuation of Rs.1259.47 crores (after deducting security coverage for Loan Nos 31301014, 31302006, 31302008, 31304029 and 31305010).		
	Less: Current portion	635.05	763.37
		12,681.61	11,276.87
	Loans from REC	17212.35	17584.66
	Secured by (a) Present and future assets to be created out of the loan from REC for KTPP Stage-II (1X500+20%) 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. (b) Existing movable Plant & Machinery together with civil work (excluding project land) created under KTPP-1. (c) All existing and future movable assets of 1X800 MW coal based Thermal Power Plant at Kothagudem (i.e., KTPS-VII). (d) 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 of Telangana state and by equitable martgage was created by deposit of title deed of immovable property of Ac 703.11 Gts situated in Veerlapalem village in favour of REC and PFC on pari-passu basis. (e) Hypothecation on all existing and future movable assets to be created out of FGD system for 1X800 MW Kothagudem Thermal Power Station (KTPS) stage VII in the state of Telangana including current assets, spares and other civil works etc.,		
	Less: Current portion	606.23	799.98
		16,606.12	16,784.68
	Total loans - financial institutions (b)	29,287.73	28,061.55
	Total secured loans (a+b)	29,869.59	29,166.67
17A.1.1	Terms of repayment of secured loans		
	Residual maturity	**Balance outstanding As at 31 March 2025**	**Balance outstanding As at 31 March 2024**
	1. Term Loans from Banks		
	1-3 years	529.86	920.94
	3-5 years	52.00	184.18
	5-10 years	0.00	-
	Sub - total (1)	581.86	1,105.12
	2. Term Loans from Financial Institutions		
	1-3 years	3669.33	3139.85
	3-5 years	4617.03	4534.74
	5-10 years	10055.03	9596.66
	10 years above	10946.34	10790.30
	Sub - total (2)	29,287.73	28,061.55
	Total (1+2)	29869.59	29166.67

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Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
17A.2	Unsecured loans from banks and financial institutions		
	Loans from PFC Fully, unconditionally and irrevocably guaranteed by the Govt. of Andhra Pradesh in respect of repayment of principal, interest.	0.01	0.01
	Less: Current portion		
	Total unsecured loans	0.01	0.01
	Total long term borrowings excluding pension bonds (17A.1+17A.2)	29,869.60	29,166.68
	Secured loans from Banks and FIs interest rate ranging from 9.00% 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.		
17A.3	Pension and Gratuity bonds (See Note. 17A.3.1)		
a)	Employee Bonds for service rendered before 01-02-1999	169.21	196.90
	Interest accrued but not due - as per Ind AS fair valuation	5.17	4.39
	TGGENCO's share of the balance outstanding as at the date of the Balance Sheet, against 132043 Nos of non-convertible, non-transferable, non-marketable 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	25.73	26.91
	Sub Total (a)	148.65	174.38
b)	Employee Bonds for service rendered after 01-02-1999	468.29	555.82
	Interest accrued but not due - as per Ind AS fair valuation	40.92	63.02
	TGGENCO's share of the balance outstanding as at the date of the Balance Sheet, against 306652 Nos of non-convertible, non-transferable, non-marketable, 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 company trusts is subject to charge based on the report of the actuary. Presently, 74% 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	120.76	109.63
	Sub Total (b)	388.45	509.21
	Total pension and gratuity bonds (a+b)	537.10	683.59

17A.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 TGENCO Master Trusts . 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 aforesaid 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 APSEE 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 thereon 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.19.8 of 2019.

Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
17A.3.2	Terms of repayment of pension and gratuity bonds		
	Residual maturity	Balance outstanding As at 31 March 2025	Balance outstanding As at 31 March 2024
	1-3 years	307.14	307.37
	3-5 years	167.78	295.58
	5-10 years	62.18	80.64
	10 years above	-	-
	Total	537.10	683.59
17B	Other financial liabilities (Long term)		
	Company Insurance Scheme - Savings Fund	2.40	2.39
	Company Insurance Scheme - Insurance Fund	0.82	0.74
	Security Deposits/Retention amounts etc.,	1030.05	1175.83
	Total	1,033.27	1,178.96

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Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
18	**Long term provisions**		
	Provision for Pension and Gratuity	2517.54	2418.29
	Provision for leave Benefits	859.98	818.14
	Provision for Medical Benefits	86.95	83.14
	Total	3,464.47	3,319.57

For disclosure relating to employee benefits as per Ind AS 19 - Refer note No.37.

18.1 The company obtained the actuarial valuation of its liability at the date of this Balance Sheet for Employees' pension and Gratuity in respect of employee 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 GPF 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 this Balance Sheet for Employees' retirement 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.

Note No	Particulars	As at 31-Mar-25	As at 31-Mar-24
19	**Deferred tax liabilities (net)**		
	Deferred tax liability related to fixed assets	2,278.76	1,949.17
	Deferred tax asset on pension and gratuity bonds	(11.60)	(16.97)
	Deferred tax asset on security deposit - amortised cost	(1.01)	(0.96)
	Deferred tax (asset)/ liability on employee loan - amortised cost	9.11	10.92
	Deferred tax asset relating to Payments u/s 43B of IT Act	(1028.04)	(925.11)
	Deferred tax asset on unabsorbed depreciation	(186.65)	0.00
	Net Deferred Tax Liability	1060.57	1017.05

For disclosure relating to deferred tax as per Ind AS 12 - Refer note No.36 c

Note No	Particulars	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
20	**Current financial liabilities**		
20A	**Short term borrowings**		
	Cash Credits*	90.00	1231.10
	Current maturities of Secured long-term debt	1764.38	2034.36
	Current maturities of Pension Bonds	127.12	115.22
	Total	1,981.50	3,380.68

*Secured by First charge on inventory, Receivables and current assets on Pari-passu basis.

Note No	Particulars	As at 31-Mar-25	As at 31-Mar-24
20B	**Trade payables**		
i)	**MSME#**	-	-
	Sub Total (i)	-	-
ii)	**Other than MSME**		
	For Coal and Oil	14569.97	10150.06
	For Purchase of Power	1.84	1.84
	For O&M Supplies/Works	743.17	465.54
	Sub Total (ii)	15,314.98	10,617.44
	Total (i+ii)	15,314.98	10,617.44

-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 the advances, 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 there on for delay in payments is nil.

