TPNODL

Truing Up Application
For the
Financial Year 2023-24

29th November 2024

TP NORTHERN ODISHA DISTRIBUTION LIMITED

(A Joint Venture of Tata Power & Government of Odisha)

Corporate Office: Januganj, Balasore, Odisha-756019

Contents

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO.4, CHUNUKOLI, SAILASHREE VIHAR,
CHANDRASEKHARPUR, BHUBANESWAR

IN THE MATTER OF : **Truing –up application of TPNODL for FY 2023-24 under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.**

IN THE MATTER OF: **TP Northern Odisha Distribution Limited**
Corporate Office – Januganj, Balasore, Odisha-756019

---------------Applicant

And

GRIDCO Ltd & All Stake Holders

------------Respondents

Affidavit verifying the submission of TPNODL

I, Dwijadas Basak, S/o Dhananjoy Basak, aged about 57 years, residing at Balasore, do hereby solemnly affirm and state as follows:-

I am the Chief Executive Officer of TP Northern Odisha Distribution Limited-the applicant in the above matter and duly authorised to swear this affidavit on its behalf.

The statements made in the application along with the annexures annexed to this application are true to the best of my knowledge and the statements made are based on information and records and I believe them to be true.

Date: 29.11.2024 **DEPONENT**

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
PLOT NO.4, CHUNUKOLI, SAILASHREE VIHAR,
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IN THE MATTER OF : **Truing –up application of TPNODL for FY 2023-24 under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other related Rules and Regulations.**

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And

GRIDCO Ltd & All Stake Holders

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<u>TPNODL, the above named Licensee, most respectfully showeth:</u>

The truing –up application is being filed by TP Northern Odisha Distribution Limited (TPNODL) for the FY 2023-24 before Hon'ble Commission under Section 62 and 86(1) and all other applicable provisions of the Electricity Act, 2003 read with relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulation, 2004.

The submissions of TPNODL are enclosed herewith for kind approval of Hon'ble Commission.

DWIJADAS BASAK
CHIEF EXECUTIVE OFFICER
TP Northern Odisha Distribution Limited

NOTARY
J. N. BEHERA
BALASORE
ON 28/1999
OF ODISHA (INDIA)

1. BACKGROUND

TP Northern Odisha Distribution Limited (TPNODL) has been incorporated as a joint venture of the Tata Power Company (51%) and Odisha Government (49%) on the Public-Private Partnership (PPP) model. TPNODL took over the license to distribute electricity in the five districts Balasore, Mayurbhanj, Bhadrak, Keonjhar and Jajpur districts of Northern Odisha with effect from 1.4.2021 in compliance to vesting order of Hon'ble Commission dated 25.3.2021 in Case no-9/2021.

The business of TPNODL is governed by the license conditions issued by Hon'ble Odisha Electricity Regulatory Commission (OERC) vide Order No-OERC/Engg/06/2021/718 dated 29.06.2021 for distribution and retail supply of electricity in Northern Odisha.

That, in line with the relevant provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and other applicable rules and regulations, TPNODL is hereby submitting the application for truing up for the FY 2023-24 before Hon'ble Commission for kind approval.

That, in compliance to the direction of Hon'ble Commission, TPNODL had filed the application for determination of Aggregate Revenue Requirement and Tariff application for the FY 2023-24 on 30.11.2022. Further, pursuant to notification of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 on 20.12.2022 and in compliance to direction of Hon'ble Commission vide letter No- DIR(T)/405/2023-24/1379 dated 30.11.2022, ARR and Tariff application for the FY 2023-24 was filed on 10.01.2023 in line with the provisions of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022. Hon'ble Commission after hearing all stakeholders, passed the order on dated 24.3.2023. The revenue requirement proposed by the licensee and the approval of the Hon'ble Commission vide above order are reproduced in the following table.

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Table-1: Approval of Hon'ble Commission against the Proposal of TPNODL FY 2023-24

(In Rs. Crs.)

Expenditure	Proposed 2023-24	Approved 2023-24
Cost of Power Purchase	2394.31	2515.18
Transmission Cost	208.85	180.19
SLDC Cost	1.08	1.16
Total Power Purchase, Transmission & SLDC Cost(A)	**2604.24**	**2696.53**
Employee costs	560.63	529.37
Repair & Maintenance Expn.	257.19	214.34
Administrative and General Expenses	140.08	120.13
Provision for Bad & Doubtful Debts	35.03	35.59
Depreciation	66.89	49.83
Interest on loan and S.D	120.55	110.32
Total Operation & Maintenance and Other Cost	**1,180.37**	**1,059.57**
Less: Employee cost Capitalized	16.58	16.58
Less: interest Capitalized	9.86	9.86
Return on equity	79.42	47.19
Tax on ROE	26.72	-
Carrying Cost on Regulatory Asset/Liability	21.49	
Total Distribution Cost	**1281.56**	**1080.32**
Less: Miscellaneous Receipt/Non-tariff Income	178.45	154.99
Net Distribution Cost(B)	**1103.11**	**925.33**
True up of Surplus/(Losses) for FY 2021-22		65.59
Total Special Appropriation (C)	**-**	**-65.59**
Total Revenue Requirement (A+B+C)	**3707.35**	**3,556.28**
Expected Revenue (Full year)	**3503.14**	**3,559.02**
GAP at existing(+/-)	**(204.21)**	**2.74**

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2. POWER PURCHASE COST

2.1. Power Purchase Cost

That, Hon'ble Commission had approved total input of 7508 MU for the FY 2023-24 with sales MU of 6288 MU. In the FY 2023-24, the actual input has been 7047.13 MU. The total sales in FY 24 has been 6017.43MU. Lower sales than the projection is mainly due to the stringent drive undertaken by the licensee to physically verify the non-paying consumers who have not paid since years and removing the non-existing consumers from the active directory of the billing data base. Further, power purchase through open access has been increased by 25% in comparison to FY 23, resulting in less drawl from the incumbent distribution licensee. Taking the actual sales for FY 23-24 of 6017.43MU and with normative T&D loss of 16.25%, the normative Input for FY 23-24 is 7185.21MU. The power purchase cost (normative) for 7185.21MU along-with the details have been furnished in Annexure-TU-2. The approval of Hon'ble Commission vis-a –vis the actual and normative power purchase costs are detailed in the following table.

Table-2: Power Purchase Cost **(In Rs. Crs)**

Expenditure	Approval by OERC for FY 2023-24	Actual (Audited Accounts)	True up Considering Normative T&D loss 16.25%
INPUT(MU)	7508.00	7047.13	7185.21
Cost of power purchase	2515.18	2360.75	2407.01
Transmission Cost	180.19	168.76	168.76
SLDC Cost	1.16	1.16	1.16
Less : Rebate		(26.90)	(26.90)
Net Input -Inter-DISCOM exchange from TPCODL(MU)		2.89	2.89
Net Cost of power imported through Inter-DISCOM exchange from TPCODL		0.95	0.95
Total Power purchase Cost (A)	**2,696.53**	**2,504.72**	**2,550.97**

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There are some inter-discom transaction points between TPCODL and TPNODL. The net import by TPNODL in the FY 2023-24 through inter-discom transaction is 2.89MU and the net amount given to TPCODL on account of this exchange is Rs.0.95Crs at the rate of TPCODL BSP+ Transmission charges. Hon'ble Commission is requested to consider those 2.89 MUs suitably. The details are furnished in Format TU-1.

Therefore, for truing up, Hon'ble Commission is requested to consider the normative power purchase cost of Rs. 2550.97Crs for the FY 2023-24.

2.2. Achieving and surpassing the Targeted AT&C loss of Vesting Order

Hon'ble Commission has fixed AT&C Loss target of 17.09% for Tariff Determination for the FY 2023-24 under section 41 of Vesting order. TPNODL with its meticulously planned drives, focussed and structured efforts and under the guidance of Hon'ble Commission has been able to reduce AT&C loss to 14.22% that is 2.87% less than the target assigned by Hon'ble Commission. It will not be out of place to mention here that, TPNODL is the first DISCOM in Odisha to bring the AT&C loss below the national targeted benchmark level of 15%.

As per regulation 3.14 of OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations,2022, the distribution licensee would be entitled to retain any additional gains resulting from meeting and surpassing the AT&C loss target. Relevant section of the tariff regulation is reproduced hereunder:

3.14. Aggregate Technical & Commercial Loss as per Vesting Order

*3.14.1 The Commission shall consider the AT&C loss reduction trajectory for tariff determination as provided in **Annexure III** of these Regulations as per the terms of the Vesting Orders. The Distribution Licensees would be entitled to retain any additional gains resulting from its meeting and surpassing the AT&C loss targets. Thiswould be over and above the return on equity allowed by the Commission as part of these Regulations and shall not be adjusted as other income or in any way appropriated through any truing up process or future Aggregate Revenue Requirementprocess.*

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In line with the illustration provided under regulation 3.14.4 of Tariff Regulation, the gain arising from over-achievement of AT&C loss vis-à-vis the regulated AT&C loss provided for Tariff determination is furnished in the following table.

Table-3: Gain due to AT&C Loss Achievement

Particulars	Unit	Formula	FY 2023-24
Approved AT&C Loss	%	A	17.09%
Normative Collection Efficiency	%	B	99.00%
Calculated Distribution Loss	%	C=1-(1-A)/B	16.25%
Actual AT&C Loss achieved	%	D	14.22%
Actual Collection Efficiency	%	E	100.46%
Actual Distribution Loss	%	F	14.61%
Actual Sales	MU	G	6017.43
Actual Power Purchase	MU	H	7047.13
Normative Power Purchase	MU	I=G/(1-C)	7185.21
Additional Power Purchase	MU	J=H-I	138.08
Approved BSP	P/U	K	335.00
Additional/Less Power Purchase cost incurred by surpassing the AT&C loss target	Rs. Crs	L=JXK/1000	46.26
Amount eligible for gain to be retained by TPNODL due to AT&C loss achievement	**Rs. Crs**	**L**	**46.26**

The AT&C loss level of 14.22% achieved in FY 2023-24 is excluding the arrear collected for the period prior to vesting. Auditors certificate to that effect is attached as Annexure-I

Therefore, it is most humbly submitted before Hon'ble Commission that, as per the provisions of Vesting order and Tariff Regulations, the licensee is eligible to retain the gain amounting to Rs.46.26Crs arising from over achievement of AT&C target, which may kindly be approved.

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3. EMPLOYEE COST

Hon'ble Commission has allowed Employee cost of Rs.512.79Crs for the financial year 23-24. The actual expenses incurred towards employee cost in FY 23-24 is Rs.479.39Crs. The details of the same are presented in the following table:

Table-4: Actual Employee Expenses FY 2023-24 (In Rs. Crs)

Particulars	Total Expenses FY 2023-24
Employee cost as per audited P&L Account	467.22
Less: Provision for terminal benefits	(53.30)
Add: Actual cash outgo of terminal benefits	6.14
Add: Outsource manpower cost	59.33
Employee cost on cash outgo basis	**479.39**

The actual employee cost vis –a –vis approval of Hon'ble Commission for the FY 23-24 is given in the following table.

Table-5: Employee Cost Approved Vs Actual (In Rs. Crs)

Particulars	Proposed	Approved by OERC	Actual	Difference (Approval – Actual)
Employee Cost	560.63	529.37	496.10	33.27
Less -Employee cost capitalized	16.58	16.58	16.70	(0.12)
Net Employee Cost	**544.05**	**512.79**	**479.39**	**33.40**

The actual recruitment done in FY 23-24 was 141 nos. which is well within the approval of Hon'ble Commission and in line with Hon'ble Commission's direction to keep the number of

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employees per thousand consumers within 1.4 vide its letter no OERC/RA/TPWODL-38/2021/18 dated 17.01.2022.

The steps taken by the licensee for optimizing the employee cost are furnished hereunder.

3.1 Steps taken for optimization of Employee Cost:

1. To optimize the employee cost, the licensee has inducted mostly trainees. A comparative analysis of the no. of recruitments done in the first two years of operation and the percentage of trainees inducted year wise depicted in the following table

Table-6: Recruitment Details

FY	Total no. of recruitment done/planned	No. of Trainees out of (b)	Percentage of trainee to total no. of recruitments
(a)	(b)	(c)	(d)
2021-22	524	162	31%
2022-23	518	215	42%
2023-24	141	97	69%

2. The average salary of new joinees in executive cadre is around seventy four thousand in FY 23-24. The average salary of trainees is around twenty four thousand. The licensee has tried to optimize the no. of employees vis-à-vis employee cost by inducting more number of Trainees.

   An estimation of cost optimization is depicted in the following table. The total cost with all executives per month would have been Rs.10.43Crs, which has been reduced by 46% by inducting 69% in trainee level.

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Table No-7: Employee Cost Optimization

(In Rs. Lacs)

Particulars	Avg. Salary (CTC) - per month	Nos. In-ducted up to 2023-24	Total Cost (Per Month)
New Joinee	0.74	44	32.56
Trainees	0.24	97	23.28
Total Cost per month			55.84
Total cost with all executive (per month)	0.74	141	104.34
Cost optimization			48.50
Cost optimization (%)			46%

3. In addition to the above, the licensee has planned recruitment in a staggered manner for every financial year to optimize the employee cost. The total employees per '000 consumer's ratio has been kept within 1.4 as per direction of Hon'ble Commission. The details are furnished in the following Table.

Table No-8: Employee per Thousand Consumers

Employee/'000 Consumers	FY22	FY23	FY24
Initial manpower as on 1st April	**2159**	**2576**	**2961**
No. of Employees as on 31st March of FY	2576	2961	2991
Average no. of Employees for the year	2368	2769	2976
No. of consumer for the year (Live):	2089083	2041588	1954513
No. of employees per 1000 consumers	1.13	1.36	1.52
Total No. of consumer for the year (including PDC)	2265422	2345833	2458533
No. of employees per 1000 consumers	1.05	1.18	1.21

Considering the steps taken by the licensee to optimize the employee cost, Hon'ble Commission is requested to consider the actual employees cost of Rs. 479.40Crs (net) as per the audited accounts for truing up for the FY 2023-24 .

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4. REPAIR & MAINTENANCE EXPENSES

Hon'ble Commission had approved Rs. 214.34Crs for R&M expenses for the FY 2023-24 in the RST order for the FY 2023-24. In the ARR application for FY 23-24, outlining the requirement of a comprehensive repair and maintenance plan, TPNODL proposed total R&M cost of Rs. 257.19Crs under the broad categories of sub-transmission system, distribution and others keeping in view the requirement to maintain the network in optimal manner not only to address the issues of safety and maintenance but also to reduce technical losses in order to improve its performance on AT&C loss trajectory.

Hon'ble Commission had approved total cost of Rs.214.34Crs for FY 23-24, out of which Rs. 129.06Crs. was approved by Hon'ble Commission at the rate of 4.5% of the GFA as on 1.04.2023 in line with the OERC Tariff Determination Regulation 2022 and Rs. 50.28Crs for maintenance of assets under RGGVY, DDUGVY & Biju Gram Jyoti Scheme, which continue to be with the Govt. of Odisha. Hon'ble Commission had also allowed additional R&M of Rs.35Crs.

After obtaining approval of Hon'ble Commission towards the R&M expenses for the FY 24 in the Tariff Order for FY 23-24, the licensee had represented before Hon'ble Commission for reconsideration of the same vide letter no –TPNODL/Regulatory/1001 dated 6.4.23 and letter no –TPNODL/Regulatory/3523 dated 28.06.23. The approval was accorded slashing the requirement by over 17%. Such significant reduction in R&M was totally untenable and likely to severely impact amongst others, the various reliability, preventive maintenance, safety related initiatives which were planned to be carried out during the year. In view of the above, Hon'ble Commission was requested to kindly allow additional R&M cost during true up based on actual expenditure for FY 23 subject to prudence check in the above letter.

Considering the submission made by the licensee, Hon'ble Commission has been kind enough to allow the licensee for placing the matter in the ARR application for FY 24-25 vide letter no-Secy/11-Corr-TPSODL/2023/963 dated 12.7.2023. Relevant extracts of the letter is reproduced hereunder:

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“.......The Commission therefore opines that the TPSODL, TPCODL and TPNODL may make their submissions with regard to any reconsideration of the approved expenses, allowed in the ARR FY 2023-24, along with the submissions for the ARR of FY 2024-25. The Commission may accordingly take a suitable view for any reconsideration of the approved amounts, under these heads for FY 2023-24, while pronouncing the order for FY 2024-25.”

However, in the RST Order FY 24-25, the issues of disallowances for the FY 23-24 were not addressed, for which the licensee is placing the issues again before Hon’ble Commission for reconsideration against the actual expenses incurred and the measures undertaken by the licensee in transforming the network into a reliable and robust system network with lower network downtime.

Further, while allowing the R&M Expenses for FY 23-24, it was also recognised by Hon’ble Commission that the approval based on the GFA is insufficient to meet the R& M cost. Para 130 of RST Order is reproduced hereunder

> *“130. The DISCOMs shall make the expenses under R&M in a prudent manner and achieve the objectives for which these expenses are being made. The additional expenses have also been allowed under R&M in view of the fact that the approval based on the GFA is insufficient to meet the cost of R&M.* ***The Commission has also taken into cognisance of the current year FY 2022-23 expenditure and found that additional expenses are required to meet the committed obligations. The Commission has therefore allowed additional expenses which must be utilised for the purpose envisaged in the Tariff Regulations, 2022****. The Commission will prudently check such expenses made by the DISCOMs while allowing them in the Truing up. The expenses in R&M shall also reflect in the achieving a robust and reliable system network, lower network down time, desirable voltage profile and automation of Substations. The Commission will also take into account such parameters while scrutinizing R&M expenses through data verification, field visits and third party audit. The Commission hereby directs that the DISCOMs must limit its expenditure within the amount approved in the ARR for the FY 2023-24. The Commission also directs that the TPWODL & TPNODL shall keep a separate fund for maintaining an inventory for*

materials which will be required for restoration of disaster affected network for all DISCOMs. This inventory will be used by other DISCOMs on transfer basis."