Trade Payables Due for payment Ageing Schedule FY: 2024-25

Particulars	Outstanding for follwing periods from due date of Payment				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	Morethan 3 Years	Total
i) MSME			-	-	
ii) Others	7,234.64	7,034.96	615.45	429.93	15314.98
iii) Disputed dues - MSME			-	-	
iv) Disputed dues - Others			-	-	

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

Particulars	Outstanding for follwing periods from due date of Payment				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	Morethan 3 Years	Total
i) MSME			-	-	
ii) Others	9080.86	1055.75	12.09	468.74	10617.44
iii) Disputed dues - MSME			-	-	
iv) Disputed dues - Others			-	-	

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Note No	Particulars	As at 31-Mar-25 (Rs in crores)	As at 31-Mar-24 (Rs in crores)
21	Other financial liabilities		
	Interest accrued but not due on pension bonds	19.36	21.33
	Interest accrued but not due on borrowings	150.54	212.05
	Interest accrued and due on borrowings	10.48	10.48
	Deposits and Retentions From Suppliers / Contractors *	1022.50	1119.73
	Other Payables		
	For Staff	274.29	351.59
	For Expenses & Others	261.77	267.91
	Capital Liabilities	1215.10	1109.60
	Total	2,954.04	3,092.69
	*Includes Rs.565.03 crores (Previous year 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.		
22	**Short term provisions**		
	Provision for employee benefits		
	Provision for Pension and Gratuity	514.16	485.64
	Provision for leave Benefits	61.30	62.90
	Provision for Medical Benefits	5.49	5.35
	Total	**580.95**	**553.89**
	For disclosure relating to employee benefits as per Ind AS 19 - Refer note No.37.		
23	**OTHER CURRENT LIABILITIES**		
	Statutory dues	252.36	225.48
	Total	**252.36**	**225.48**
24	**Other Current Liabilities (other than statutory Dues)**		
	Grant received from Government	-	0.08
	Total	**-**	**0.08**
25	**Current tax liabilities**		
a)	**Provision for taxation**		
	As per the last balance sheet	15.97	22.88
	Add: Additions during the year	3.44	105.09
	Add: Interest under income tax act	-	
	Closing balance	**19.41**	**127.97**
b)	**Tax paid/adjusted during the year (net of refunds)**	**19.41**	**112.0**
	Net current tax liability	**-**	**15.97**

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TELANGANA POWER GENERATION CORPORATION LIMITED
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Notes to financial statement for the year ended 31st March, 2025
(All amounts in crores rupees except as otherwise stated)

Note No	Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
26	Revenue From Operations		
a)	Sale of goods		
	Revenue from Sale of Power from TGDISCOMs	14930.59	16359.13
	Revenue from Inter state Sale of Power	45.67	50.68
	Sub total - (a)	14976.26	16409.81
b)	Sale of services		
	Revenue from O&M and Supervision Contracts - (b)	32.79	7.07
	Total (a+b)	15009.05	16416.88
26.1	The revenue approved vide Hon'ble TGERC Multi Year Tariff Order Dt.28.10.2024, is subject to True - up as per clause No.6.2 of Hon'ble TGERC Regulation 2 of 2023, Dt.30.12.2023. Hence, the revenue for the FY 2024 - 25 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	Credit amount of Rs.158.91 cr is passed on to the TGDISCOMs & Karnataka ESCOMs as per Hon'ble TGERC True up order, Dt.28.10.2024 in respect of FY:2022-23, which is recognised for the FY 2024-25.		
26.3	Revenue includes YTPS Unit-2 Revenue amounting to Rs.147.82 Crs. In the absence of Tariff order, this revenue is recognised based on the provisional tariff filings with Hon'ble TGERC. TGPCC has approved the claim.		
26.4	The fixed charges towards additional interest on pension bonds is recognised at actuals, over & above scheduled pension payments, as per Para No.5.1.72 of Multi Year Tariff Order, Dated:28.10.2024 for the control period FY 2024-29.		
26.5	: In respect of late payment surcharge, there is an uncertainty in realization, from the experience of past 25 years i.e., from 01.02.1999. Therefore the company has not recognised this revenue towards surcharge of late payment in line with Ind AS 115 Para No.9 (e) and as per its accounting policy at 3(k).		
	Particulars	**For the year ended 31-Mar-25**	**For the year ended 31-Mar-24**
27	**Other Income**		
a)	**Income from sale of Ash**		
	Income from sale of Ash*	51.08	76.59
	Sub total - (a)	**51.08**	**76.59**
b)	**Interest income**		
	Interest on Staff Loans based on EIR	2.44	13.43
	Interest Income	2.00	0.42
	Interest income based on Effective interest rate on security deposit for coal purchase	1.05	0.98
	Sub total - (b)	**5.49**	**14.83**
c)	**Other non-operating income**		
	Income/Profit on sale of stores & scrap	3.91	5.27
	Profit on sale of residual asets of KTPS-ABC stations	-	172.66
	Misc. Receipts	19.89	20.13
	Sub total - (c)	**23.80**	**198.06**
	Total (a+b+c)	**80.37**	**289.48**
	Less: Other Income Capitalised	-	0.27
	Total	**80.37**	**289.21**
	*Ministry of Environment and Forest and Climate Change (MoEF &CC), Government of India (GOI), vide notification dated: 31.12.2021 repealed all earlier notificatons and prescribed new set of principles for utilisaiton of ash w.e.f FY:2022-23. Accordingly, accounting treatment for amounts collected from sale of ash is revised from FY:2022-23 and the income from sale of ash is passed on to TGDISCOMs as non tariff income in pursuance to the TGERC regulations.		
28	**Cost of materials consumed (Coal & Oil)**		
	Cost of coal consumed	8240.98	9169.71
	Cost of oil consumed	172.15	75.25
	Total Cost of Coal and Oil before capitalisation.	**8413.13**	**9244.96**
	Less:Capitalised	-	-
	Total	8413.13	9244.96