The actual expenses towards repair and maintenance have been Rs.241.13Crs. in the FY 2023-24. The details of actual GFA as on 1.4.23 and the normative R&M based on the audited GFA furnished in the following table.

Table No-9: Proposed, Approved Repair & Maintenance (R&M) Expenses and Normative R&M based on actual (audited) GFA

Particulars	Proposed	Approved	Discom Entitlement FY 2023-24
DISCOM's Gross fixed assets (GFA) as on 01.04.2023 (pre-vesting)		2,199.41	2,199.41
DISCOM's Gross fixed assets (GFA) as on 01.04.2023(post vesting)		668.61	830.09
Total GFA as on 01.04.2023	**2,778.83**	**2,868.02**	**3,029.50**
Gross Value of Meter & Cables			40.96
Total GFA Less Govt. (Fund/Grant) Assets and Meter & Cable as on 01.04.2023			2,699.61
Rate of R & M on GFA	4.50%	4.50%	4.50%
R&M on GFA (A)	125.05	129.06	121.48
Govt. (Funded/Grant) Assets as on 01.04.2023	2,033.26	1,675.95	288.93
Govt. Assets (OPTCL) as on 01.04.2023			2,866.31
Rate of R & M on Govt. (Funded/Grant) Assets	3.00%	3.00%	3.00%
R&M on Govt. funded Assets (B)	61.00	50.28	94.66
Total (C=A+B)			**216.14**
Additional R & M (D)	71.14	35.00	35.00
Total R & M including Special R & M (E=C+D)	257.19	214.34	251.14

The normative R&M based on actual opening GFA as on 1.4.23 is Rs.216.14 Crs . Hon'ble Commission has allowed additional R&M of Rs.35 Crs for FY 2023-24. The actual normative R&M taken with the approved additional R&M of Rs. 35 Crs by Hon'ble Commission, makes the total normative entitlement of the licensee to Rs 251.14Crs. for FY 2023-24. The actual R&M expenses incurred in FY 2023-24 is Rs.241.13 Crs , which is well within the above normative entitlement and therefore may kindly be approved.

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Consolidation of the assets created out of GoI /GoO funded schemes attached as **Annexure-3,** alongwith the detailed breakup vide communication received from GRIDCO as **Annexure-4** and from OPTCL as **Annexure-5.**

The actual R&M expenses incurred by the licensee in the FY 23-24 are furnished in the following table.

Table No-10: Repair & Maintenance (R&M) Expenses FY 2023-24

(In Rs. Crs)

Sl No	Category	Description	Actual Expenses FY 2023-24
1	STS	AMC - Primary Substations & Feeders	85.00
2		Material required for Maintenance of 33 KV Network	4.04
3		Testing/Overhauling/Reconditioning of Transformers	4.77
4		Materials for Repairing/Service of Circuity Breakers/CT&PT	0.21
5	Distribution	Distribution AMC Contract	121.51
6		Distribution Materials (O/H)	2.99
7		Distribution Materials (U/G)	3.97
8		Material & Services for Distribution Transformer Repairing	9.48
9	Others	Admin. AMC	7.82
10		Civil	1.33
Total R&M Expenses			**241.13**

The approval vis-a –vis actual expenses as per the audited balance sheet are detailed in the following table.

Table-11: R&M Expenses Approved Vs Actual (In Rs. Crs)

Expenditure	Proposed	Approved by OERC	Actual (Audited)	Difference (Approval – Actual)
Repair & Maintenance Cost	257.19	214.34	241.13	(26.79)

The relevant extract from the Audited Financial Statements for FY 2023-24 showing R&M items wise cost is as provided below:

Extract: R&M Cost- Linkage with Audited Financial Statement FY 2023-24

NOTE 31 Other expenses	Year Ended March 31, 2024 ₹ in crores
Repairs and maintenance:	
(i) Building	1.32
(ii) Plant and equipment	236.81
(iii) Vehicles and Office equipment	0 56
(iv) Furniture and Fixtures	0 66

		Year Ended March 31, 2024 ₹ in crores
26 4	**Revenue from operations**	
	Gross revenue as per tariff	3,622 62
	Less: Cash discount	50 23
	Revenue from contract with customers	**3,572.39**
26 4 1	**Other operating revenue**	
	Amortisation of consumer contribution	76 54
	Amortisation of government grants in capital nature	14 96
	Amortisation of government grants in revenue nature	0 23

Various measures taken by the licensee to improve the system reliability are furnished hereunder:

4.1 Steps taken by the licensee for improving System Reliability:

Proper repair and maintenance of system network is the key to supply reliable and quality power supply to the consumers. It is pertinent to mention that, the entire network right from 33KV feeders to LT consumers were previously owned and maintained only by the Junior Manager (O&M) along with his team comprising of limited number of Lineman A/B/C, Helper, and Jr. Technician posted in respective sections. E&MR section was extending support to section staff for maintenance of 33/11KV primary substations. As sufficient manpower was not available, only limited corrective maintenance and restoration of power supply was in place.

To address the above issues and for proper maintenance of network, separate AMC has been introduced post takeover of TPNODL for 33KV and 11KV maintenance to create a culture of preventive maintenance.

Annual maintenance contracts for 33 kV network, 11KV & LT network had been established with expert market agencies for all 5 circles. The network is being inspected regularly through manual patrolling as well as drone inspection in forest and inaccessible areas. Thermoscanning is done for the entire network using high power thermo scanning cameras and to identify the defects, hotspots and attend breakdowns in quick time and perform preventive maintenance activities to enhance system reliability by rectifying the probable faults even before they occur.

The Performance Based Maintenance Contract also includes 24X7 Breakdowns Crews for restoration of 33KV & 11KV feeders and substation equipment. Besides, preventive maintenance activities are being performed as per the maintenance plan and schedule prepared by TPNODL using the SAP PM system.

The Annual Maintenance Contracts for maintenance of LT, 11 KV and 33 KV infrastructure, covers both the infrastructure in the GFA /Books of TPNODL as well as the Govt. Funded Infrastructure; the Hon'ble Commission shall appreciate that both, the Company owned Assets as well as those financed by the Government and transferred to the DISCOM to use and maintain, form part of the same Distribution Network and consequently require similar maintenance.

Further, during the performance review for the FY 22-23 by Hon'ble Commission and discussion in the 34th SAC meeting held on 24.7.23, the DISCOMs have been advised to ensure manning of all the rural sections in two shift operation and urban section in three shift. This is to bring out that, TPNODL has been manning rural fuse call centres for no current complaints, deploying maintenance gang for preventive maintenance of DT and 11KV network, breakdown gang for attending 11KV and LT breakdown in two shifts in rural areas right from the beginning.

TPNODL sub transmission system comprises of the 115 numbers of 33 KV feeders emanating from the 33 KV Bus of the OPTCL grids as well as 564 Nos. of the 33/11 KV

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Transformers in 247 Nos. of primary substation (PSS). The 33 KV circuit extends up to 3226CKM in length. Forty-two numbers of consumers are connected at EHT.

The distribution system consists of 853 numbers of 11 KV feeders emanating from 11 KV Bus of primary substation- as well as 415V/230V LT feeders connected to consumer mains. The 11 KV circuit length extends up to 41108 CKM. There are around 77688 number of distribution transformers. The distribution network is most vulnerable to the weather vagaries as well as faults.

The licensee has meticulously planned manpower deployment, so that restoration of power supply could be done within the shortest possible time and proper service could be provided to the customers.

The following table shows the man power positioning done by the licensee to ensure seamless operation and zero inconvenience to the consumer.

Table-12(a) and 12(b): For 11KV, LT maintenance and FCC Manning:

Assessment for BA manpower for O&M activities for Total 44 Nos of Urban Sections & 115 nos of Rural Section, 84 Urban FCC & 627 Rural FCC, 5 Circles, 16 Division

Section Type	Supervisor	Fuse Call Centre (FCC) Manning - for LT No Current Complaints	Maintenance Gang -For Preventive Maintenance of DT & 11kV Network	Breakdown Gang - For attending 11kV & LT Breakdown	Customer Service Executive
Urban	1/ Section	1 SkLM + 1 Helper/Shift/FCC in 3 Shift	3 SkLM + 3 Helpers/ Section	1 SkLM + 1 Helper/Shift/Section in 3 Shifts	1/ Shift/ Section in 3 Shifts
Rural	1/ Section	1 SkLM + 1 Helper/Shift/FCC in 2 Shift	3 SkLM + 3 Helpers/ Section	1 SkLM + 1 Helper/Shift/Section in 2 Shifts	1/ Shift/ Section in 2 Shifts

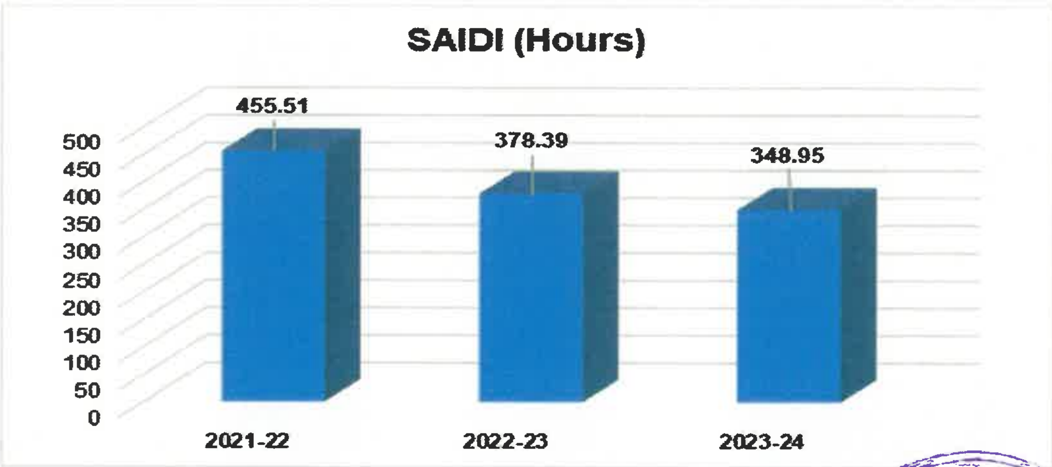
Total 159 BA Supervisors, 2367 Skilled Lineman, 2367 Helpers and 362 Customer Service Executives

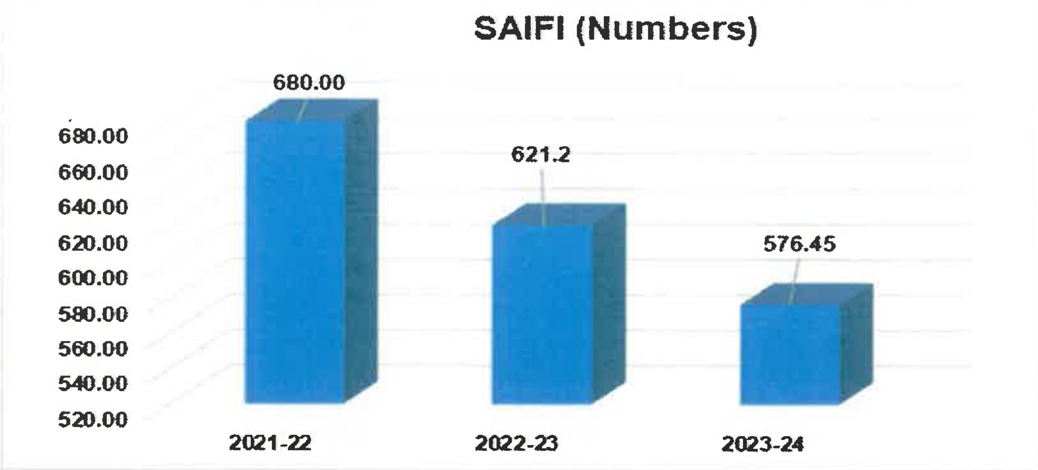
Location	Supervisor	PSS Operator	Maintenance Gang - For Preventive Maintenance of 33kV Network	Breakdown Gang - For attending 33kV Breakdown
Circle	Nil	1 SkLM + 1 Helper/Shift/PSS in 3 Shift	Nil	2 SkLM + 1 Helpers/ Circle/Shift
Division	1/Division		4 SkLM + 3 Helper/Division	Nil
Total 16 BA Supervisors, 1056 Skilled Lineman, 783 Helpers				

The licensee is placing hereunder the comparative achievements in Reliability parameters in the FY 23-24.

Table-13 –Reliability Indices in three years of Operation

FY	SAIDI	SAIFI
2021-22	455.51	680.00
2022-23	378.39	621.20
2023-24	348.95	576.45





As detailed above, System Average Interruption Duration Index has been reduced by 23.4% over the same in FY 21-22. Similarly, System Average Interruption Frequency Index has been reduced by 15%.

102 nos. of 11KV feeders have been identified as priority feeders which are supplying power to critical establishments like Health care centers, etc. and have been identified for targeted improvement of reliability. Target SAIDI reduction on these feeders has been fixed at 25% reduction through targeted maintenance activity like replacement of Jumpers and Insulators, and capex projects for reliability improvements like installation of LT switchgears, Installation of Auto-reclosures, Ring Main Units, Fault Passage Indicators.

Similar prioritization has been done in 33 KV feeders where thirty-five (35) number of feeders has been identified as priority feeders for reduction of SAIDI by 25% through targeted maintenance and Capex infusion for installation and replacement of Switchgears.

An analysis of the power supply reliability to those critical establishments in those priority 11KV feeders are furnished hereunder:

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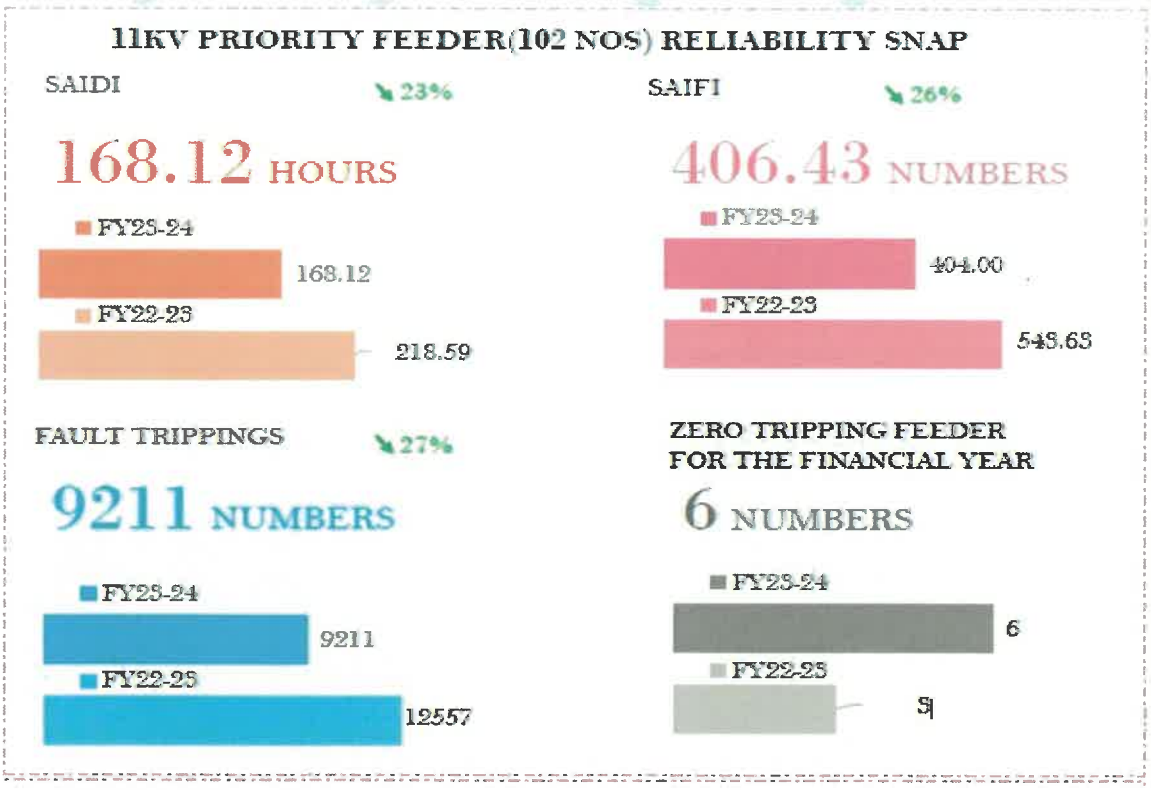
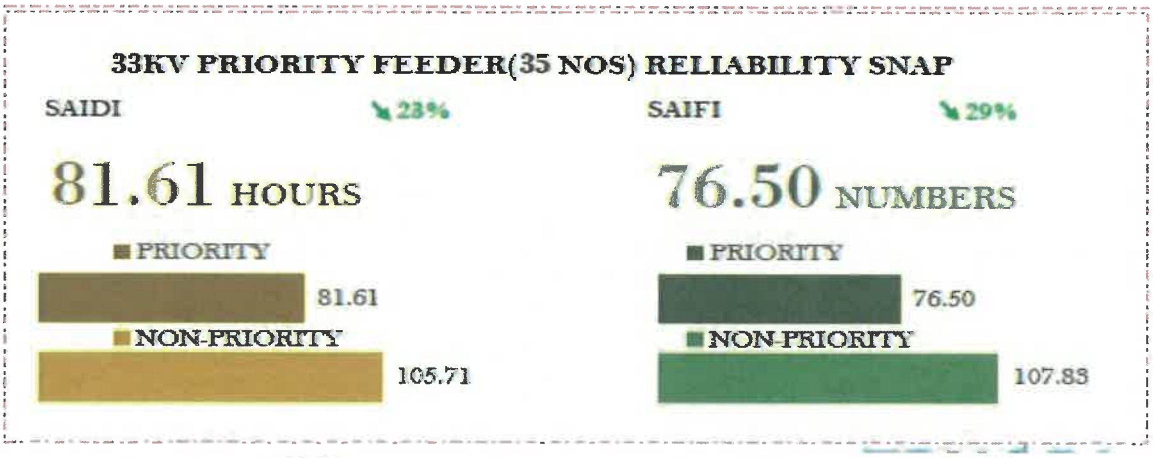


There has been 23% reduction in SAIDI, 26% reduction in SAIFI in the 11KV Priority feeders. Fault tripping have been reduced by 27% in comparison to last financial year.