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Note No	Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
29	Employee benefits expense		
a)	Salaries and wages		
	Pay	1144.12	1105.67
	Dearness allowance	146.69	96.97
	Other allowances	430.12	416.18
	Sub total - (a)	1,720.93	1,618.82
b)	Contribution to provident and other funds		
	Pension,gratuity, provident fund, leave and Medical expense	691.09	768.11
c)	**Staff Welfare Expenses**	38.43	43.19
	Total Employee benefit expense before capitalisation/ transferred to other heads (a+b+c)	2,450.45	2,430.12
	Less: Expenditure Capitalised / transferred to other heads	167.22	147.40
	Total	2,283.23	2,282.72
	For disclosure relating to employee benefits as per Ind AS 19 - Refer note No.37.		
	Note:-Provision for DA arrears of Rs.1.55 crores (Previous Year Rs.8.25 crores) is not made in respect of pensioners as on 31.03.2025, 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	-	1.33
	Interest on Term Loans from FIs	3122.97	2959.79
	Interest on Term Loans from Others	220.56	455.52
	Interest on GIS / FBF	0.24	0.20
	Other borrowing/finance cost	4.27	1.55
		3348.04	3418.39
	Less: Interest Capitalised	2095.41	1891.80
	Sub Total	1252.63	1526.59
30B	Pension payments		
	Interest on Pension and Gratuity Bonds (pension payments)	1716.44	1360.55
	Sub Total	1716.44	1360.55
	Total (30A+30B)	2,969.07	2,887.14
	Disclosure as per Ind AS 23 - Borrowing Cost		
	Borrowing cost capitalised during the year is Rs.2095.41 crores (Previous year 2023-24 is Rs.1891.80 crores)		
31	**Depreciation and amortization expense**		
	Depreciation on property, plant and equipment	806.67	1326.51
	Amortisation on intangible assets	0.00	0.85
		806.67	1,327.36
	Less: Amount capitalised	7.30	3.58
	Total	799.37	1,323.78
32	**Other expenses**		
a)	**Cost of water and water cess**		
	Water Charges - Hydel	27.13	7.91
	Water Charges - Thermal	9.65	10.06
	Sub total - (a)	36.78	17.97
b)	**Repairs and maintenance expenses**		
	Cost of Consumables and Spares consumed	163.57	132.09
	Plant and Machinery incl.Spares consumed*	112.06	62.23
	Buildings incl.Materials consumed	0.58	0.91
	Civil Works incl.Materials consumed	31.44	38.70
	Hydraulic Works	0.14	0.38
	Lines and Cable Net works	0.20	0.40
	Vehicles	0.33	0.20
	Furniture and office equipment	2.79	2.27
	Restoration Works	0.07	0.24
	Repairs and Main. Exp.before Capitalisation	311.18	237.42
	Less: Expenditure Capitalised	0.32	0.14
	Sub total - (b)	310.86	237.28

* A fire Accident was ocurred at Bhadradri Thermal Power Station (BTPS) on 29.06.2024 and effected Generator Transformer (GT) of unit-I. An amount of Rs.3.00 crores (provisional) was received from Reliance General Insurance Co.Ltd as against expenditure incurred of Rs.Rs.9.57 crores upto 31.03.2025 for repair of the transformer. The repair cost of the GT is booked under R&M head and received amount from insurance company was adjusted to the expenditure.

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Note No	Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
c)	Administrative expenditure		
	Rent	0.04	0.43
	Rates and taxes	6.04	8.20
	Insurance on Fixed Assets	17.12	20.12
	Vehicle expenses	17.53	16.57
	Electricity charges	39.66	44.95
	Cost of police guard	56.15	53.62
	Corporate Social Responsibility	1.46	10.76
	Other administrative expenses	13.22	22.65
	Misc. losses and provisions	(0.32)	19.12
	Total Expenditure before Capitalisation	**150.90**	**196.42**
	Less: Expenditure Capitalised	34.86	30.57
	Sub total - (c)	**116.04**	**165.85**
	Total (a+b+c)	**463.68**	**421.10**
32.1	**Other Administrative expenses include the following auditors' remuneration:**		
	Statutory Auditor		
	Statutory Audit fee	0.12	0.09
	GST thereon	0.02	0.02
	Out of pocket expenses	0.01	0.01
	Total	0.15	0.12
	Cost Auditor		
	Cost Audit fee	0.02	0.02
	GST thereon	0.01	0.01
	Out of pocket expenses	-	-
	Total	0.03	0.03
	Secretarial Auditor		
	Audit fee	0.01	0.01
	GST thereon	-	-
	Out of pocket expenses	-	-
	Total	0.01	0.01

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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 announced ERC Tariff Regulations.

v) Provisions and contingencies

The assessments undertaken in recognizing 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.

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34	Contingent Liabilities and commitments (to the extent not provided for)		
	Particulars	(Rs in Crores)	
		As at 31-Mar-25	As at 31-Mar-24
34.1	**Contingent liabilities**		
a)	Claims against the Company not acknowledged as debts		
	i) M/s. SCCL -Interest on delayed payments	1694.75	596.57
	(The SCCL Board accorded approval for waiver of interest of Rs.1232 crores upto 31.05.2022. Write off orders for interest for subsequent period is yet to be received)		
	ii) Others	328.13	316.88
	Total (i+ii)	2022.88	913.45
b)	**Guarantees Issued by Bankers for the Company**	3.04	81.88
c)	**Other money for which the company is contingently liable:**		
	- Suits/ Cases filed against the Company pending before judicial/ appellate tribunals not provided for	584.60	581.39
	Total (a+b+c)	2610.52	1576.72
34.2	**Commitments**		
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	4411.41	5680.92

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Telangana Power Generation Corporation Limited
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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	(Rs in Crores) For the year ended 31-Mar-25	For the year ended 31-Mar-24
a)	Profit attributable to equity holders for basic earnings (in crores)	124.14	404.19
	Dilution effect		
	Profit attributable to equity holders adjusted for dilution effect	124.14	404.19
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)	1.43	4.65
	Diluted (Rs)	1.43	4.65
	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, 2025 and March 31, 2024 are as follows:

Particulars	(Rs in Crores) For the year ended 31st March,2025	For the year ended 31st March,2024
Profit or loss section		
Current tax	-	105.09
Deferred tax	36.80	37.11
Total	36.80	142.20
Other comprehensive section		
Remeasurement gain or loss on net defined benefit plan	6.71	7.64
Total	6.71	7.64

b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2025 and 31st March, 2024:

Particulars	(Rs in Crores) For the year ended 31st March,2025	For the year ended 31st March,2024
Profit before tax	160.94	546.39
Tax using the Company's domestic tax rate of 25.168% (31st March, 2024 - 25.168%)	40.51	137.52
Tax effect of:		
Non-deductible tax expenses	0.37	2.71
Previous year tax adjustments	0.06	-
Other adjustments	(4.13)	1.97
Total tax expense in the statement of profit and loss	36.80	142.20

c) Deferred tax asset/ liability reconciliation

For FY: 2024-25

Particulars	Rs in Crores As at 1st April, 2024	Provided during the year	As at 31st March, 2025
i) Deferred tax liability			
Deferred tax liability related to fixed assets	1,949.17	329.59	2,278.76
Deferred liability on employee loan - amortised cost	10.91	(1.81)	9.10
	1,960.08	327.78	2,287.86
ii) Deferred tax assets			
On pension and gratuity bonds - amortised cost	16.97	(5.37)	11.60
On security deposit - amortised cost	0.96	0.05	1.01
Relating to Payments u/s 43B of IT Act	925.10	102.93	1,028.03
Relating to unabsorbed depreciation	-	186.65	186.65
	943.03	284.26	1,227.29
Deferred tax liability (Net) - (i-ii)	1,017.05	43.52	1,060.57

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37 Employee benefit obligations

a) Defined contribution plans

Under the defined contribution plan, the company obligation is limited to the amount contributed and its 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, 2025	For the year ended 31st March, 2024
i) Employees' Provident Funds Scheme 1995	95.63	86.16
ii) Employees" Pension Scheme 1995	5.07	5.06
iii) Employees' Deposit Linked Insurance Scheme, 1976	4.78	4.61
Total	105.48	95.83

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 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. 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	(Rs in crores) As at 31-Mar-25	As at 31-Mar-24
Net defined benefit (asset)/ liability	2720.65	2605.11
	2,720.65	2,605.11
Non-current	2,217.64	2,125.96
Current	503.01	479.15

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

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net Amount recognised in profit or loss	377.72	410.45
Amount recognised in other comprehensive income		
Remeasurement (gain) or loss on pension	0.82	12.32

Change in present value of net defined benefit plan

Particulars	As at 31-Mar-25	As at 31-Mar-24
Opening defined benefit obligation	7556.47	7194.95
Current service cost	89.13	92.84
Past service cost	-	-
Interest on defined benefit obligation	536.07	545.75
Remeasurement (gain) or loss	(43.30)	(26.70)
Benefit paid	(116.95)	(100.91)
Master Trust Reimbursements	(87.12)	(149.46)
Closing defined benefit obligation	7934.30	7556.47

Changes in the fair value of plan assets are as follows:

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Opening fair value of plan assets *	3807.39	3259.18
Employer contributions	263.00	460.00
Interest	247.48	228.14
Benefit paid	(116.95)	(100.91)
Remeasurment gain or loss	(44.12)	(39.02)
Closing fair value of plan assets*	4,156.80	3,807.39

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

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ii)	Gratuity		
	Net defined benefit (asset)/ liability - EPF Employees		
	Particulars	As at 31-Mar-2025	As at 31-Mar-2024
	Net defined benefit (asset)/ liability	276.08	273.74
		276.08	273.74
	Non-current	265.75	264.02
	Current	10.33	9.72
	Amount recognised in statement of profit and loss and other comprehensive income - EPF Employees		
	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
	Net Amount recognised in profit or loss		
	Gratuity	38.00	40.05
		38.00	40.05
	Amount recognised in other comprehensive income		
	Remeasurement (gain) or loss on gratuity	(31.53)	(40.47)
		(31.53)	(40.47)
	Change in present value of net defined plan - GPF Employees		
	Particulars	As at 31-Mar-2025	As at 31-Mar-2024
	Opening defined benefit obligation	210.62	217.54
	Current service cost	5.50	7.45
	Past service cost	-	-
	Interest on defined benefit obligation	14.89	15.44
	Remeasurement gain or loss	(66.87)	(23.63)
	Benefit paid	(4.18)	(6.17)
	Liabilities assumed/ settled*	-	-
	Liabilities extinguished on settlements	-	-
	Closing defined benefit obligation	159.96	210.62
	Change in present value of net defined plan - EPF Employees		
	Particulars	As at 31st Mar-2025	As at 31st Mar-2024
	Opening defined benefit obligation	273.75	276.24
	Current service cost	18.73	19.74
	Past service cost	-	-
	Interest on defined benefit obligation	19.25	20.31
	Remeasurement gain or loss	(31.53)	(40.47)
	Benefit paid	(4.12)	(2.08)
	Liabilities assumed/ settled*		
	Liabilities extinguished on settlements		
	Closing defined benefit obligation	276.08	273.75
	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.		
iii)	The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:		
	Particulars	As at 31-Mar-25	As at 31-Mar-24
	Discount Rate		
	Pension liability for GPF employees retired in service on reporting date	6.87%	7.10%
	Pension liability for GPF employees retired on or before reporting date	6.68%	7.09%
	Gratuity for GPF Employees	6.44%	7.07%
	Gratuity for EPF Employees	6.71%	7.09%
	Salary/ pension growth rate		
	Pension liability for GPF employees retired in service on reporting date	5.10%	5.10%
	Pension liability for GPF employees retired on or before reporting date	3.00%	3.00%
	Gratuity for GPF Employees	5.10%	5.10%
	Gratuity for EPF Employees	5.10%	5.10%
	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%