The improvement in the reliability parameters in 33KV Priority feeders are furnished in the following sections

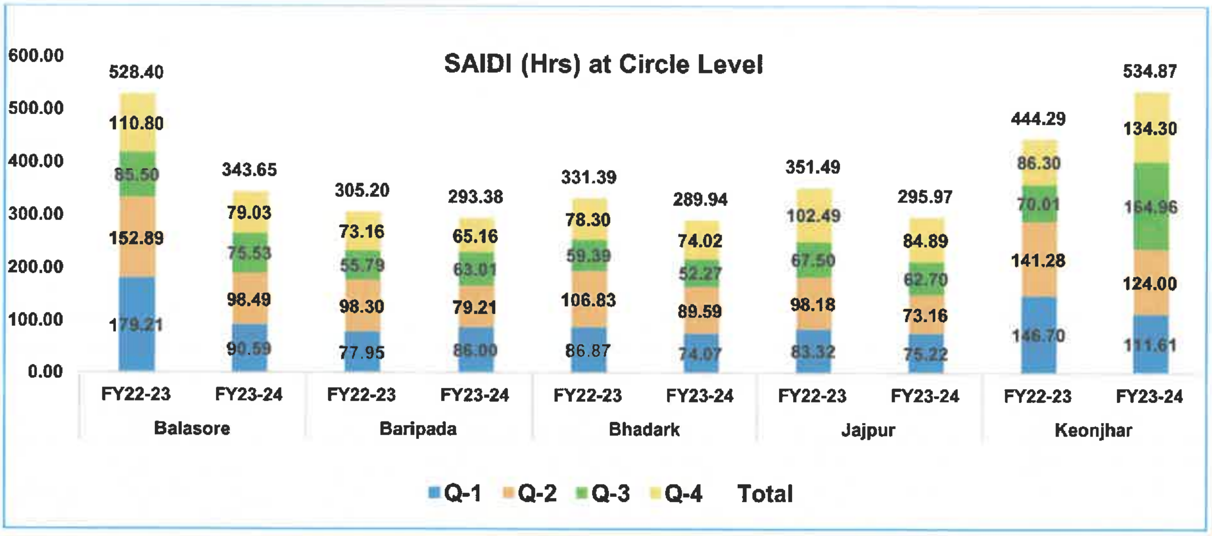


SAIDI in 33KV priority feeders is 23% lower and SAIFI 29% lower than that in non-priority feeders.

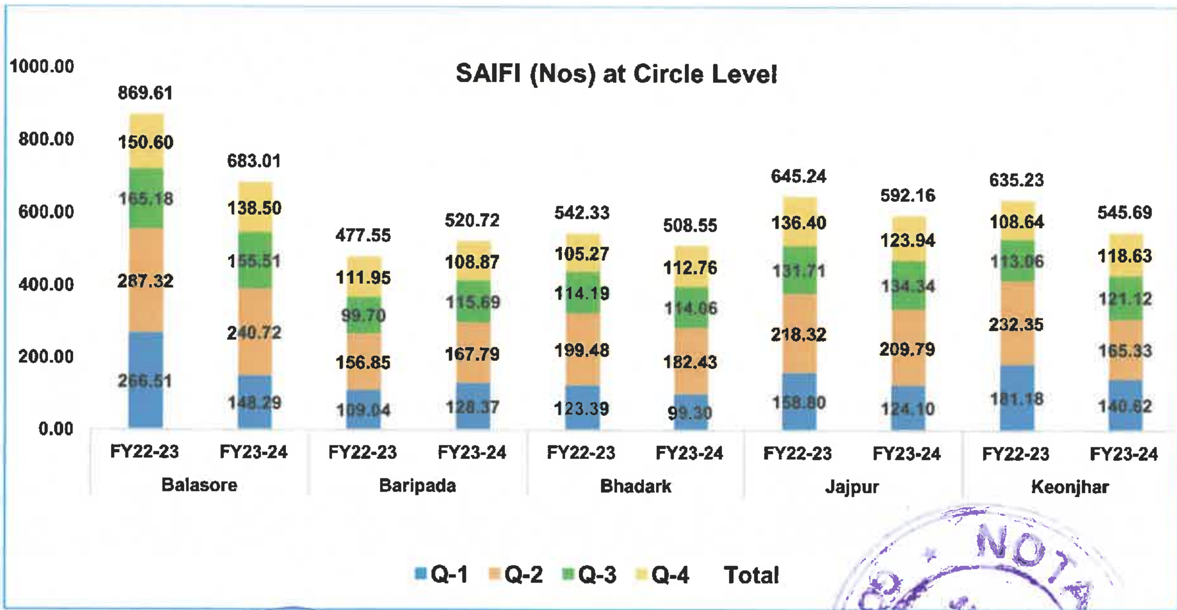
4.2 Circle-wise Reliability Improvement:

The Circle wise achieved SAIDI & SAIFI for the FY 2022-23 & FY 2023-24 are depicted in the below graphs.

Achieved SAIDI Circle Wise FY 2022-23 Vs FY 2023-24



Achieved SAIFI Circle Wise FY 2022-23 Vs FY 2023-24

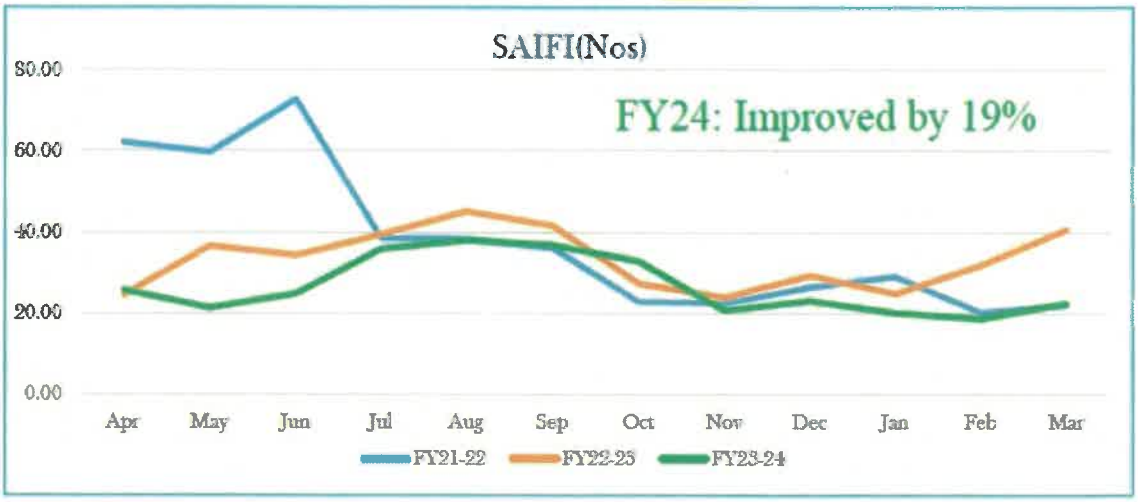


The SAIFI and SAIDI figures of Baripada and Keonjhar Circle have increased over the figures of FY 22-23 mainly due to shutdown of feeders that were taken for elephant movement.

4.3 Balasore City Reliability Performance

Balasore city is the Head Quarter of TPNODL. In order to create FELT IMPROVEMENT IN RELIABILITY, the city headquarters are targeted for quantum improvement in SAIDI / SAIFI through maintenance and capex interventions.

The improvement in Reliability indices in Balasore City is furnished hereunder.



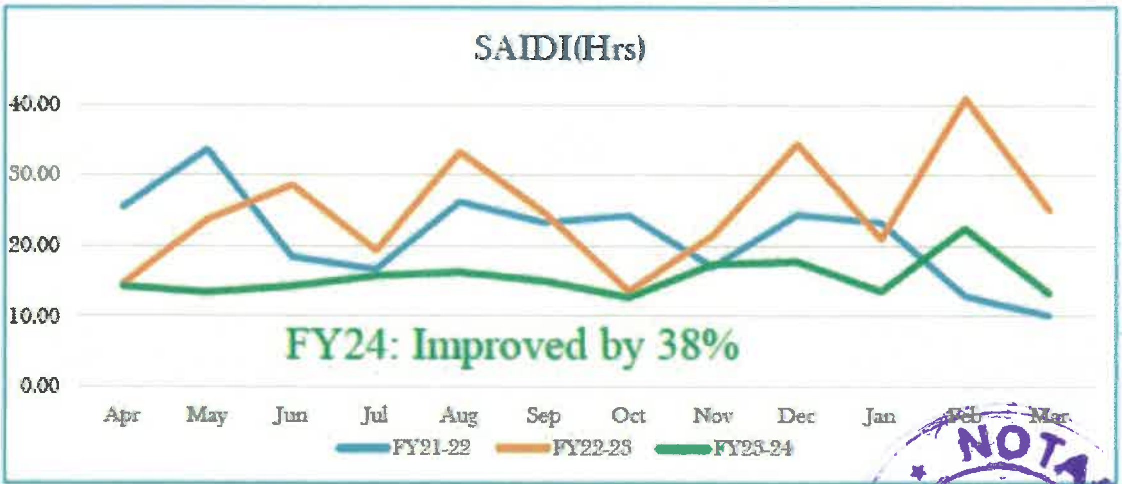


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Table-14: Balasore City Reliability Improvement

Compared SAIDI of FY		Compared SAIFI of FY	
FY 21-22	255.55 Hrs.	FY 21-22	451.24 Nos
FY 22-23	300.38 Hrs.	FY 22-23	399.70 Nos
FY 23-24	185.92 Hrs.	FY 23-24	320.94 Nos

4.4 Initiative Taken to Improve Reliability & Safety in Balasore City

The following initiatives have been undertaken to improve Reliability and safety in Balasore City.

- 132 /33 KV Chandpur Grid Operational. Overloading reduced on 33KV Balasore-1 & 33KV Chandipur Feeder.
- HT & LT Bare Conductor Replaced with HT Covered Conductor & LT AB Cable which is reducing Tripping as well as increasing Public safety. 26 Km Underground cable laid (18 Km Balasore GRID to City PSS, 2.5Km drom Sovarampur to Balasore Chowk and 5.5Km from City PSS to Kalimata Mandir PSS)
- In 67 Places Road Crossing Service wire shifting to provide safe path to festival procession andheavy vehicles (i.e. to reduce Hand trip count)
- FPI Installation in different 11kV & 33kV Feeders/Circuit to identify the fault location quickly, i.e. Improving SAIDI.
- 1 no. 33KV and 7 nos. 11KV RMUs Installed to back feed from different Source (PSS/GSS) in case of Plan Outage/ Breakdown in both 33kV & 11kV
- In order to increase Power Availability in the consumerpremises, 8 nos. of Auto-Recloser installed in 11kV feeder to minimize affected consumer in case of Branch Line Fault & to restore in earliest (with in 300mS) in the case of Transient Fault
- 466 Nos of LTDB with Protection (MCCB/MCB) Installation done in DTR >100 KVA to improve LT Protection, which is reducing fault in 11 kV Voltage Level, as a result improving SAIDI & SAIFI.

4.5 Impact of Auto-Recloser in Reliability Improvement:

Auto-Reclosers play a significant role in improving the reliability of electrical distribution systems by facilitating Fault Detection and Isolation, Automatic Restoration, Reduced Outage Duration in the case of Transient Fault, Improved System Reliability by limiting the Affected Area. In the Case of Permanent Fault, it helps us to identify the faulty area among the total Feeder.

The following table depicts the saving in SAIDI achieved in Q4 month wise due to auto-recloser.

Table-15: Impact Assessment Auto-recloser

Parameters	Jan-24	Feb-24	Mar-24
Total Interruption at Auto-Recloser	305	278	758
Total Sustained Interruptions	215	103	304
Affected SAIDI(Hrs)	0.91	0.51	1.88
Saved SAIDI(Hrs)	**2.73**	**1.23**	**5.1**
Saved SAIDI in %	**75%**	**71%**	**73%**

Total 154612 of Consumer benefited after installation of Auto-Reclosers

4.6 Empowering Reliability through Preventive & Predictive Maintenance Strategies:

Preventive maintenance plays most significant role in reliability improvement. TPNODL Focuses on proactively identifying and addressing potential issues before they escalate, thereby minimizing disruptions, optimizing asset performance, and ensuring consistent power supply to communities.

4.6.1 Project PTR Care

The licensee is having 247 nos. of PSS, 564 nos. of PTR and 3226 CKm of 33KV line. Under Project PTR Care, in last Financial Year, Silica gel replaced in 214 nos., oil filtration/top-up carried out in 87 PTRs, PTR overhauling done in 39 PTRs, capacity of 17 nos. PTRs augmented/addition done. Below is a brief of the activities carried out.

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Table-16: Status of PTR Maintenance Status of PTR Maintenance in FY24

PTR Care	
Description	**Nos**
PTR Maintenance	515
Silica Gel Replacement	214
Oil Top up/Filtration	87
Breather Replacement	61
PTR Overhauling	39
PTR Upgraded_ Opex	17
Residual Life Analysis of PTR	548

Major maintenance activity done in last financial (FY 2023-24) year as below.

Table-17: Major Maintenance Activity done in FY24

Sr. No.	List of Activity	Scheme	Total
1	Operation "BHOOMI"/Neutral Earthing Maintenance	PTR BACHAO	249
2	PTR Health Index	PTR BACHAO	360
3	Leakage Arrest of Oil from PTR	PTR BACHAO	78
4	PTR Oil DGA test	PARIKSHAN	360
5	PTR Preventive Maintenance	PM	515
6	CB LIMB/POLE REPLACEMENT 33KV	CB	35
7	CB LIMB/POLE REPLACEMENT 11KV	CB	53
8	CB MECHANISM /LUBRICATION/ Maintenance	CB	371
9	CB Repair- (In House)	CB	61
10	AB SWITCH/ISOLATOR MAINTENANCE/Repair	SWITCHYARD	154
11	LA INSTALLATION/Maintenance	SWITCHYARD	1050
12	PSS Preventive Maintenance	PM	247
13	PSS/Line Thermal Scanning (No's of Hot Spot Found/Rectified)	PM	345

14	Repair/Maintenance of BATTERY CHARGER	PM	24
15	Repair/Maintenance of BATTERY BANK	PM	11
16	Switchyard/Control Room Cleaning	MO PSS NIRMALPSS	247
17	Residual Life Analysis of PTR	PTR BACHAO	548

4.6.2 SAP Based Plant Maintenance:

We had introduced SAP Based Preventive Maintenance & testing of PSS equipment's in SAP.

Table-18: Status of SAP Based Plant Maintenance

33KV PSS Maintenance SAP FY24										
	M1		M1 Total	M2		M2 Total	M3		M3 Total	Grand Total
Row Labels	**CLOSED**	**OPEN**		**CLOSED**	**OPEN**		**CLOSED**	**OPEN**		
Balasore	47	8	**55**	5	5	**10**	172	91	**263**	**328**
Baripada	129	9	**138**	12	6	**18**	525	83	**608**	**764**
Bhadrak	348	8	**356**	5	1	**6**	155	3	**158**	**520**
Jajpur	364	12	**376**	34	4	**38**	156	20	**176**	**590**
Keonjhar	71	31	**102**	4	11	**15**	116	42	**158**	**275**
Grand Total	959	68	1027	60	27	87	1124	239	1363	2477

To ensure proper protection system of the PSS, New Relay installation, new battery bank and charger, New CR Panel installation and LA installation and upkeep carried out. A report on the same is provided below.

Table-19(a): 33kv Network Protection Plan & Status

Sr. No.	KPI	FY22	FY23	FY24
1	Relay Installation Capex	NA	201	182
2	PTR Augmentation Capex	NA	27	8
3	NEW CB Installation-CB 11KV	11	107	111
4	NEW CB Installation-CB 33KV	8	71	40

5	Battery Bank	44	75	15
6	Battery Charger	33	55	15
7	PTR Earthing Capex	10	98	36
8	RTU Installation	NA	26	39
9	CR Panel Installation	NA	82	117
10	ISOLATOR Installation	NA	100	204

Table-19(b): Maintenance Status of PSS

Sr. No.	Description	UOM	FY-22	FY-23	FY24	Remarks
1	Project "NAVIKARAN" PTR Overhauling	No's	24	47	39	
2	Relay Setting Coordination	%	16	40	65	
3	11KV Metering Work	No's	NA	776	NA	All Completed
4	33KV Metering Work	No's	NA	222	NA	All Completed
5	PTR Maintenance in SAP	No's	NA	515	544	
6	PTR Health Index	No's	NA	285	360	
7	PTR Augmentation _Opex	No's	NA	16	17	
8	PTR Residual Analysis (% Life)	No's	NA	NA	548	All Completed

4.6. 3 33KV Line Upkeep

Towards the 33KV line upkeep, 2720 nos. of Tilted poles & V Cross arm straightened, 4150 conductor rejumpering carried out, 26121 nos. of PIN insulators replaced.

Crossing of the huge 384Mtr span of Subarnarekha River & 290 Mtr span on Budabalanga river with two interposing PC type towers at both sides of the river completed. This project has helped in providing a reliable power supply to more than 30,000 Consumers of 33/11kV Rajghat PSS, Gao Amarda PSS & Manatri.PSS.

Table-20: Maintenance Status of 33 kV Line

33KV Line-upkeep	
Description	**Nos.**
Tilted Poles & Cross arm straightened	2720
Conductor Re-Jumpering	2857
Replacement of Pin Insulators	11737
Tree Trimming (spans)	33948
Intermediate Pole Erection. (Critical)	321

4.6.4. Project Raksha

Further, our 11KV system network comprises of 77,688 DTRs and 41,108 Ckt Km of 11KV line. Steps taken for the upkeep of 11KV system network outlined hereunder. Under project Raksha, oil filtration/top up, HT/LT Bushing replacement, Oil leakage checking, Breather/Silica Gel replacement, repairing /new DTR Body earthing, replacement of burnt socket, augmentation of DTs has been carried out. Brief of the activities are furnished in the following table.

Table-21: Maintenance Status of DTR

Particulars/ Description	UoM	Count
DTR AB Switch Repaired	Nos.	8239
New DTR AB Switches Installed	Nos.	970
LA Installed	Nos.	8440
Neutral Earthing Repaired / Installed	Nos.	10985
DTR Vegetation removal	Nos.	41092
HG / DD Fuse Replaced	Nos.	15180
Socket Replaced	Nos.	46652
Kit Kat Fuse Installed	Nos.	8955
Load Balancing	Nos.	4817

4.6. 5. 11KV Network Upkeep

Steps taken for DSS maintenance, 11KV line maintenance and to maintain the network hygiene are briefed in the following table:

Table-22: 11KV Network Upkeep

DSS Maintenance		Network Hygiene		11KV Line Maintenance	
Tree Trimming / Vegetation Removal (Span)	41092	Pin Insulator Replaced	39507	Tree Trimming / Vegetation Removal (Span)	203724
Earthing Resistances Checked	712	HG/DD Fuse Unit	15180	Conductor Restringing (Kmtrs.)	8339.2
DTR Oil BDV Test Done	1223	Load Balancing Done	4817	Insulated Jumpers Instl. /Replaced	36122
Repair / Installation of New AB Switches	8239	LTDB & MCCB Installed	1227	Straightening/replacement of Cross Arms / Tilte Poles	11300
LA Installation	8440	LA Earthing Repaired	993	Installation of Interposing Poles	4632
Installation of LT Protection on Dist Trf:	3296	New DTR AB Switches Installed	970	Stay Set Installed	4704
				Line A/B Switch repaired / Replaced	6050

4.6.6 LV Side Protection of DTRs

Beside the above, 2897 nos. of distribution substations have been refurbished and power cable replaced in 269 nos of DSS.

For the LT side protection of DTR, the steps taken are briefed in the following table:

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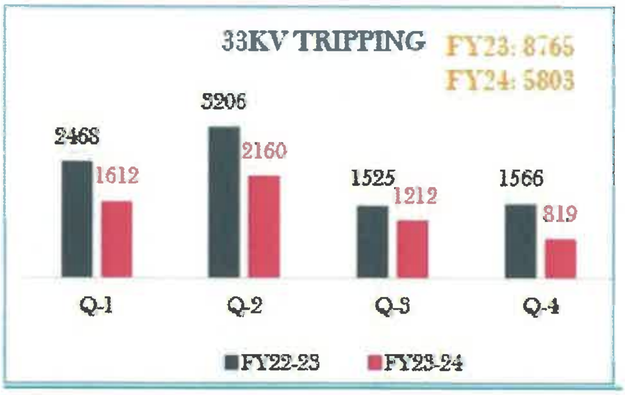
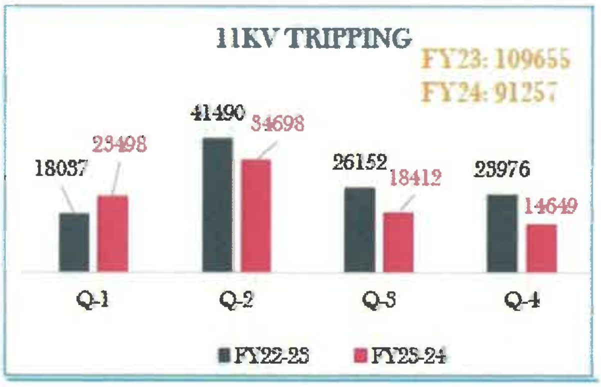
Table-23: Maintenance Status of LT Side of DTR

Circle	LT Air Circuit Breaker 400A (>=200KVA Trf.)	MCCB 160A (up to 100KVA Transformer)	Kit-Kat Fuse
Balasore	254	580	1355
Bhadrak	140	171	153
Baripada	162	171	829
Jajpur	161	181	785
Keonjhar	143	140	751
Total	**860**	**1243**	**3873**





4.6. 7 Technical Loss Reduction

The technical loss reduction achieved during FY 22, FY 23 & FY 24 are furnished in the following tables.

Table-24(a): TPNODL 33 KV Technical Loss Assessment FY22

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	234.76	12.53	0.39	0.72	1.05	14.69	3.59
Baripada	136.52	5.56	0.75	0.98	0.56	7.85	4.31
Bhadrak	113.69	6.96	0.29	0.48	0.59	8.32	4.24

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Jajpur	148.76	8.11	0.45	0.58	0.70	9.84	4.0
Keonjhar	109.5	4.37	0.30	0.21	0.37	5.25	3.18
TPNODL	**743.23**	**37.53**	**2.18**	**2.97**	**3.28**	**45.96**	**3.86**

Table-24(b): TPNODL 33 KV Technical Loss Assessment FY23

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	287.16	12.01	0.52	0.94	1.03	14.5	3.26
Baripada	133.76	4.87	0.65	0.86	0.49	6.87	3.95
Bhadrak	111.05	5.83	0.32	0.31	0.50	6.96	3.7
Jajpur	164.79	7.67	0.31	0.39	0.64	9.01	3.8
Keonjhar	110.3	3.09	0.34	0.19	0.28	3.90	2.62
TPNODL	**807.06**	**33.47**	**2.14**	**2.69**	**2.94**	**41.24**	**3.47**

Table-24(c): TPNODL 33 KV Technical Loss Assessment FY24

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	291.59	9.73	0.51	0.83	0.92	11.98	2.63
Baripada	150.81	6.14	0.42	0.32	0.57	7.45	3.71
Bhadrak	127.29	3.98	0.31	0.38	0.39	5.06	3.18
Jajpur	195.47	7.91	0.31	0.37	0.72	9.31	4.43
Keonjhar	137.02	3.84	0.35	0.25	0.37	4.82	2.34
TPNODL	**902.18**	**31.60**	**1.9**	**2.15**	**2.97**	**38.62**	**3.25**

Table-25(a): TPNODL 11 KV Technical Loss Assessment FY22

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	180.07	13.73	1.29	2.05	1.31	18.37	6.26

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Baripada	156.77	6.99	0.94	1.23	0.70	9.86	5.16
Bhadrak	132.57	6.19	0.79	0.74	0.59	8.31	4.66
Jajpur	160.01	6.22	1.05	1.35	0.66	9.28	3.95
Keonjhar	109.65	4.13	0.61	0.63	0.41	5.79	4.11
TPNODL	**739.07**	**37.26**	**4.68**	**6.00**	**3.68**	**51.62**	**4.83**

Table-25(b): TPNODL 11 KV Technical Loss Assessment FY23

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	234.07	10.56	0.99	1.57	1.01	14.14	4.41
Baripada	136.52	6.54	0.88	1.15	0.66	9.23	4.29
Bhadrak	132.54	6.16	0.54	0.92	0.59	8.21	4.32
Jajpur	159.12	4.87	1.34	1.06	0.56	7.83	3.35
Keonjhar	109.68	4.08	0.61	0.63	0.41	5.73	4.07
TPNODL	**771.93**	**32.21**	**4.36**	**5.34**	**3.22**	**45.13**	**4.09**

Table-25(c): TPNODL 11 KV Technical Loss Assessment FY24

Circle	Peak load (MW)	Line Loss (MW)	Trf. (No Load Loss) (MW)	Trf. (Load Loss) (MW)	Distributed loss @ 7.68% (MW)	Total Loss (MW)	Annual Tech loss in %
Balasore	276.87	9.47	0.99	1.50	1.00	12.96	4.34
Baripada	168.21	6.15	0.81	1.16	0.68	8.80	4.11
Bhadrak	163.45	7.04	0.82	1.13	0.75	9.74	4.6
Jajpur	167.68	4.09	1.34	0.98	0.53	6.94	4.02
Keonjhar	114.86	3.51	0.62	1.36	0.46	5.95	3.88
TPNODL	**891.07**	**30.27**	**4.58**	**6.13**	**3.40**	**44.39**	**4.0**

4.8. Disaster Mitigation Strategy-direction in RST Order FY 2024-25

Under para 130 of the RST order FY 23-24, Hon'ble Commission has recognized that additional expenses are required to meet the committed obligations by the DISCOMs. As the order states " The Commission has therefore allowed additional expenses which must be utilized for the purpose envisaged in the Tariff Regulations, 2022.

Hon'ble Commission has directed for keeping a separate fund for maintaining an inventory for materials which will be required for restoration of disaster affected network for all DISCOMs. However, this was not specifically or separately quantified that the additional 35Crores issued to TPNODL and 60Crores issued to TPWODL will be utilized for maintaining the inventory which will be required for restoration of disaster affected network of the DISCOMs. Further, Hon'ble Commission has mentioned categorically that this additional R&M allowed must be utilized for the purpose envisaged in the Tariff Regulation, 2022.

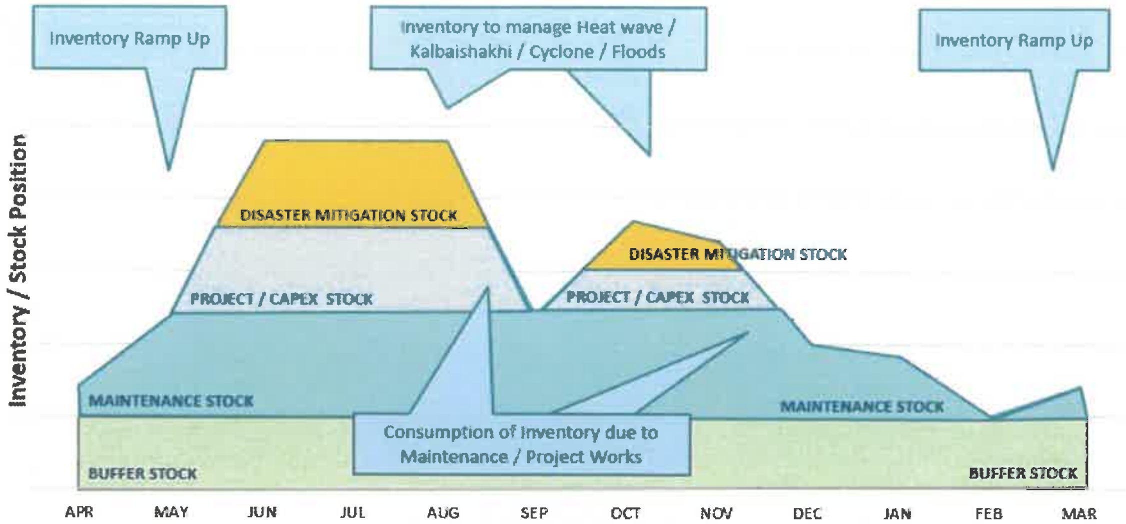
Tariff Regulation, 2022 under 3.9.23 says –

"3.9.23. The Commission may also allow special R&M , in order to enable the Distribution Licensee to undertake critical activities which are not covered under Capital Investment plan approved by the Commission.
Provided the Commission shall undertake a prudence check before allowing such expenditure."

This is to submit before Hon'ble Commission that, since 1st April, 2021, the licensee has always worked in a very focused manner to upgrade the system network and deliver best possible supply and service to the consumers. Detailed improvement in reliability achieved and the measures undertaken have been elaborated in the previous paras.

Further, the licensee has maintained a disaster mitigation rolling fund since FY 23-24. TPNODL has a comprehensive Preparedness, Disaster Response / Restoration Plan & Restoration Management SOPs & Strategies before & after Cyclone or any such natural disaster.

A Rolling Material Bank, funded from the annual O&M budget, to ensure the availability of critical resources and equipment needed for immediate response during disasters is being maintained. We conduct regular reviews of the rolling material inventory to assess its adequacy and relevance. Any necessary replenishments or updates are made based on evolving disaster management needs and technological advancements.



And, if not used in any such natural disaster, the materials are diverted for use in other works and again replenished and stock is built up before the season.

We have identified 163 strategic locations under different divisions as detailed in the following table and pole stock as on May'24 in those locations are also furnished in the following table.

Table-26: Identified locations for material stock

Division	Strategic Location	Pole Stock as on May' 2024
AED, Anandpur	9	297
KED Keonjhar	9	179
JED Joda	8	28
BED Balasore	8	300
CED Balasore	11	407
BTED Basta	6	120
SED Soro	15	692
JED Jaleswar	9	526
BED Baripada	17	604
RED Rairangpur	13	407
UED Udala	5	70
BNED Bhadrak	16	835

BSED Bhadrak	8	377
JRED Jajpur Road	8	279
JTED Jajpur Town	10	189
KUED, Kuakhia	11	323
Grand Total	**163**	**5633**

Out of the allowed Rs.10Crs for FY 24-25, besides other materials stored, the pole stock amounting to Rs.4.17Crs have been maintained at the above strategic locations as detailed in the above table. However, no fund has been transferred to TPWODL, as we have to maintain the materials in readiness at the strategic locations at our end. Besides the material bank, the manpower deployment and other ancillary expenditures will also be required. Therefore, the licensee has maintained a rolling material bank at strategic locations for immediate restoration of power supply on occurrence of any such natural disaster.

In case of transferring the fund and materials at another DISCOM and transportation to the strategic locations of other DISCOM at the time of need will involve substantial time. Further, on non-utilization of the stock, they need to be used up and replenished in a very structured cyclic manner which is smoothly done by maintaining the stock at our level.
In view of the above, the licensee had requested , Hon'ble Commission to kindly approve the maintenance of fund as well as the rolling material bank for disaster mitigation at our end, in place of transferring the fund to another DISCOM vide letter no-TPNODL/Regulatory/2024/5304 dated 7.8.24.

In RST order FY 23-24, the fund specifically to be utilized towards disaster mitigation was not mentioned. However, the RST Order for the FY 2024-25 was notified on 13th Feb, 2024, detailed order came on 5th March, 2024. In the detailed order under para 150, Hon'ble Commission has directed to maintain a designated 'Disaster Resilient Fund' by all the four DISCOMs to meet any unforeseen contingencies/disaster in future. For this Commission has allowed Rs.10Crs to each DISCOM. Further, Hon'ble Commission has directed to transfer such allocated amount to 'Disaster Resilient Fund' to be maintained by TPWODL. Further, Hon'ble Commission has observed that the fund is having an opening balance of Rs.95 Crs, out of the special R&M approved to TPWODL and TPNODL in the FY 23-24 and

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along with Rs.10Crs approved for each DISCOM that will amount to Rs.135 Crs for FY 2024-25.

This is to submit that, by the time the detailed order came, only 26 days were left for completion of the financial year. It is pertinent to mention here that, we have to plan our R&M expenditure well in advance adhering to the approved amounts and the minimum committed obligations. The amount approved by Hon'ble Commission for FY 23-24 was only Rs.214.34Crs against the proposed Rs.257.19Crs. Tariff Regulation also envisages utilization of additional R&M to undertake critical activities which are not covered under Capital Investment plan approved by the Hon'ble Commission.

The jurisdiction of TPNODL encompasses almost one third of the coast line of Odisha and almost 80% of its jurisdiction always witnesses severe damage on cyclones. In the concerned season, the network is also badly affected by Kalbaisakhi and also due to flood. This will not be out of place to mention that, even though TPNODL started operation on 1st April,2021 and the network was affected by YAAS cyclone on 26th May,2021, power supply to the critical establishments like district HQ and Public Health Centres were restored within 6Hrs on the same day . Eighty percent power supply restoration was completed within 48Hrs. TPNODL's disaster mitigation drive was also appreciated by Govt. of Odisha.

For taking up the restoration work expediously, we keep the rolling material bank ready at identified strategic locations and also fund in hand. Transferring fund to another DISCOM and receiving material or fund on requisition at the time of need on transfer basis will adversely affect the restoration time.