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iv) 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-25 Increase	31-Mar-25 Decrease	31-Mar-24 Increase	31-Mar-24 Decrease
Discount Rate (1% movement)				
Pension liability for GPF employees in service on reporting date	(324.80)	390.90	(330.00)	398.23
Pension liability for GPF employees retired on or before reporting date	-	-	-	-
Gratuity for GPF Employees	(6.09)	6.52	(8.70)	9.36
Gratuity for EPF Employees	(29.07)	34.21	(29.55)	34.89
Salary/ pension growth rate (1% movement)				
Pension liability for GPF employees in service on reporting date	111.22	(105.36)	122.95	(115.90)
Pension liability for GPF employees retired on or before reporting date	-	-	-	-
Gratuity for GPF Employees	0.00	(0.00)	0.02	(0.04)
Gratuity for EPF Employees	10.17	(10.44)	11.06	(11.48)
Attrition rate (50% movement)				
Pension liability for GPF employees retired in service on reporting date	(81.84)	20.70	(20.91)	82.42
Pension liability for GPF employees retired on or before reporting date	-	-	-	-
Gratuity for GPF Employees	(1.86)	1.95	(2.49)	2.62
Gratuity for EPF Employees	1.78	(1.46)	2.59	(2.26)
Mortality rate (10% movement)				
Pension liability for GPF employees retired in service on reporting date	(4.06)	4.09	(4.24)	64.65
Pension liability for GPF employees retired on or before reporting date	-	-	-	-
Gratuity for GPF Employees	(0.38)	0.38	(0.51)	0.51
Gratuity for EPF Employees	0.13	(0.11)	0.47	(0.46)

v) **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-25				
Pension liability for GPF employees retired in service on reporting date (per annum)	1.06	8.03	5.63	1.27
Pension liability for GPF employees retired on or before reporting date	-	-	-	-
Gratuity for GPF Employees	14.56	107.29	67.36	14.88
Gratuity for EPF Employees	2.44	27.16	112.51	670.90

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	120.01	109.37	28.21
Gratuity for EPF Employees	3.39	18.52	85.33	674.49

38 **Related party disclosures**

a) **List of related parties**

i) **Key Managerial Personnel (KMP)**

Sandeep Kumar Sultania, I A S	From 16.10.2024 AN to 20.05.2025 AN	Chairman & Managing Director/FAC
D. Ronald Rose, I A S	From 26.06.2024 to 16.10.2024 AN	Chairman & Managing Director/FAC
S.A.M.Rizvi, I A S	From 15.12.2023 to 26.06.2024	Chairman & Managing Director/FAC
M. Sachidanandam	From 05.08.2014 to 26.06.2025	Director (Projects)
Ch. Venkata Rajam	From 05.08.2014 to 19.09.2024	Director (Hydel)
B. Laxmaiah	From 05.09.2018 to 26.06.2025	Director (Thermal)
A. Ajay	From 05.09.2018	Director (Civil)
E. Anuradha	From 05.05.2017	FA&CCA (Audit) and CFO
G.P.R. Hrudaya	From 01.10.2016	Company Secretary

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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 Nothern 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, 2025	For the year ended 31st March, 2024
(a) short-term employee benefits;	2.78	4.33
(b) post-employment benefits;	0.60	0.61
(c) other long-term benefits;	-	-
(d) termination benefits; and	-	-
(e) share-based payment.	-	-
(f) Sitting fees	-	-
Total	3.38	4.94

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, 2025	For the year ended 31st March, 2024	As at 31-Mar-25	As at 31-Mar-24
India	15,009.05	16,416.88	48,870.93	44,876.81
Outside India	-	-	-	-
	15,009.05	16,416.88	48,870.93	44,876.81

* 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, 2025	For the year ended 31st March, 2024
Revenue from four major customers from "Sale of energy" which is more than 10% of the Company's total revenues.	14,976.26	16,409.81

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40 **Fair values**

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

Particulars	Carrying value		Fair value	
	As at 31 March, 2025	As at 31 March, 2024	As at 31 March 2025	As at 31 March 2024
Financial assets				
At Fair Value through profit or loss		-	-	-
At Fair Value through other comprehensive income		-	-	-
At Amortised cost				
Loans	68.64	94.48	68.64	94.48
Other financial assets	730.92	723.52	730.92	723.52
Trade receivables	11649.11	12061.38	11,649.11	12,061.38
Cash and bank balance	189.28	208.61	189.28	208.61
At cost				
Investment#	940.42	940.42	940.42	940.42
Total financial assets	13,578.37	14,028.41	13,578.37	14,028.41
Financial liabilities at amortised cost				
Borrowings excluding pension bonds	31851.10	32547.36	31,851.10	32,547.36
Pension bonds	537.10	683.59	537.10	683.59
Trade payables	15314.98	10617.44	15,314.98	10,617.44
Other financial liabilities	3987.31	4271.65	3,987.31	4,271.65
Total financial liabilities	51,690.49	48,120.04	51,690.49	48,120.04

As per AP Reorganisation Act, 2014 the Company has recognised its share of Investment in unsecured 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 assesses 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 financing 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 Rreceivables

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, 2025	3805.84	1102.57	1007.93	1227.49	4505.28	11649.11
Trade receivables as of 31st March, 2024	3962.53	1430.38	1153.94	1604.09	3910.44	12061.38

ii) Investments

The Company has recognised its share of INR 940.42 crores in the investment of "Combined APGENCO" based on AP Re-organisation 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 APROA, 2014.

iii) Amount recoverable from APGENCO

The Company has INR 549.04 crores recoverable under "Other financial assets" from APGENCO post the bifurcation of "Combined APGENCO" based on AP Re-organisation 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 APROA, 2014.

iv) Cash and Bank balance

The company held cash and bank balance of INR 189.28 crores (31st March 2024: INR 208.61 crores). The cash and cash equivalents are held with banks with high rating and between the successor Governments as per APROA, 2014.