Therefore, we would request Hon'ble Commission to allow us to maintain the fund alongwith the material bank in a cyclic manner at our end, so that we will be able to take up the restoration work within the shortest possible time.

It is also requested to kindly consider the additional R&M expenditure of Rs.35 Crs. allowed in FY 23-24 against the activities undertaken by the licensee for improving the system reliability under the R&M head.

In view of the steps taken by the licensee to improve the system reliability and quality of power supply and the normative R&M entitlement of the licensee based on the actual (audited) opening GFA for the FY 2023-24, Hon'ble Commission is requested to kindly allow Rs. 241.13Crs for FY 2023-24 towards R&M expenses.

5. ADMINISTRATIVE & GENERAL EXPENSES

Hon'ble Commission has approved A&G Expenses of Rs.120.13Crs against the proposed 140.08Crs. The actual A&G expenses have been Rs. 143.96Crs. in FY 2023-24. The details are furnished in the following table:

Table-27: A&G Expenses for FY 2023-24 **(In Rs. Crs)**

Sl. No	Description	A&G for Truing Up FY 2023-24
1	Rent, Rates & Taxes	2.46
2	Communication	2.19
3	Legal, Consultancy & Professional Charges	8.64
4	Conveyance & Travelling	16.25
5	Licence & Related Expenses	2.58
6	Advertisement Expenses (Public Relation)	2.74
7	Metering, billing and collection expenses	82.71
8	Printing & Stationary	1.44
9	Enforcement Activities	0.65
10	Safety & Ethics	0.07
11	Insurance	3.85
12	House Keeping	0.32
13	Employee Welfare Expenses	3.08
14	Outsource manpower cost	59.34
15	Other Expenses/ Customer Care Call Center	16.98
16	**Administrative & General Expenses as per Audited Accounts**	**203.30**
17	**Less: -Outsourced manpower cost considered under Employee cost**	**59.34**
18	**Administrative & General Expenses for truing up**	**143.96**

Legal consultancy and professional charges of Rs.1.09Crs and Rs.1.04 Crs compensation expenses have been incurred in matters pertaining to the pre-vesting period, as detailed in the above table. Hon'ble Commission is requested to kindly approve the same.

The proposed A&G, approval of Hon'ble Commission for FY 23-24 vis-a –vis actual (audited) expenses are detailed in the following table.

Table-28: A&G Expenses Approved Vs Actual (In Rs. Crs)

Expenditure	Proposed	Approved by OERC	Actual (Audited)	Difference (Approval – Actual)
Administrative & General Expenses	140.08	120.13	143.96	(23.83)

The relevant extract from the Audited Financial Statements for FY 2023-24 showing A&G cost items is as provided below:

Extract: A&G Cost- Linkage with Audited Financial Statement FY 2023-24

NOTE 31 Other expenses	Year Ended March 31, 2024 ₹ in crores
Repairs and maintenance:	
(i) Building	1.32
(ii) Plant and equipment	238.81
(iii) Vehicles and Office equipment	0.56
(iv) Furniture and Fixtures	0.66
Rent	2.45
Consultancy fees (refer note 31.1)	7.55
Legal charges	3.47
Advertisement and marketing expenses	2.78
Tariff balancing reserve	3.28
Electricity consumption expenses	6.00
Telephone expenses	2.12
Insurance premium	3.86
Travelling and conveyance	2.66
Office expenses	5.20
Allowance for doubtful debts	60.78
Outsourced employee expenses	19.43
Watch and ward expenses	2.10
Billing and collection expenses	135.23
Provisions for claims and compensation	1.04
Directors sitting fees	0.45
CSR expenditure (refer note: 31.2)	3.67
Miscellaneous expenses	1.13
Loss on retirement of property, plant and equipment	0.70

The major steps taken in FY 2023-24 involves establishing Customer care centres at each division and PDC linked Anubhav Kendras, for facilitating a place at the customer convenience for addressing their grievances and for carrying out extensive awareness programs and conducting training programs that are being undertaken mainly for creating public awareness to check the public fatalities that are being noticed alongwith stringent enforcement activities to check unauthorised abstraction of electricity. This also includes Rs.2.13Crs A&G expenses incurred towards Legal consultancy and professional charges and compensation expenses in matters pertaining to pre-vesting period, which is over and above the projected expenses.

5.1. Customer Facility Improvement

TPNODL has established 16 nos. of Customer care centres, with one in each division. Each Customer Care centre is equipped with one Customer Relationship Executive, two Customer Care Executives and one Cashier for registration of Customer grievances and follow –up for closure. The Customer care centres are also providing a point for the customers to pay their electric bills, Similarly, in each section, we have established one PDS linked Anubhav Kendra in one model Gram Panchayat, so that the customer coming to the PDS centres can be facilitated with a place to register their grievance, if any and pay their bills at one stop.

5.2. Public Awareness

A number of public fatalities are being noticed which are mainly occurring due to two broard reasons

1. Coming in contact with live line/network while unauthorizedly interfering with the network
2. Coming in contact with live line/network unmindfully or due to lack of awareness

Hon'ble Commission has also advised DISCOM to take necessary steps to increase public awareness so that those public fatalities could be avoided.

The licensee has always given priority to safety, awareness and training. Extensive awareness programs through print and electronic media, through awareness vans, nukkad nataks, programs in schools, customer meets are being organised to increase public awareness. For conducting those programs and facility management at the customer touch points, extra cost is being incurred. Some of the programs are as follows

(i) E-Hakathon safety ideation workshop - Associated with Tata Sons -its a journey to identify existing potential challenges in the operational safety and prioritising them

(ii) Tata Health and Safety Management system certified training program-

Team TPNODL adopted Tata Health and Safety Management system during FY 25.As a first step, a certified 2-day Train the Trainer program was carried out for 29 nos of employees by TBEX, Tata Group during February 24. After rigorous assessment, results declared with certification of participation, Gold, Silver and Bronze categories.

The trainers then carried out 16 nos of Cross division THSMS assessment PAN TPNODL and created awareness amongst the leadership teams across divisions/circles. A Third party assessment was also carried out through M/s ACT International nominated by Tata Power during the Q2 FY 25.

Keeping in view the critical need to drastically reduce the AT&C Losses, special emphasis was required to improve the billing and collection efficiencies. The licensee has put structured effort to reduce AT&C Loss like focused collection drives, sustaining excellent OCR based Meter reading, Data Sanitization etc. It is pertinent to mention here that, by these initiatives unique consumer coverage has increased from 68% in FY23 to 96% in FY24 & percentage of provisional bills have been brought down from 5.8% to 1.3%. Improvement in various parameters are detailed in the following sections.

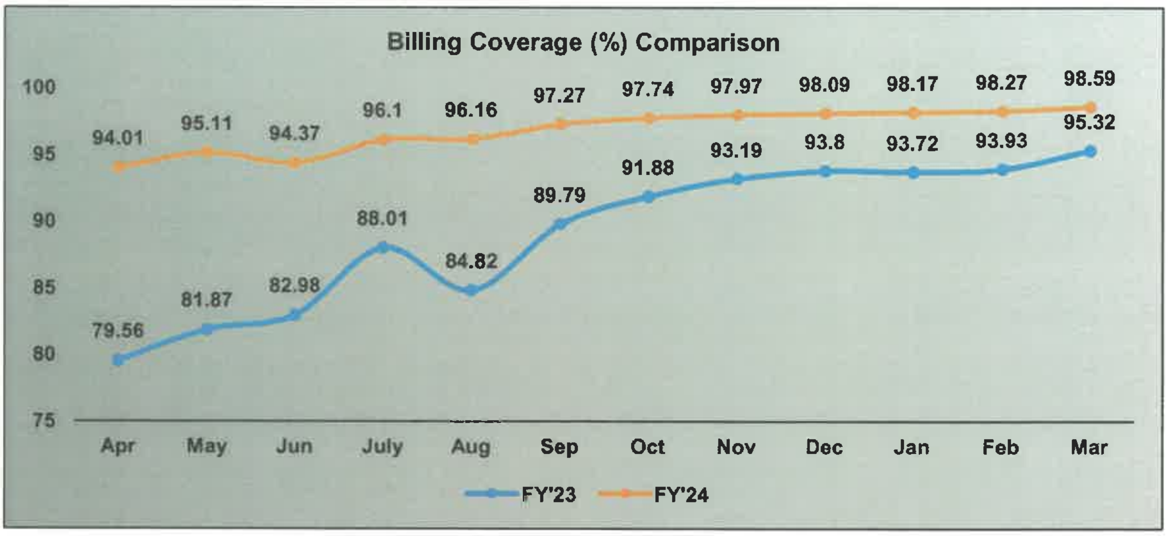
5.3. Billing Efficiency Improvement:

Billing Efficiency reached to 85.39% at the end of the FY'24 from 83.62% in FY'23.

After successfully MBC Contract separation in FY23, Dedicated Billing team working at the field for Single Phase Billing for better billing coverage. Billing coverage reached up-to 98.59% at the end of FY24.

100% MRU wise Billing for Slab adherence & better Customer Service. Each of the Binder area split in small blocks with pre-defined reading date range to maintain efficiency & regularity.

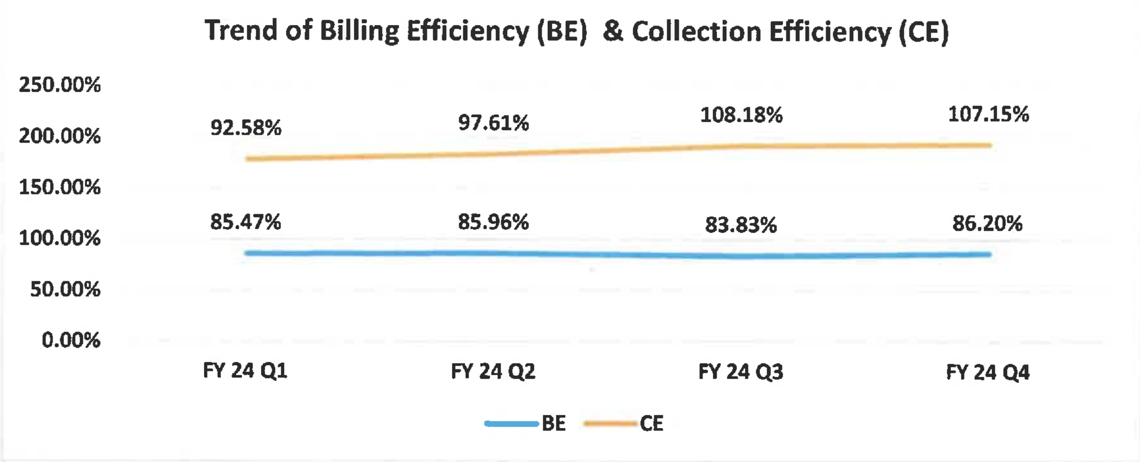
OCR Based Meter Reading being introduced for error free meter reading in FY23. In FY24 OCR based meter reading has reached to 96%. This Integrated Mobile application will enable auto reading fetching through scanning of meter display leaving little scope of any wrong reading. Analyse the consumption data of each low Consumption cases to identify anomalies in consumption pattern. This helps in identification of faulty meters & Theft probability.



5.4 Collection Efficiency Improvement:

Collection Efficiency achieved in FY 24 is more than 97% in every quarter except in1st quarter where the collection efficiency was 92.58% and it reached to 107.15 % in Q4 of FY-24.

Disconnection drives using Disconnection Order(DO) app has been strengthened for timely disconnection of defaulter consumers. Specific drives Like "Project Shikhar" for arrear collection (ECL Consumer) and Bill revision Camps have been conducted to address the consumer needs. 123 MW unauthorized load has been booked & Rs. 40 Crs. theft assessment recovered with special drives. Village Camps conducted under Project Nishtha to resolve commercial issues/disputes

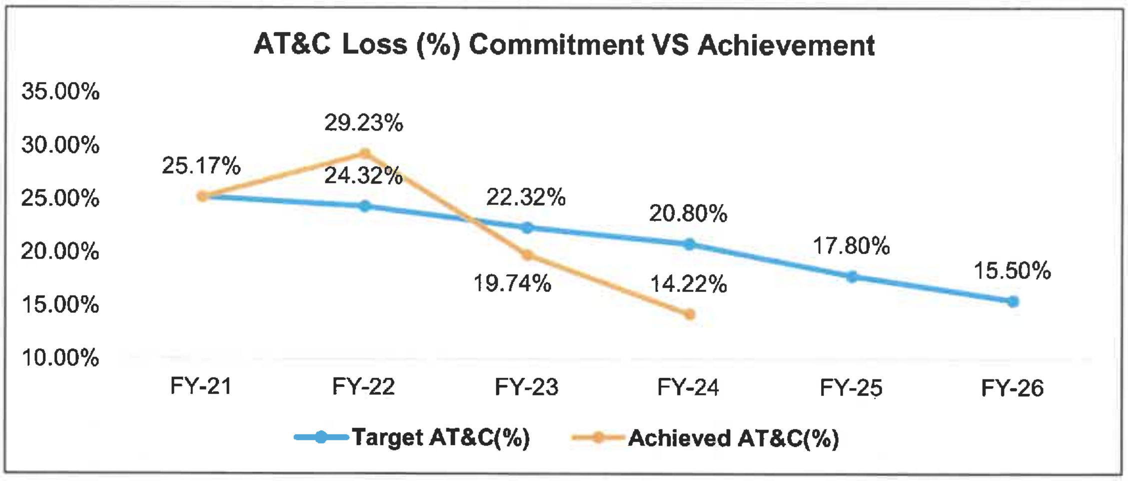


Mass LT collection drive named project "LT Vijaypath 2.O" for rapid revenue collection from LT consumers carried out. Record LT collection of Rs. 208 Cr. in March-24 has been achieved.

5.5 Improvement in AT&C Loss Reduction:

TPNODL has adopted multi-pronged approach for reduction of AT&C loss. For recovery of arrears and for surveillance of defaulter consumers, division wise revenue recovery team has been deployed with proper system-based execution & monitoring application. On the other hand, respective field teams at Circle, Division, Sub-Division and Sections are empowered to resolve billing issues of consumers. To supplement the above two specific revenue collection initiatives are conducted along with public communications with consumers. TPNODL has also promoted various digital avenues along with attractive Rebate offer for consumers for paying digitally. In the billing potion TPNODL deployed more than 96% OCR based billing for Single Phase consumers which lead our actual billing to reach 96%. This multi fold approaches has been fruitful in bringing down the AT&C loss.

All the above initiatives have contributed towards reduction in AT&C loss (Excluding Past Arrears) from 25.17% at the beginning of FY 22 to 14.22% at the end of FY 24.



Further, advanced Technology adoption and analytics have been the prime focus of the licensee to provide quality customer services, manage revenue cycle processes for reduction of AT&C losses and efficiently manage to deliver reliable and quality supply in safe manner to its consumer by meeting various standards of operation.

Therefore, in view of the steps taken by the licensee for improving the service standards to the customer as well as the for public awareness programs, Hon'ble Commission is requested to consider the actual A&G expenses incurred in FY 23-24 amounting to Rs.143.96 Crs. for truing up. The additional amount over and above the norms as per regulation may please be approved as additional A&G which is very much required to create public awareness and the facility managements for proper registration and Redressal of customer grievances.

6. PROVISION FOR BAD & DOUBTFUL DEBT

Hon'ble Commission had allowed Rs.35.59 Crs. towards provision for bad and doubtful debts. Taking benchmark of collection efficiency 99%, 1% of total sales in the FY 2023-24, Rs.36.76 Crs. has been considered towards provision of Bad and Doubtful debt. The details are furnished in the following table

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Table-29: Bad & Doubtful Debt for FY 2023-24 (In Rs. Crs)

Sl. No	Particulars	FY-24
1	Gross revenue as per tariff	3,622.82
2	Recovery of meter rent	44.61
3	Over drawal payment recovered	8.42
4	**Total Revenue**	**3,675.85**
5	Provision for bad & doubtful debts (1% of sales)	36.76

For true up, **Hon'ble Commission is requested to allow Rs.36.76Crs towards provision of bad and doubtful debt for the FY 23-24.**

7. DEPRECIATION

For FY 2023-24, Hon'ble Commission has approved Rs.49.83Crs towards depreciation in the Tariff order notified on 23.3.2023. The method of calculation of depreciation after vesting of the Utility in TPNODL has been specified under clause 39(g) and (h) of the Vesting Order dated 25.3.2021 in case no -9/2021.

The relevant extracts are reproduced hereunder:

" 39 (g) The capital investments made by TPNODL shall be allowed recovery of depreciation in line with the rates prescribed in Annexure – 3 till the time applicable regulation is notified by the Commission. The depreciation rates specified in regulations shall prevail over the rates specified in Annexure – 3 as and when applicable regulation is notified by the Commission.

(h)Depreciation on all existing assets transferred to TPNODL shall be determined based on the existing methodology being followed by the Commission."

Accordingly, for the FY 2023-24, Rs. 62.06Crs has been considered towards depreciation (Net off Govt. grant- consumer contribution amortization) for truing up, which may kindly be approved by Hon'ble Commission.

8. INTEREST COST

Hon'ble Commission has allowed interest cost including the interest on SD to the tune of Rs. 110.32 Crs. for the FY 2023-24 in the Tariff Order dated 23.3.2023.