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, 2025	On demand	Within 1 year	1 to 3 years	3 to 5 years	>5 years	Total
Borrowings	90.00	1,764.38	4,199.19	4,659.03	21001.37	31,723.97
Pension bonds	-	127.12	307.14	167.78	62.18	664.22
Trade and other payables	-	15,314.98	-	-	-	15,314.98
Other financial liabilities	-	3206.40	1033.27	-	-	4,239.67
Total	90.00	20,412.88	5,539.60	4,836.81	21,063.55	51,942.84

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As at 31st March, 2024	On demand	Within 1 year	1 to 3 years	3 to 5 years	>5 years	Total
Borrowings	1,231.10	2,034.36	4,060.79	4718.92	20386.96	32,432.13
Pension bonds	-	115.22	307.37	295.58	80.64	798.81
Trade and other payables	-	10,617.44	-	-	-	10,617.44
Other financial liabilities	-	3318.25	1178.96	-	-	4,497.21
Total	1,231.10	16,085.27	5,547.12	5,014.50	20,467.60	48,345.59

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 "Combined APGENCO" based on AP Re-organisation Act, 2014. Hence the entity is significantly exposed only to interest rate risk. Financial Instrument affected by interest risk includes loans and borrowings excluding pension bonds. Pension bonds are subject to pre-determined rate of interest mentioned in bonds schedule.

The analysis 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, 2025 and 31st March, 2024.

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	Impact on profit or loss	
		50 bp increase	50 bp decrease
31st March, 2025			
Loans with floating interest rate	29,869.60	(149.35)	149.35
31st March, 2024			
Loans with floating interest rate	29,166.68	(145.83)	145.83

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.

42 **Capital Management**

The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and maximise 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-25	As at 31-Mar-24
Net debt		
Long term borrowings excluding pension bonds	29,869.60	29,166.68
Pension bonds	537.10	683.59
Short term borrowings	1,981.50	3,380.68
Current maturities of long term borrowings	180.38	243.86
Total borrowings	32,568.58	33,474.81
Less: cash and cash equivalent	189.19	208.57
Total Net debt	32,379.39	33,266.24
Equity		
Share capital	869.64	869.64
Other equity	6,236.07	6,091.96
Total Equity	7,105.71	6,961.60

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Details of Corporate Social Responsibility (CSR) :	31-Mar-25		31-Mar-24	
i) Amount required to be spent by the company during the year	10.21		9.04	
(ii) Amount of expenditure incurred (excluding unspent amount deposited for ongoing projects)		1.46		10.76
(ii) Shortfall at end of the year				
iv) Total of previous years shortfall				
v) Reasons for shortfall				
vi) Nature of CSR activities				
a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;		0.20		0.02
b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;		0.00		8.70
c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;		0.00		1.18
d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;		1.26		0.85
e) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;		0.00		0.01
Total		1.46		10.76

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	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 transfered an amount of Rs.10.21 crores (Rs.0.27 crores excess spent in the previous years deducted from the total CSR expenditure) for the FY:2024-25 and remaining balance of Rs.0.51 crores for the FY:2023-24 , Rs.4.81 crores for the FY:2022-23 crores is available in the Unspent Corporate Social Responsibility account and amount in Unspent Corporate Social Responsibility account for the FY:2021-22 was fully utilised within the due date specified under 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.				

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Telangana Power Generation Corporation Limited
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Notes to financial statement for the year ended 31st March, 2025

46	Ratio Analysis					
S.No	Description of Ratio	2024-25	2023-24	Type	Change %	Remarks
1	Current Ratio	0.66	0.78	Times	(14.94)	
2	Debt - Equity Ratio	4.53	4.58	Times	(1.15)	
3	Debt Service Coverage ratio	0.62	0.89	Times	(30.27)	Due to decrease in Depreciation and Net Profit
4	Return on Equity Ratio	1.76	5.99	Percentage	(70.54)	Due to change in PAT (excluding OCI)
5	Inventory Turnover Ratio	9.24	12.14	Times	(23.88)	
6	Trade Receivables Turnover Ratio	1.27	1.49	Times	(15.03)	
7	Trade Payables Turnover Ratio	0.68	1.24	Times	(44.79)	Due to increase by Average Trade Payables
8	Net Working Capital Turnover Ratio	(3.47)	(15.65)	Times	(77.85)	Due to decrease in Net working capital and revenue
9	Net Profit Ratio	0.96	2.60	Percentage	(63.07)	Due to decrease in Net Profit
10	Return on Capital Employed	8.22	9.24	Percentage	(10.99)	
11	Return on Share Holder's Fund	16.57	49.09	Percentage	(66.24)	Due to decrease in Net Profit

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Telangana Power Generation Corporation Limited
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Notes to financial statement for the year ended 31st March, 2025

47 The disclosure requirements pursuant to schedule III:

(a) Crypto Currency or Virtual Currency:
There were no transactions involving cryptocurrency or virtual currency during the financial year.

(b) Benami Property held under Prohibition of Benami Property Transaction Act,1988 and rules made thereunder :
The Company does not hold any Benami property under the Prohibition of Benami Property Transactions Act, 1988, and the rules made thereunder.

(c) Registration of changes or satisfaction yet to be with Registrar of Companies (ROC) beyond the statutory period:
There are no instances of changes or satisfaction yet to be registered with the Registrar of Companies beyond the statutory time limits for filing.

(d) Undisclosed Income:
There is no undisclosed income to record in the financial statements.

(e) Additional Disclosures relating to borrowed funds:
The following disclosures, as mandated by Schedule III, are provided in respect of the Company's borrowings:

i. Wilful defaulter:
The Company is not classified as a wilful defaulter by any bank or financial institution.

ii. Utilisation of borrowed funds & share premium:
The borrowed funds have been utilized for the purposes stated in the respective agreements and the Company's business activities, no deviations have occurred. The company does not have share premium account.

iii. Discrepancey in Reports/Statemetns furnished to Banks and Finacial Instutions in repsct of Borrowings obtained on the basis of security of current assets:
There are no discrepancies in the reports/statements furnished to banks and financial institutions regarding borrowings obtained on the basis of current assets.

iv. Discrepancy in utilisation of borrowings:
The borrowed funds have been utilized in accordance with the purposes mentioned at the time of borrowing. There have been no discrepancies in their utilisation.

(f) Relation with Struck off companies:
The Company does not have any relationship with struck-off companies.

These are the notes referred to in Balance Sheet

For and on behalf of the Board

For N G RAO & Associates.,
Chartered Accountants
Firm Regn.No.009399S

Kiran Parsa
Partner
M.No.220629
Place: Hyderabad
Date: 18.07.2025

G.Veera Mahender
Director (Finance & Commercial)
(DIN No.06882970)

S.Harish, I.A.S
Chairman & Managing Director
(DIN No.11080054)

E.Anuradha
FA & CCA (Audit) and CFO

G.P.R Hrudaya
Company Secretary

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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 at 31st March 2025, 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 2025, 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 2025.

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.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 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'25 amounting to Rs. 1694.75 crores. The same has not been accounted by the company, resulting in understatement of "Other expenses" and "Current Liabilities" by Rs. 1694.75 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.336.73 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	11,357.42	11,020.69	336.73

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

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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:

a. Note No. 21 of financial statements representing other financial liabilities Includes Rs. 565.03 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.

b. 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.

c. We draw attention to Note No.4a of the financial statements, which explains the change in the Company's depreciation policy with effect from April 1, 2024, in accordance with TSERC's MYT Regulation No. 2 of 2023. The Company adopted asset-specific useful lives notified by TSERC, replacing the earlier CERC-based rates. The revised policy incorporates component-based principles aligned with Ind-AS 16, resulting in a ₹613.97 crore reduction in depreciation, revenue, and cash flows for the year, with no impact on profit.

Our opinion is not modified in respect of these 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 of the current period. While the requirement to communicate key audit matters is applicable to audits of listed entities, we have voluntarily included the following matter which we considered to be of most significance.

Compliance with Fly Ash Utilization Obligations and Environmental Compensation Risk

As at March 31, 2025, the Company has reported accumulation of substantial quantities of fly ash and pond ash, classified as *legacy ash* under the Ministry of Environment, Forest & Climate Change (MoEF&CC) Notifications dated 31st December 2021 and 30th December 2022. These regulations mandate phased 100%

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utilization of legacy ash by 31st March 2032, with prescribed annual targets, and non-compliance may attract environmental compensation of ₹1,000 per metric ton.

Given current utilization trends, logistical constraints, and the scale of accumulated ash, there is a significant risk of non-compliance, with potential regulatory, financial, and reputational implications. Accordingly, this matter was considered to be of significant importance to our audit.

How our audit addressed the Key Audit Matter

We reviewed ash stock records, utilization data, and applicable regulatory notifications; held discussions with management and technical teams regarding utilization plans and constraints; assessed the status of evacuation projects; and examined disclosures in the financial statements. We also evaluated the reliability of internal data and obtained written management representations on compliance strategies. Based on our procedures, we assessed the adequacy of disclosures made in the financial statements as at March 31, 2025.

Other Matter

a. The financial statements of the Company for the year ended March 31, 2024, were audited by the predecessor auditor who expressed Qualified opinion vide their report dated 09/09/2024. We were appointed as statutory auditors of the Company with effect from the financial year ended March 31, 2025, and accordingly, this is our first year of audit of the Company.

Our opinion on the financial statements for the year ended March 31, 2025 does not include any observation on the comparative financial information for the preceding year, which has been audited by the predecessor auditor.

b. We draw attention to certain corporate governance deviations as of 31st March 2025. The Company has not appointed Independent Directors and a Woman Director as required under Section 149 of the Companies Act, 2013, and has formally requested nominations from the Government of Telangana. No Risk Management Committee has been constituted, though advisable given the Company's scale. These matters do not affect our audit opinion but are relevant from a governance perspective.

c. We draw attention to Note 43 of the financial statements, which describes the Company's compliance with its Corporate Social Responsibility (CSR) obligations under Section 135 of the Companies Act, 2013. For the year ended March 31, 2025, the Company was required to spend ₹10.21 crores towards CSR activities. This entire amount was transferred to a separate bank account titled "Unspent Corporate Social Responsibility Account" in accordance with Section 135(6) of the Act, as the related projects are ongoing.

Further, the Company incurred ₹1.46 crores on CSR activities during the year, which pertained to utilization of unspent amounts from previous financial years. As of March 31, 2025, a balance of ₹5.32 crores remains available in the unspent CSR account with respect to earlier years.

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Our opinion is not modified in respect of these matters.

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

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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

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(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;

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(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 2025;

(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.

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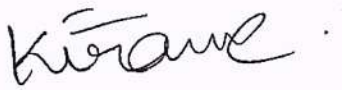
(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded 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.

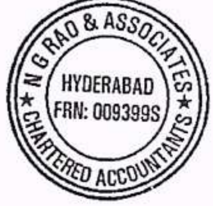
(v) The company has not declared any dividend during the year.

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 N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S



CA KIRAN PARSA
Partner
Membership No:220629
UDIN: 25220629BMLLGJ1565
Date: 28.07-2025
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.

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(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.

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(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 2025 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. In Crores)	Payment Date
Mines Act, 1952	Royalty	2024-25	43.15	-	43.15	-
	MBL Cess	2024-25	1.96	-	1.96	-
	Reserve Price	2024-25	54.32	-	54.32	-
	DMFT*	2024-25	-	-	-	-
	NMET#	2024-25	-	-	-	-
Total			**99.42**	-	**99.42**	-

* 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. 50.26 crores in aggregate as on 31st March 2025, 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:

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Name of Statue	Particulars	Period to which it belongs	Forum	Gross Disputed amount (Rs. in Crores)
Income Tax Act 1961	Income Tax	2017-18	CIT(A), Hyderabad-2	12.89
	Income Tax	2018-19	CIT(A), Hyderabad-2	6.61
	Income Tax	2019-20	CIT(A), Hyderabad-2	2.72
Finance Act 1994	Service Tax	Oct 2014 to June 2017	Appellate Tribunal	3.07
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				50.26

(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

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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.