Relevant extract from Tariff order is reproduced hereunder:

Table-30: Total Annual Interest Approved for FY 2023-24 (In Rs. Crs)

Source	TPNODL
Interest on capex loan/long term debt	31.47
Interest on security deposit	51.83
Interest on WC loan	27.02
Total interest before capitalization	**110.32**

As per the OERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations, 2022, Interest on working capital shall be allowed as follows.

"3.10.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:

a. Operation and maintenance expenses for one month; plus

b. Maintenance spares @ twenty (20) % of average R&M expense for one month; plus

c. Power Purchase Cost for one (1) month

Working Capital requirement of the Distribution Licensees may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the Vesting Orders and as approved by the Commission. Shortfall in meeting the working capital requirement as mentioned above shall be allowed. The interest on the working capital shall be at a rate equal to the SBI Base Rate or any replacement thereof by SBI from time to time (being in effect applicable for 1 year period) as applicable as on 1st April of the Financial Year (for which Truing Up shall be done) plus 300 basis points or actual weighted average rate of interest

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towards loan for meeting working capital requirement availed by the Distribution Licensee(s), whichever is lower."

Accordingly, TPNODL has derived the working capital requirement and interest there on as detailed in the following table

Table-31: Interest on Working Capital and Security Deposits (Normative) FY 2023-24

(In Rs. Crs)

Sl. No.	Particulars	Normative	Actual (Audited) Parameters
1	Operation & maintenance expenses		
	Employee cost	479.40	479.40
	R& M Expenses	241.13	241.13
	A&G Expenses	143.96	143.96
	Total O&M	**864.50**	**864.50**
	Operation & maintenance expenses Per annum	864.50	864.50
2	Operation & maintenance expenses Per month	72.04	72.04
3	Power purchase cost for one month	214.82	214.82
4	Maintenance of spare@20% of R&M Expenses for one month	4.02	4.02
5	Depreciation on Legacy asset	-10.19	-10.19
	TOTAL	**280.69**	**280.69**
	Interest rate on working capital	8.10%	
6	**Gross Interest on Working Capital**	**22.72**	**19.79**
7	**Interest on security deposits**	**50.46**	**50.46**
8	**Total interest including interest on SD**	**73.18**	**70.25**

Interest on security Deposit of Rs.50.46Crs has been considered as per actuals in the annual audited accounts. Normative interest on working capital Rs. 22.72Crs, actual interest on working capital as per Audited accounts is Rs.19.79Crs. As per section 2.14 of OERC Tariff Regulations, 2022, the sharing of on account of improved performance –refinancing of high cost loan with low cost loan is proposed in the following table-

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Table-32: Sharing of gain on improved performance **(In Rs. Crs)**

Sl. No	Particulars	Normative
1	Operation & maintenance expenses Per month	72.04
2	Power purchase cost for one month	214.82
3	Maintenance of spare@20% of R&M Expenses	4.02
4	Gross total	290.88
5	Less: Dep. On Legacy asset	(10.19)
6	**Total**	**280.69**
7	Actual Interest rate on WC	8.10%
8	**Interest on working capital**	**22.72**
9	**Actual Interest on WC**	**19.79**
10	**Gain on account of improved performance**	**2.94**
11	Retained (1/3)	0.98
12	TBR (1/3)	0.98
13	Passed on (1/3)	0.98

Hon'ble Commission is requested to allow Rs.73.18 Crs towards interest on working capital and interest on SD.

9. INTEREST ON LONG TERM LOAN ON NORMATIVE BASIS

As per clause no. 3.5.1 of Tariff Regulation, 2022, in case of fixed asset capitalized on account of capital expenditure incurred prior to April 1, 2023, debt equity ratio as allowed by the Commission for determination of tariff for the period ending March 31, 2023 shall be considered.

Normative loan for the FY 23-24 considered Rs.394.99Crs.

The details are furnished in the following table

Table-33: Interest on Long Term Loan FY 2023-24 **(In Rs Crs)**

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Opening Balance	43.64	313.30
2	Loan Taken during the year	285.96	394.99
3	Repayments during the Year(Equal to Depreciation)	16.30	51.87
4	Closing Balance	313.30	656.43
5	Average Balance	178.47	484.86

6	Rate of Interest	7.05%	8.42%
7	**Normative Interest**	**12.58**	**40.81**
8	Capitalisation	408.51	564.28
9	Funded by :		
10	Debt (70%)	285.96	394.99
11	Equity (30%)	122.55	169.28

Therefore, Hon'ble Commission is requested to consider normative interest on Term Loan of Rs 40.81Crs for true –up for the FY 2023-24.

10. RETURN ON EQUITY

Return on Equity has been claimed as per clause 54 of vesting order. Relevant extracts of the Vesting order reproduced hereunder

54. Return on equity:

(a) ***As per the terms of the RFP, the Commission shall allow return on equity, as per the Tariff Regulations, to TPNODL on the equity capital of Rs. 250 crores (Indian Rupee Two hundred and fifty crores) only which was the reserve price of the utility of NESCO.***

(b) ***Return on equity shall be allowed on the reserve price of the utility as per para 54(a) above and also on the capital investments made by the TPNODL, as per the Tariff Regulations.***

Table No- 34: Details of Gross Fixed Asset (In Rs. Crs)

Sl. No	Particulars	FY 2022-23	FY 2023-24
1	GFA as per Statutory Auditor Certificate	3029.53	4067.11
	- Tangible assets	2972.63	3968.21
	- In-tangible assets	56.90	98.90
	Less : Assets taken over as on effective date	547.11	543.03
2	Less:-Asset under consumer contribution	1677.37	1958.37
3	Less:-Asset under government grant	286.44	392.68

4	Less:-Meter capex	43.69	133.84
5	GFA as per OERC capex (own) cumulative	474.92	1039.19
6	GFA as per OERC capex (own) annual	408.51	564.28
7	Equity @ 30% of asset addition during the year (Sl No 6x30%)	122.55	169.28
8	Debt @ 70% of asset addition during the year (Sl No 6x70%)	285.96	394.99

Certified copy of SRB & Associates (Statutory Auditor) for Gross Fixed Asset (GFA) as on 31.03.2024 is provided below:

Extract: Certified copy of SRB & Associates (Statutory Auditor) for Gross Fixed Asset (GFA)

SRB & Associates
CHARTERED ACCOUNTANTS

5TH FLOOR, IDCO TOWER, JANAPATH
BHUBANESWAR - 751 022, ODISHA
TEL : 0674 - 2541043, 2545880
Email:info@srbandassociates.in
srbbbsr@gmail.com

CERTIFICATE

Herewith we certify that the Gross Fixed Assets (GFA) of TP Northern Odisha Distribution Limited (TPNODL) as on March 31, 2024 is ₹ 4067.11crores. This includes Gross Assets taken over by TPNODL from Northern Electricity Supply Company (NESCO) pursuant to vesting order issued by the Odisha Electricity Regulatory Commission ('OERC') dated March 25, 2021, the Company acquired the business of distributing power in Northern Odisha ('business') from NESCO with effect from April 1, 2021 (date of vesting order)

Year-wise breakup is as provided in below table.

(Figs in ₹ crore)

S.No.	Particulars	Gross Fixed Asset as on April 01, 2021	Net Addtion FY 21-22	Net Addtion FY 22-23	Net Addtion FY 23-24	Gross Fixed Asset as on March 31, 2024
		(A)	(B)	(C)	(D)	(A+B+C+D)
1	TANGIBLE					
(a)	Buildings	5.59	4.02	60.44	67.31	137.35
(b)	Plant and equipment including transmission lines and cable network	2,184.68	140.85	512.34	901.80	3,739.66
(c)	Motor Vehicles	0.55	0.32	1.18	0.72	2.76
(d)	Furniture and fixtures	2.26	0.82	5.09	3.92	12.09
(e)	Office equipments	6.33	15.17	33.00	21.83	76.33
	Total PPE	2,199.41	161.18	612.04	995.57	3,968.20
2	INTANGIBLE	-	19.42	37.48	42.01	98.91
	Total Gross Fixed Asset	2,199.41	180.60	649.52	1,037.58	4,067.11

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The Tariff Regulations, 2022 permit recovery of income tax paid in the ARR. The relevant extract from the Tariff Regulations, 2022 is provided below.

3.11.1 The Income Tax for the Distribution licensee for the regulated business shall be allowed through the Tariff charged to the Distribution System users, on submission of documentary evidence of the actual tax paid subject to the conditions stipulated in these Regulations:

Provided that no Income Tax shall be considered on the amount of efficiency gains and incentive approved by the Commission, irrespective of whether or not the amount of such efficiency gains and incentive are billed separately:

Provided further that no Income Tax shall be considered on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business, as well as on the income from any source that has not been considered for computing the Aggregate Revenue Requirement:

In line with the above provisions of Tariff Regulations,2022 and provisions of Vesting order, ROE and Tax on RoE has been calculated . The details are furnished in the following table

Table No-35: Return on Equity (ROE) **(In Rs. Crs.)**

Sl. No	Particulars	FY 2022-23	FY 2023-24
1	Opening Equity	294.94	417.49
2	Addition during the FY	122.55	169.28
3	Closing Equity	**417.49**	**586.78**
4	Average Equity	356.22	502.14
5	Return on equity %	16%	16%
6	**Return on equity (ROE)**	**56.99**	**80.34**
7	**Tax on ROE**	**19.17**	**27.02**

Hon'ble Commission is requested to allow ROE of Rs. 80.34 Crs and income tax of Rs. 27.02 Crs for FY 2023-24 on actual outgo basis.

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11. Non-Tariff Income

The netted off Non-tariff income for FY 2023-24 is Rs.112.49 Crs. The detailed breakup is produced in the following table.

Table-36: Non-Tariff Income FY 2023-24 **(In Rs. Crs.)**

Sl. No.	Particulars	As per Audited Accounts FY 2023-24	Truing Up FY 2023-24
1	Amortisation of consumer contribution	76.54	
2	Amortisation of Govt Grants in capital nature	14.98	
3	Amortisation of Govt Grants in Revenue nature	0.23	
4	Recovery of Meter Rent	44.61	11.79
5	Overdrawal penalty recovered	8.42	8.42
6	Incentives on arrear Collection	15.60	-
7	Open Access Cross Subsidy Income	22.55	22.55
8	Supervision Charges	16.16	16.16
9	Miscellaneous operating Income	1.33	1.33
10	Interest Income	84.51	74.23
11	Delayed payament surcharge	13.15	13.15
12	Other Income	14.11	14.11
13	Sharing of gain on saving of interest on working capital loan (1/3rd)		0.98
15	Less: Rebate offered to consumers		-50.23
16	**Total**	**312.19**	**112.49**
	Less		
17	Amortisation of consumer contribution	76.54	
18	Amortisation of Govt Grants in capital nature	14.98	
19	Amortisation of Govt Grants in Revenue nature	0.23	
20	**Total Amortisation**	**91.75**	
Net balance as per audited accounts & for Truing up		**220.44**	**112.49**

The Hon'ble Commission at para 203 of the Tariff Order FY 2024-25 while setting the principles for True up has stipulated that Meter Rent to be excluded from Non-Tariff Income i.e. the Discoms are allowed to retain the meter rent while claiming Non-Tariff Income. The relevant extract from the Tariff Order is as provided below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

...

g) Non-Tariff Income (NTI) has been allowed ***excluding meter rent****, incentive and arrear collection and amortisation of consumer contribution and grant.*

It is to bring out that, as per direction of Hon'ble Commission vide letter no. OERC/Engg-02/2018/647 dated 13.06.2024, levy of meter rent has been stopped for meters installed under various Government schemes. The licensee has offered the meter rent collected from such meters amounting to **Rs.11.79Crs** under Non-Tariff income which may kindly be considered suitably.

Details have been furnished in Format- TU-7.

Hon'ble Commission is requested to consider Rs.112.49Crs towards Non-Tariff Income for truing –up for the FY 2023-24.

12. ANNUAL INTEREST COST ON ASL FUNDING

Annual Interest Cost on Additional Serviceable Liabilities (ASL) has been claimed as per clause 52 of vesting order. Relevant extracts of the Vesting order reproduced hereunder

Clause 52 (e) of Vesting Order

....

(iv) To fund the Additional Serviceable Liabilities, TPNODL shall be allowed, if necessary, to avail of a separate appropriate financial instrument including but not limited to short-term loan/ overdraft facility.

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(v) ***The financing cost of appropriate financial instruments*** *shall be dealt with in the manner as specified in point (vi) and (vii) till the time such financial instrument is discharged in full.*

(vi) Interest payable on appropriate financial instruments shall be allowed in Aggregate Revenue Requirement by the Commission, subject to prudence check.

(vii) Principal repayments of such financial instruments shall be allowed by Commission to be made from the following amounts in the same order:

a) Excess recovery net of payments to be made as per para 42 of this Order

b) Recovery of Past Arrears by TPNODL after deducting incentives as specified in para 43 of this Order

c) Annual Depreciation on assets as on 31.03.2021 (existing assets recognized in Tariff Order) allowed in Aggregate Revenue Requirement.

....

In accordance with the provisions of the Vesting Order, amount recovered from Current Assets or surplus cash available, if any, was supposed to be utilized to settle additional serviceable liabilities and make payments. Further, Cash and Bank balance appearing as a part of ASL computation was either specific to Govt Grant for which capital work was to be executed or against liability such as Deposit work/ Consumer Security Deposit. Therefore, full cash was not available to discharge such pre-take over liabilities. Hence these liabilities were funded partly through internal accruals/ Loans. Such loan along with its carrying cost, in accordance with Clause 52 (e) of the Vesting Order, needs to be allowed to be recovered through ARR in the year in which the same is paid by the Discoms.

It is to submit that, to sustain the continuity of the normal business operation and to avoid discontentment amongst the consumers, employees as well as suppliers, TPNODL had to make payments against the bills for the services or supplies received by the utility on or before 31.03.2021. In the FY 2023-24, net payment amounting to Rs. 276.51 Cr have been made including carrying cost on such payment amounting to Rs. 11.27 crore.

(In Rs. Crs)

Sl. No.	Particulars	As on FY 2023-24
A	**Current Liabilities settled under ASL**	
1	Short Term Loan	276.76
2	Sundry Creditors/Trade Payables-Goods and Services	13.65
3	Advance Payment /Deposits from Consumers	91.20

4	Creditors on capital accounts	16.00
5	Amount payable to other licensee-WESCO	0.24
6	Electricity Duty Payable	15.87
7	Other Liabilities (salary for March-2021)	17.14
	Sub-total - A	**430.86**
B	**Current Assets realised under ASL**	
1	Capital Work in Progress	23.95
2	Inventories	11.77
3	Cash on Hand	14.68
4	Balance with Scheduled Bank-Fixed Deposit	110.00
5	Loans and Advances to Employees	1.90
6	Receivable from other licensee-SOUTHCO	16.59
7	Advance recoverable in cash or in kind or for value to be received	6.02
8	Other Deposits (Considered good)	0.44
	Sub-total - B	**185.35**
C = A-B	**Net Payments against ASL - C**	**245.51**
D	**Paid bills which were not transferred in opening ASL**	
1	BSP payment (March-2021)	168.15
2	Collections (March-2021)	(136.59)
3	Vendor bills	9.52
4	Advance from consumer adjusted against energy charges	18.59
5	Recovery through Past Arrears as per vesting order	(39.94)
	Sub-total - D	**19.73**
E = C+D	**Net Payments against ASL + out of ASL**	**265.24**
F	Average net payments (E÷2)	132.62
G	Interest rate (SBI 1 Year MCLR effective 1st April 2023)	8.50%
H	**Carrying cost on ASL funding [FxG]**	**11.27**
I=E+H	**Total Net payments (including carrying cost)**	**276.51**

Hon'ble Commission is most humbly requested to consider the above payment of Rs. 276.51 crore (Rs. 265.24 crore along with carrying cost of Rs.11.27 crore) under ASL in the financial year FY 2023-24.

13. ISSUES PERTAINING TO PAST ORDERS

13.1 Issues Pertaining to Truing up FY 2021-22

The Hon'ble Commission in the Tariff Order dated 13th February 2024 has approved the Truing up for FY 2020-21 and FY 2021-22 and has stipulated following with regards to True up of FY 2020-21 and FY 2021-22.

201. The Commission now finalizes the truing up for FY 2020-21 and 2021-22 in this ARR for FY 2024-25 considering all the factors and submissions. The commission hereby directs that no further submission regarding truing up for FY 2020-21 and 2021-22 will be entertained in future.

....

205. The Commission hereby concludes the truing up of expenses of the DISCOMs (TPCODL, TPSODL, and TPWODL & TPNODL) for the FY 2020-21 and FY 2021-22.

Though Hon'ble Commission has finalized the truing up of FY 2021-22, the Non-Tariff Income of TPNODL presented by us in our submission was proposed Rs.140.49 Crs. The issue in this re-submission of ours relates to the Non-Tariff Income wherein an additional income of Rs 6.52 **Crores** in the True-up for FY 2021-22 has been considered due to the consideration of Meter Rent and Delayed Payment Charges.

The Hon'ble Commission at para 203 of the Tariff Order FY 2024-25 while setting the principle for True up has stipulated that Meter Rent to be excluded from Non-Tariff Income i.e. the Discoms are allowed to retain the meter rent while claiming Non-Tariff Income. The relevant extract from the Tariff Order is as provided below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

...

*g) Non-Tariff Income (NTI) has been allowed **excluding meter rent**, incentive and arrear collection and amortisation of consumer contribution and grant. (Emphasis supplied)*

Further, the Tariff Regulations, 2022 stipulates the Delayed Payment Surcharge (DPS) as part of Non-Tariff Income.

While the Hon'ble Commission has approved the Non-Tariff Income of Rs.140.43 Cr as proposed by TPNODL for FY 2021-22, it is requested that the above stipulations may kindly be taken into consideration while approving the Non-Tariff Income. Accordingly, the licensee has offered meter rent for meters installed under various government schemes only amounting to Rs.14.32 Crs and also entire DPS of Rs.5.67Crs. Hon'ble Commission is requested to approve the Non-Tariff Income of Rs.133.91 Cr for FY 2021-22, detailed computation of which is provided in table below.

Table-37: Non –Tariff Income for FY 2021-22 **(In Rs. Crs.)**

Sl. No.	Particulars	As per Audited Accounts	Proposed Truing Up	Approved by Commission	Now Proposed
1	Amortisation of consumer contribution	65.52	-	140.43	-
2	Amortisation of Govt. Grants in capital nature	0.20	-		-
3	Amortisation of Govt. Grants in Revenue nature	12.71	-		-
4	Recovery of Meter Rent	25.35	**24.68**		**14.32**
5	Overdrawal penalty recovered	6.52	6.52		6.52
6	Incentives on arrear Collection	16.15	-		-
7	Open Access Cross Subsidy Income	57.98	57.98		57.98
8	Supervision Charges	5.72	5.72		5.72
9	Miscellaneous operating income	3.77	3.77		3.77
10	Interest income	34.46	34.46		34.46
11	Delayed payment surcharge	5.67	**1.89**		**5.67**
12	Other Income	5.47	5.47		5.47
	Total	**239.52**	**140.49**	**140.43**	**133.91**

In light of the above, it is humbly prayed that the Hon'ble Commission may kindly approve the Non-Tariff Income of Rs. 133.91 Cr that has been computed as per the Provision of the Tariff Regulations, 2022 in place of Rs. 140.43 Cr which was approved in Tariff Order dated 13th Feb 2024.

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Table- 38: NTI FY 2021-22 Approved vis-à-vis- Now Proposed (In Rs. Crs)

Approved in Truing up FY21-22	Now Proposed	Difference
140.43	133.91	6.52

13.2 Issues Pertaining to Truing up FY 2022-23

A. Employee Expenditure:

Hon'ble Commission *vide* Tariff Order has approved the Employee Expenses of Rs. 417.80 Crores for FY 2022-23, against TPNODL's claim of Rs. 440.32Crores.

It is humbly submitted that the Odisha Electricity Regulatory Commission (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 ("**Tariff Regulations, 2022**") specifically provides for the provision of Employee Cost. That in past, Hon'ble Commission has allowed the "Outsourced Manpower Cost" under the head "Employee Cost" in Tariff Orders of the DISCOMs. The same was also allowed *vide* Tariff Order dated 26.03.2021 for FY 2021-22 passed by this Hon'ble Commission. Accordingly, TPNODL, in line with such prior practices has claimed the "Outsourced Manpower Cost" under the head of "Other Expenses" as per the Annual Accounts of TPNODL.

It is submitted that the Employee Expenditure as per the Annual Accounts includes the cost with Actuarial Valuation of retirement benefits for erstwhile employees. Therefore, after deducting such non-cash expenditure of Rs.19.69 Crores, the Actual Employee Cost incurred by TPNODL is Rs.420.52 Crores.

The details are furnished in the following table.

Table- 39: Employee Cost FY 2022-23 (In Rs. Crs)

Particulars	FY 2022-23
Employee cost as per audited P&L Account	390.45
Less: Provision for terminal benefits	(43.60)
Add: Actual cash outgo of terminal benefits	23.81
Add: Outsource manpower cost	49.86
Employee cost on cash outgo basis	420.52

Therefore, TPNODL humbly requests Hon'ble Commission to re-consider the Employee Expenditure as allowed *vide* Tariff Order and truing up order and consider allowing the amount of Rs. 420.52 Crores instead of the present allowance of Rs. 417.80 Crores.

Table- 40: Employee Cost_FY 23_Approved vis-à-vis- Actual **(Rs. Crs)**

Proposed	Approved	Actual	Difference (Approved-Actual)	Remarks
440.32	**417.80**	**420.52**	**(2.72)**	Employee Cost on actual Cash outgo basis

B. Repair and Maintenance:

Hon'ble Commission *vide* the Tariff Order FY 22-23 has allowed the Repair and Maintenance ("**R&M**") Expenditure of Rs. 186.43 Crores for FY 2022-23, against TPNODL's claim of Rs. 237.53 Crores. However, Hon'ble Commission did not provide any reasoning while disallowing the said amount of Rs. 51.1 Crores towards R&M Expenditure. It is submitted that the Actual R&M Expenditure for FY 2022-23 amounts to **Rs. 237.53 Crores**. It is submitted that the appropriate R&M of system network is the key to supply reliable and quality power to the consumers.

It is submitted that, during the performance review for the FY 2022-23 by Hon'ble Commission and during the 34th SAC Meeting dated 24.07.2023, all the DISCOMs were advised to ensure the manning of all the Rural Sections in two-shift operation, and for Urban Sections in three-shifts operation. To ensure the same, TPNODL has been duly ensuring the manning of rural Fuse Call Centres (FCCs) for no current complaints, deploying maintenance gang for preventive maintenance of DT and 11KV network, breakdown for attending 11KV and LT breakdown in two shifts in rural areas since the commencement of its role as a utility. It is submitted that the expenditure incurred by TPNODL to maintain the 2nd shift operation in Rural Area amounts to **Rs. 43.46** Crores, which accounts for a large part of the disallowance of Rs.51.1 Crores in FY 2022-23.

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It is submitted that *vide* Order dated 24.03.2022 for FY 2022-23, this Hon'ble Commission allowed the R&M Expenditure of only Rs. 32 Crores on an *ad-hoc* basis towards the government funded assets. It is pertinent that based on a detailed zero-based budgeting exercise, an expenditure of **Rs. 240.01** Crores was estimated towards R&M Expenditure. Further, the network area of such assets is spread upto 27,857 Sq. Kms, covering a large geographical licenced area of TPNODL and therefore TPNODL submits before Hon'ble Commission to may allow the R&M Expenditure of **Rs. 237.53 Crores** which is towards the genuine maintenance and operation of electrical equipment in that area.
The steps undertaken to improve the reliability of power supply and the achievements so far have been detailed in the previous sections under R&M costs.

Therefore, TPNODL most humbly requests before Hon'ble Commission to re-consider the R&M Expenditure as allowed *vide* Tariff Order and consider allowing the amount of Rs. 237.53 Crores instead of the present allowance of Rs. 186.43 Crores .

Table- 41 :R&M Expenses FY 23- Approved vis-à-vis- Actual (Rs. Crs)

Proposed	Approved	Actual	Difference (Approved-Actual)	Remarks
240.01	**186.43**	**237.53**	**(51.10)**	Normative entitlement (based on actual audited GFA)

C. Administrative and General Expenditure:

Hon'ble Commission *vide* the Tariff Order has allowed the Administrative and General ("**A&G**") Expenditure of Rs. 84.23 Crores for FY 2022-23, against TPNODL's claim of Rs. 112.55 Crores. This approved A&G expenses.

Hon'ble Commission has allowed Rs.49.20Crores for the FY 21-22 while approving the Tariff order basing the application filed by NESCO Utility. After taking over, TPNODL filed the Annual Business Plan for FY 21-22 before Hon'ble Commission proposing A&G expenditure of Rs.139.83Crores. Considering the submission made by the licensee in the ABP application for FY 21-22, Hon'ble Commission had allowed additional 60% of the previous approval of Rs.49.20 Crores, making the total approval under A&G expenses for the FY 21-22 Rs.78.72 Crores.

This approved A&G expenses for FY 22-23 is based on the base A&G approval of Rs.78.72Crs for FY 21-22 with 7% escalation as per Tariff Regulations.

However, Hon'ble Commission has been kind enough to consider the request of the licensee and approved A&G expenditure of Rs.105.24Crs.

It is submitted certain Normal A&G Expenses may need to be controlled and therefore are controllable expenses. However, it is pertinent that the Statutory A&G Expenses are compulsory in nature and are governed by various statutes and thus are not controllable *per se*. Further, the MBC Expenses are dependent on the **consumer base** and are non-controllable without compromising on the consumer satisfaction as well as the AT&C Losses. It will not be out of place that TPNODL has achieved AT&C loss level of 14.19%- that is achieved a reduction in AT&C of 15% in three years of operation. Therefore, TPNODL humbly submits that since the commencement of TPNODL's role as a DISCOM, TPNODL has undertaken several measures in the area of billing and collection to improve the services to the consumers, and to reduce the AT&C Loss.

Therefore, TPNODL humbly requests this Hon'ble Commission to re-consider the A&G Expenditure as allowed *vide* Tariff Order and consider allowing the amount of Rs. 112.55 Crores considering Rs.105.24Crs as the base with the applicable escalation as per Tariff Regulation and approve the actual A&G expenses of Rs.112.55Crs incurred for FY 2022-23.

Table- 42: A&G Cost FY 23 Approved vis-à-vis- Actual (In Rs. Crs)

Proposed	Approved	Actual	Difference	Remarks
155.18	**84.23**	**112.55**	**(28.32)**	Sought 7% escalation over the previous year approved A&G expenses

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D. Interest on Security Deposit:

Hon'ble Commission *vide* the Tariff Order has allowed the Interest on Security Deposit of Rs. 25.83 Crores for FY 2022-23, against TPNODL's claim of Rs. 41.96 Crores.It is humbly submitted that Hon'ble Commission *vide* Tariff Order dated 23.03.2023 had approved a rate of 6.75% p.a. on payment to be made towards Interest on Security Deposit in the year May 2023 to the consumers. Accordingly, the Interest on Security Deposit amounting to Rs. 41.96 Crores was booked in the Accounts for FY 2022-23. The aforementioned approach is consistent with the approach adopted in earlier years where the Interest on Security Deposits were booked in accounts in terms of the extant approved rate. That the Accounts are presented on the basis of Accrual principle as per the amount booked ensuring consistency with the Accounting Standards.

It is humbly submitted that TPNODL has been calculating its interest on Accrual Basis in line with regulatory framework and past practice. Accordingly, the Interest on Security Deposit calculated by TPNODL for FY 2022-23 is based on the interest rate of 6.75% p.a. after considering the Opening Balance of Security Deposit and Addition/ Deletion of consumers.

Therefore, TPNODL humbly requests this Hon'ble Commission to re-consider the Interest on Security Deposit as allowed *vide* Tariff Order and consider allowing the amount of Rs. 41.96 Crores instead of the present allowance of Rs. 25.83 Crores.

Table- 43: Interest on SD_FY 23- Approved vis-à-vis- Actual (In Rs. Crs)

Proposed	Approved	Actual	Difference	Remarks
26.22	**25.83**	**41.96**	**(16.13)**	Actual interest cost on SD increased over proposed due to increase in rate of interest

The total disallowances of Rs. 104.79 Crs is hereby placed before Hon'ble Commission for kind consideration and approval as detailed in the following table.

Table-44: Consolidation of previous FYs cost non considered by Hon'ble Commission

(In Rs. Crs)

FY	Particulars	Proposed	Approved	Actual	Difference (Actual-Approved)	Remarks
FY 21-22	NTI (Offered MR on Govt meters)	140.49	140.43	133.91	(6.52)	Offered Meter Rent on Govt. funded Meter & total DPS
FY 22-23	Employee cost	440.32	417.8	420.52	(2.72)	Employee Cost on actual Cash outgo basis
	R&M Expenses	240.01	186.43	237.53	(51.1)	Normative entitlement (based on actual audited GFA)
	A&G Expenses	155.18	84.23	112.55	(28.32)	Sought 7% escalation over the previous year approved A&G expenses
	Interest on SD	26.22	25.83	41.96	(16.13)	Actual interest cost on SD increased over proposed due to increase in rate of interest
Total					(104.79)	

14. TRUING UP FOR THE FY 2023-24

The approvals by Hon'ble Commission for FY 23-24 vis-à-vis actual expenses incurred and the submissions by the licensee for truing –up in line with the provisions of Tariff Regulations, 2022 and the principles set by Hon'ble Commission for truing –up, are furnished in the following table:

Table- 45: Truing up for FY 2023-24 **(In Rs. Crs)**

Expenditure	Approval by OERC for FY 23-24	Actual (Audited Accounts)	Reference from Audited Annual Accounts	True up Considering Normative T&D loss 16.25%
INPUT(MU)	7508.00	7047.13		7185.21
Cost of power purchase	2515.18	2360.75		2407.01
Transmission Cost	180.19	168.76		168.76
SLDC Cost	1.16	1.16		1.16
Less : Rebate		(26.90)		(26.90)
Net Input -Inter-DISCOM exchange from TPCODL(MU)		2.89		2.89
Cost of power Net input - Inter-DISCOM exchange from TPCODL		0.95		0.95
Total Power purchase Cost(A)	**2,696.53**	**2,504.72**	Note-28	**2,550.97**
Employee Cost	512.79	526.56	Note-29	479.40
Repair &Maintenance Cost (Net off Govt. Grant Amortisation)	214.34	241.13	Note-31	241.13
Administrative & General Expenses	120.13	143.96	Note-31	143.96
Provision for bad & doubtful debts	35.59	60.78	Note-31	36.76
Depreciation(Net off Govt. Grant - Cons. Contbn Amortisation)	49.83	78.44	Note-4&6	62.06
Interest on security deposits	51.83	50.46	Note-30	50.46
Interest on working capital	27.02	19.79	Note-30	22.72
Interest on Term Loan (normative)	21.61	29.81	Note-30	40.81
Total Operation &Maintenance and Other Cost	**1,033.14**	**1,150.93**		**1,077.31**
Return on equity	47.19	-		80.34
Income Tax		47.50	Note-32	27.02
Total Distribution Cost	**1,080.33**	**1,198.43**		**1,184.67**
Less Miscellaneous Receipts	154.99	220.44	Note-26.4.2 &27	112.49
Net Distribution Cost(B)	**925.34**	**977.99**		**1,072.19**
True up of Surplus/(Losses) for FY 2022-23	**(65.59)**	**-**	**-**	**-**
Carrying cost on of ASL	-	-	-	11.27
Total Revenue Requirement	3,556.28	3,482.71		3,634.43
Actual Revenue	3,559.02	3,572.59	Note-26.4.1	3,622.82
SURPLUS/(DEFICIT) FY 23-24	**2.74**	**89.88**		**(11.61)**

Not considered in Previous FYs				
FY 21-22				
NTI Excluding Meter Rent				(6.52)
FY 22-23				
Employee Cost				(2.72)
R&M				(51.10)
A&G				(28.32)
Interest on SD				(16.13)
Total				(104.79)
SURPLUS/(DEFICIT) FY 23-24 with Previous FY Non-Considered cost				(116.40)

The licensee most humbly prays before Hon'ble Commission to kindly consider the submissions made by the licensee and allow the additional actual expenses incurred.

15. FORMATS

The following Formats are submitted attached herewith for kind consideration of Hon'ble Commission along with the Audited Annual Financial statement for the FY 23-24.

Table- 46: Table of Formats

Format No.	Particulars
TU-1	Truing up for FY 2023-24
TU-2	Power Purchase Cost & Transmission Cost
TU-3	Employee Cost
TU-4	Repair &Maintenance Expenses
TU-5	A&G Expenses
TU-6	Return on Equity
TU-7	Miscellaneous Receipt
TU-8	Normative Term Loan Interest
TU-9	Interest on Working Capital

16. Annexures

Table- 47: Table of Annexures

Annexure No.	Particulars
1	AT&C Loss Certificate for FY 2023-24
2	Audited Financial Statement for FY 2023-24
3	Consolidation of Assets created GoI/GoO funded schemes_1.4.2023
4	Assets created GoI/GoO funded schemes -GRIDCO
5	Statements of Assets created -OPTCL
6	Copy of Statutory Auditor Certificate for Gross Fixed Asset (GFA)

17. PRAYER

The licensee most respectfully prays before the Hon'ble Commission

1. To take the truing up application on record
2. To kindly, approve the truing up application of the licensee for the FY 2023-24.
3. To kindly consider previous years short allowances suitably
4. Grant any other relief as deem fit & proper in the facts and circumstances of the matter.

The licensee craves leave of Hon'ble Commission for making additional submission in this regard.