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(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.

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(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 N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

Kiran

CA KIRAN PARSA
Partner
Membership No:220629
UDIN: 25220629BMLLGJ1565
Date: 28.07-2025
Place: Hyderabad

N G RAO & ASSOCIATES HYDERABAD FRN: 009399S CHARTERED ACCOUNTANTS

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 Auditor General of India under Section 143(5) of the Companies Act,2013.

S. No	Particulars	Response of Auditor
I.	**Directions**	
i.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	During the year, the Company did not make any direct investments; all investments were routed through Post-Retirement Benefit Trusts (PRBTs). These primarily comprise government securities and bank deposits, which were valued internally at face value under a cost-based approach, supported by actuarial valuation reports. The valuation methodology aligns with Ind AS 113, considering the absence of active markets and the fixed-return nature of the instruments. As per management assessment, no impairment provision was considered necessary as of the reporting date. The fair value of plan assets held by the Trusts—**including TGGENCO's 41.68% share in the APGENCO Pension and Gratuity Trust, as mandated under the A.P. Reorganisation Act, 2014**—stood at ₹4,156.80 crore as on the balance sheet date, compared to ₹3,807.39 crore in the previous year (Note No.37 (b) (i). Employee benefit obligations, including pension, gratuity, leave encashment, and medical benefits, were actuarially valued using the Projected Unit Credit Method, in line with Ind AS 19. Actuarial gains and losses for all categories are recognised in the Statement of Profit and Loss.
ii.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has implemented an enterprise-wide ERP system, **SAP**, through which **all accounting transactions, including payments and receipts, are recorded and processed**. Consequently, **the financial statements are entirely derived from SAP**, with **no accounting data being processed or recorded outside the system.** However, it is noted that the **vendor registration and onboarding process is carried out outside the SAP environment**.

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		There have been **no identified instances** of accounting transactions being processed outside SAP. Therefore, the **integrity of the financial reporting remains intact**, and **no material financial implications** have been observed due to the partial off-system process.
iii.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	Based on the audit procedures performed and the information and explanations provided by the Company, the accounting treatment, utilization, and compliance with the terms and conditions of grants and subsidies received or receivable from Central/State Governments or their agencies were reviewed. However, during the current year, no grants or subsidies were received from the Government.
iv.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	Based on the audit procedures carried out and the information and explanations provided by the management, we report as under: • The Company has **not formulated a formal Risk Management Policy**, and no **Risk Management Committee** has been constituted as on the date of audit. • The management has stated that the Company, being a **closely held unlisted public sector undertaking**, is not mandatorily required to constitute a Risk Management Committee or formulate a policy under existing statutory provisions. • However, considering the **scale, nature, and complexity of the Company's operations**, particularly in the power generation sector, it is **advisable** to have a documented Risk Management Framework to ensure systematic identification, assessment, and mitigation of key business risks. • There is **no formal identification or valuation of data assets**, and no documentation was made available to support any structured Information Asset Management or valuation process. • In our view, the absence of a structured Risk Management Policy and framework may expose the Company to potential operational, financial, and cyber risks, which may not be effectively mitigated or monitored in a timely manner. Recommendation: It is recommended that the Company: • **Formulate and implement a Risk Management Policy** aligned with global best practices; • Constitute a **Risk Management Committee**, even on a voluntary basis, to oversee risk governance;

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		• Identify and document its **critical data assets**, and carry out appropriate **valuation and protection measures** in line with standard IT governance principles. The absence of a Risk Management Committee was highlighted under the *Other Matter* paragraph of the main Audit Report..
v.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Auditor's Reply: Based on the audit procedures carried out and the information and explanations provided by the management, we report as under: 1. **SEBI (LODR) Regulations, 2015**: The Company is an **unlisted State Public Sector Undertaking** and therefore **not subject to compliance with SEBI LODR Regulations or other SEBI guidelines** applicable to listed entities. 2. **Ministry of Corporate Affairs (MCA)**: The Company is governed by the provisions of the Companies Act, 2013. MCA-related filings, including annual filings and statutory disclosures, have been made in compliance with the applicable provisions. 3. **Department of Investment and Public Asset Management (DIPAM)**: DIPAM guidelines are primarily applicable to **Central Public Sector Enterprises (CPSEs).** The Company is a **State Public Sector Enterprise (SPSE)** and hence, **DIPAM guidelines are not directly applicable.** 4. **Department of Public Enterprises (DPE)**: The Company follows the Corporate Governance Guidelines issued by the **State DPE**, to the extent applicable. No material instances of non-compliance were observed during the period under audit. 5. **Reserve Bank of India (RBI)**: The Company is **not registered as an NBFC or banking entity**, and therefore, **RBI regulations are not applicable.** 6. **Telecom Regulatory Authority of India (TRAI)**: The Company is **not engaged in any telecom-related activities**, and hence, **TRAI regulations are not applicable.** 7. **CERT-IN / Ministry of Electronics and IT**: The Company has **appointed a CERT-IN empanelled auditor** to carry out **cyber security audits**, demonstrating adherence to cyber hygiene requirements to the extent applicable. 8. **National Payments Corporation of India (NPCI):** While the Company is **not primarily engaged in payment processing or direct UPI/AEPS-related services**, it has **certain limited interactions with**

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			NPCI-regulated platforms (e.g., for salary disbursement, vendor payments, or employee reimbursements through banking APIs). Based on the audit procedures carried out and information provided, the Company has **generally complied with the applicable NPCI guidelines**, to the extent relevant. 9. **Instances of Non-Compliance / Delayed Reporting**: As per the information made available and explanations provided, there were **no instances of non-compliance or delayed filings** with the above-mentioned authorities during the audit period.
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 N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

CA KIRAN PARSA
Partner
Membership No:220629
UDIN: 25220629BMLLGJ1565
Date: 28.07-2025
Place: Hyderabad.

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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 2025 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.

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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 2025, 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 N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

Kiran

CA KIRAN PARSA
Partner
Membership No:220629
UDIN: 25220629BMLLGJ1565
Date: 28.07-2025
Place: Hyderabad

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