Date: 29.11.2024

Chief Executive Officer

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Format-TU-1

Truing -Up for the FY 2023-24 (In Rs. Crs)

Expenditure	Approval by OERC for FY 23-24	Actual (Audited Accounts)	Reference from Audited Annual Accounts	True up Considering Normative T&D loss 16.25%
INPUT(MU)	7508.00	7047.13		7185.21
Cost of power purchase	2515.18	2360.75		2407.01
Transmission Cost	180.19	168.76		168.76
SLDC Cost	1.16	1.16		1.16
Less : Rebate		(26.90)		(26.90)
Net Input -Inter-DISCOM exchange from TPCODL(MU)		2.89		2.89
Cost of power Net input - Inter-DISCOM exchange from TPCODL		0.95		0.95
Total Power purchase Cost(A)	**2,696.53**	**2,504.72**	Note-28	**2,550.97**
Employee Cost	512.79	526.56	Note-29	479.40
Repair &Maintenance Cost (Net off Govt. Grant Amortisation)	214.34	241.13	Note-31	241.13
Administrative & General Expenses	120.13	143.96	Note-31	143.96
Provision for bad & doubtful debts	35.59	60.78	Note-31	36.76
Depreciation(Net off Govt. Grant - Cons. Contbn Amortisation)	49.83	78.44	Note-4&6	62.06
Interest on security deposits	51.83	50.46	Note-30	50.46
Interest on working capital	27.02	19.79	Note-30	22.72
Interest on Term Loan (normative)	21.61	29.81	Note-30	40.81
Total Operation &Maintenance and Other Cost	**1,033.14**	**1,150.93**		**1,077.31**
Return on equity	47.19	-		80.34
Income Tax		47.50	Note-32	27.02
Total Distribution Cost	**1,080.33**	**1,198.43**		**1,184.67**
Less Miscellaneous Receipts	154.99	220.44	Note-26.4.2 &27	112.49
Net Distribution Cost(B)	**925.34**	**977.99**		**1,072.19**
True up of Surplus/(Losses) for FY 2022-23	**(65.59)**	**-**	**-**	**-**
Carrying cost on of ASL	-	-	-	11.27
Total Revenue Requirement	3,556.28	3,482.71		3,634.43
Actual Revenue	3,559.02	3,572.59	Note-26.4.1	3,622.82
SURPLUS/(DEFICIT) FY 23-24	**2.74**	**89.88**		**(11.61)**
Not considered in Previous FYs				
FY 21-22				
NTI Excluding Meter Rent				**(6.52)**
FY 22-23				
Employee Cost				**(2.72)**
R&M				**(51.10)**
A&G				**(28.32)**
Interest on SD				**(16.13)**
Total				**(104.79)**

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Format- TU-2

Normative Power Purchase and Transmission Cost Computation FY 2023-24

Months	Units Sold (In MU)	Collection Efficiency	T&D Losses	Input Units (Normative) (In MU)	BSP Cost (In Rs. Crs)
Apr	539.36	99%	16.25%	644.03	215.75
May	543.63	99%	16.25%	649.13	217.46
June	547.28	99%	16.25%	653.49	218.92
July	568.90	99%	16.25%	679.30	227.57
Aug	543.99	99%	16.25%	649.56	217.60
Sep	552.90	99%	16.25%	660.20	221.17
Oct	536.02	99%	16.25%	640.05	214.42
Nov	428.74	99%	16.25%	511.94	171.50
Dec	379.10	99%	16.25%	452.67	151.64
Jan	440.64	99%	16.25%	526.15	176.26
Feb	434.60	99%	16.25%	518.94	173.84
Mar	502.29	99%	16.25%	599.76	200.92
Total	**6,017.43**			**7185.21**	**2407.01**

Gain due to AT&C Loss Target Achievement

Particulars	Unit	Formula	FY 23-24
Approved AT&C Loss	%	A	17.09%
Normative Collection Efficienc	%	B	99.00%
Calculated Distribution Loss	%	C=1-(1-A)/B	16.25%
Actual AT&C Loss achieved	%	D	14.22%
Actual Collection Efficiency	%	E	100.46%
Actual Distribution Loss	%	F	14.61%
Actual Sales	MU	G	6017.43
Actual Power Purchase	MU	H	7047.13
Normative Power Purchase	MU	I=G/(1-C)	7185.21
Additional Power Purchase	MU	J=H-I	138.08
Approved BSP	P/U	K	335.00
Purchase costy incurred by surpassing theAT&C loss target	Rs.Crs	L=JXK/1000	46.26
Amount eligible for gain to be reatined by TPNODL due to T&D loss achievement	**Rs.Crs**	**L**	**46.26**

GOVT. OF ODISHA (INDIA) NOTARY

Format-TU-3

Employee Expenses FY 2023-24 (Cash Outgo Basis)

Particulars	Erstwhile Utility (Rs. Crs)	TP-CTC (Rs. Crs)	Total Expenses (Rs. Crs)
Salaries , wages and bonus	178.76	95.02	273.78
Outsourced Manpower Cost			59.34
Contribution to Provident Fund and other fun	10.37	4.91	15.27
Staff welfare expenses	3.36	13.63	16.99
Terminal benefit expenses	122.75	7.98	130.73
Sub-Total	**315.24**	**121.53**	**496.11**
Less: Employee cost capitalization			-16.70
Sub-Total			**479.40**

Employee Expenses FY 2023-24

Particulars	FY 2023-24
Emlpoyee cost as per audited P&L Account	467.22
Less:Provision for terminal benefits	-53.30
Add: Actual cash outgo of terminal benefits	6.14
Add: Outsource manpower cost	59.33
Employee cost on cash outgo basis	479.39

GOVT. OF ODISHA (INDIA) NOTARY

Format -TU-4

Repair & Maintenance Expenses

Sl No	Category	Description	Actual Expenses (Rs. Cr) as per Audited Accounts FY 2023-24
1	STS	AMC - Primary Substations & Feeders	85.00
2		Material required for Maintenance of 33 KV Network	4.04
3		Testing/Overhauling/Reconditioning of Transformers	4.77
4		Materials for Repairing/Service of Circuity Braeakers/CT&PT	0.21
5	Distribution	Distribution AMC Contract	121.51
6		Distribution Materials (O/H)	2.99
7		Distribution Materials (U/G)	3.97
8		Material & Services for Distribution Transformer Repairing	9.48
9	Others	Admin. AMC	7.82
10		Civil	1.33
Total -A			**241.13**
	GOVT.FUND	R&M-P&M-Amphan	0.03
11	GOVT.FUND	R&M-P&M-Fani	0.03
12	GOVT.FUND	R&M-P&M-YAAS	0.17
13	GOVT.FUND	R&M-P&M-Others	0.00
Total - B			**0.23**
GRAND Total (A+B)			**241.36**
14		Less amortisation of Govt Grant shown in Misc Income in audited Accounts.	0.23
15		**Net Repair and maintenance Charges shown as per Audited Accounts for truing up**	**241.13**

Format-TU-5

A&G Expenses

Sl. No	Description	A&G for Truing Up FY 2023-24
1	Rent, Rates & Taxes	2.46
2	Communication	2.19
3	Legal, Consultancy & Professional Charges	8.64
4	Conveyance & Travelling	16.25
5	Licence & Related Expenses	2.58
6	Advertisement Expenses (Public Relation)	2.74
7	Metering,billing and collection expenses	82.71
8	Printing & Stationary	1.44
9	Enforcement Activities	0.65
10	Safety & Ethics	0.07
11	Insurance	3.85
12	House Keeping	0.32
13	Employee Welfare Expenses	3.08
14	Outsource manpower cost	59.34
15	Other Expenses/ Customer Care Call Center	16.98
16	**Administrative & General Expenses as per Audited Accounts**	**203.30**
17	**Less:-Outsourced manpower cost considered under Employee cost**	**59.34**
18	**Administrative & General Expenses for truing up**	**143.96**

Format -TU-6

Return on Equity (ROE)

(Rs. In Crs)

Sl. No	Particulars	FY 2022-23	FY 2023-24
1	Opening Equity	294.94	417.49
2	Addition during the FY	122.55	169.28
3	Closing Equity	**417.49**	**586.78**
4	Average Equity	356.22	502.14
5	Return on equity %	16%	16%
6	**Return on equity (ROE)**	**56.99**	**80.34**
7	**Tax on ROE**	**19.17**	**27.02**

Details of Gross Fixed Assets

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	GFA as per Statutory Auditor Certificate	3029.53	4067.11
	- Tangible assets	2972.63	3968.21
	- In-tangible assets	56.90	98.90
	Less : Assets taken over as on effective date	547.11	543.03
2	Less:-Asset under consumer contribution	1677.37	1958.37
3	Less:-Asset under government grant	286.44	392.68
4	Less:-Meter capex	43.69	133.84
5	GFA as per OERC capex (own) cumulative	474.92	1039.19
6	GFA as per OERC capex (own) annual	408.51	564.28
7	Equity @ 30% of asset addition during the year (Sl No 6x30%)	122.55	169.28
8	Debt @ 70% of asset addition during the year (Sl No 6x70%)	285.96	394.99

GOVT. OF ODISHA (INDIA) NOTARY

Format-TU-7

Non-Tariff Income as per Audited Accounts

(In Rs. Crs)

Sl. No.	Particulars	As per Audited Accounts FY 2023-24	Truing Up FY 2023-24
1	Amortisation of consumer contribution	76.54	
2	Amortisation of Govt Grants in capital nature	14.98	
3	Amortisation of Govt Grants in Revenue nature	0.23	
4	Recovery of Meter Rent	44.61	11.79
5	Overdrawal penalty recovered	8.42	8.42
6	Incentives on arrear Collection	15.60	-
7	Open Access Cross Subsidy Income	22.55	22.55
8	Supervision Charges	16.16	16.16
9	Miscellaneous operating Income	1.33	1.33
10	Interest Income	84.51	74.23
11	Delayed payament surcharge	13.15	13.15
12	Other Income	14.11	14.11
13	Sharing of gain on saving of interest on working capital loan (1/3rd)		0.98
15	Less :Rebate offered to consumers		-50.23
16	**Total**	**312.19**	**112.49**
	Less		
17	Amortisation of consumer contribution	76.54	
18	Amortisation of Govt Grants in capital nature	14.98	
19	Amortisation of Govt Grants in Revenue nature	0.23	
20	**Total Amortisation**	**91.75**	
Net balance as per audited accounts & for Truing up		220.44	112.49

GOVT. OF ODISHA (INDIA) NOTARY

Format-TU-8

Normative Interest on Term Loan (In Rs. Cr.)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Opening Balance	43.64	313.30
2	Loan Taken during the year	285.96	394.99
3	Repayments during the Year(Equal to Depreciation)	16.30	51.87
4	Closing Balance	313.30	656.43
5	Average Balance	178.47	484.86
6	Rate of Interest	0.07	0.08
7	**Normative Interest**	**12.58**	**40.81**
8	Capitalisation	408.51	564.28
9	Funded by :		
10	Debt (70%)	285.96	394.99
11	Equity (30%)	122.55	169.28

GOVT. OF ODISHA (INDIA) NOTARY

Format- TU-9

Calculation of Interest on working Capital and Security Deposits (Normative) FY 2023-24 (Rs. In Crs)

Sl. No.	Particulars	Normative	Approval by OERC for FY 23-24	Actual (Audited) Parameters
1	Operation & maintenance expenses			
	Employee cost	479.40	512.79	526.56
	R& M Expenses	241.13	214.34	241.13
	A&G Expenses	143.96	120.13	143.96
	Total O&M	**864.50**	**847.26**	**911.65**
	Operation & maintenance expenses Per annum	864.50		911.65
2	Operation & maintenance expenses Per month	72.04		75.97
3	Power purchase cost for one month	214.82		214.82
4	Maintenance of spare@20% of R&M Expenses for on	4.02		4.02
5	Depreciation on Legacy asset	-10.19		-10.19
	TOTAL	**280.69**		**284.62**
	Interest rate on working capital	0.08		
6	**Gross Interest on Working Capital**	**22.72**		**19.79**
7	**Interest on security deposits**	**50.46**		**50.46**
8	**Total interest including interest on SD**	**73.18**		**70.25**

GOVT. OF ODISHA (INDIA) ★ NOTARY ★

ANNEXURE-1

S C P & CO.
CHARTERED ACCOUNTANTS

101, Royal Apartment, Plot No. N4 186, IRC Village
Nayapalli, Bhubaneswar, Odisha, PIN 751015
e-mail: cascp2000@gmail.com

Certificate on the purchase & sale of energy in units and value with AT&C Loss for the Financial year 2023-24 of 'TP Northern Odisha Distribution Limited, Januganj, Remuna Golei, Balasore-756019, Odisha'.

1. This Certificate is issued in accordance with the terms of our engagement letter dated 06th May 2024

2. The accompanying certificate of purchase & sale of energy in units and value with AT&C Loss for the financial year contains the details as required pursuant to compliance with the terms and conditions contained in engagement letter.

Management's Responsibility for the Certificate

3. The accuracy of data and information for preparation of the Certificate is the responsibility of the Management of TP Northern Odisha Distribution Limited, Januganj, Remuna Golei, Balasore-756019, Odisha (hereinafter the "Company")including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, presentation of the certificate and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible for ensuring that the Company complies with the requirements of the certification and provides all relevant information to independent practitioner.

5. Pursuant to the requirements of the Certification, it is our responsibility to verify and provide a reasonable assurance and accordingly conducted the verification of:
   i) the purchase of energy (in MUs) for the year FY 2023-24 from the bills of purchases made from GRIDCO, Odisha;
   ii) the sale of energy in MUs from the Billing & Collection software data provided to us for the year ended 31st March'2024.
   iii) the sale of energy in Value from the Billing & Collection software data provided to us and duly reconciled with the Audited Financial statement as at 31st March 2024..
   iv) the amount of collection against sale of energy in value from the Billing & Collection software data provided to us for the year ended 31st March'2024.

6. The amount of sale of energy has been derived after considering Rebate to consumers, Recovery of Meter rent and over drawl payment recovered.

7. We conducted our examination of the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

S C P & CO.
BHUBANESWAR
Reg.No
324601E
Chartered Accountants

8. This AT& C loss calculation is computed as per the proviso 3.14.2 of the regulation of " Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022"

9. Based on our examination, as above, we certify the following statements are true and correct for the FY 2023-24

i)

Particulars	UoM	FY 2023-24
Input energy	MUs	7,047
Billed energy	MUs	6,017
Sale of energy	₹ Crore	3,626
Collection amount	₹ Crore	3,749
Collection amount (excluding collection from arrear outstanding on effective date)	₹ Crore	3,642
Billing efficiency	%	85.39%
Collection efficiency	%	103.40%
Collection efficiency (excluding collection from arrear outstanding on effective date)	%	100.46%
AT&C	%	11.71%
AT&C (excluding collection from arrear outstanding on effective date)	%	14.22%

ii) and opine that the amounts in the Certificate in respect of purchase & sale of energy in units and value with distribution and AT&C Loss have been accurately extracted from the Purchase Bills of GRIDCO, Billing & Collection Database and audited financial statements, for the years ended 31st March 2024.

9. **Disclaimer**

This report has been prepared for this specific requirement and should not be used for any other purpose. This Report is provided solely for the Enterprise's use and for the specific purposes indicated above. Except where we expressly agree in writing, it should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by me for any consequences arising from any third party relying on this Report or any advice relating to its contents. This document is not written as a formal or legal document and shall not be subject to legal jurisdiction in courts of law but it is only definite expression and record for the purpose and intention of engagement letter than a legal obligation. Further, the analysis and conclusions are limited by the reported assumptions and conditions.

For S C P & Co.
Chartered Accountants
Firm Reg.No.324601E

Chiranjeebi Jena
Partner
Memb.No.058870

Bhubaneswar
Date-21st Day of May 2024
UDIN-24058870BKCXPU1577

Annexure-2: Audited Financial Statement for FY 2023-24

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INDEPENDENT AUDITOR'S REPORT

To the Members of TP Northern Odisha Distribution Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TP Northern Odisha Distribution Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S R B C & CO LLP Kolkata

SRB & Associates Bhubaneswar Chartered Accountants

Key audit matter	How our audit addressed the key audit matter
(a) Expected credit loss on trade receivables *(as described in Note 12 to the financial statements)*	
The Company has outstanding gross trade receivables of Rs 328.70 crore as at March 31, 2024, including overdue / aged receivables. The Company supplies electricity to various types of customers including individual customers with wide ranging characteristics in the Northern Odisha. There exists inherent exposure to credit risk for these customers. The Company has acquired this business with effect from April 01, 2021 and limited past experiences are available to estimate credit loss allowance. The Company has recognised Expected Credit Loss (ECL) allowance on trade receivables using its best estimate considering various factors such as segregation between government and non-government consumers, security deposit available, outcome of the Company's effort to reach consumers, their most recent payment behaviour as well as the fact that electricity is an essential commodity and regulations require consumers to clear old dues to get continuous electricity etc. Based on the above mechanism and using its best estimate, the Company has accounted ECL provision of Rs 151.32 crore as on the balance sheet date. The appropriateness of the provision for expected credit loss is subjective due to the high degree of judgment applied by management. Due to the significance of trade receivables and the related estimation uncertainty this is considered to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding of the Company's process and tested internal controls associated with the management's assessment of determining ECL allowance for trade receivables. • Obtained an understanding of the management plan and steps being taken to collect all receivables including overdue / aged receivables. • Evaluated management's assessment of recoverability of the outstanding receivables including recoverability of overdue/ aged receivables through inquiry with management, and analysis of recent collection trends in respect of receivables particularly aged receivables. • Evaluated management's assumption and judgement relating to collection considering business environment in which the Company operates and rights available with the Company to recover amount due from customers for estimating the amount of ECL allowance. • Evaluated management's continuous assessment of the assumptions used in the credit loss provision computation. These considerations include whether there are regular receipts from the customers and the Company's past collection history. • Verified mathematical accuracy of provision computation based on credit loss estimation model used and other factors considered by the management. • Assessed the disclosures in the financial statements. • Obtained necessary management representation.

S R B C & CO LLP Kolkata

SRB & Associates Bhubaneswar Chartered Accountants

Key audit matter	How our audit addressed the key audit matter
(b) Accrual of regulatory assets/liabilities for items which are subject matter of true up in tariff orders *(as described in Note 25 to the financial statements)*	
Being regulated distribution business, tariff of the Company is determined by the regulator on cost plus return on equity basis wherein the cost is subject to prudential norms. The Company invoices its customers on the basis of pre-approved tariff which is subject to true up. The Company recognizes revenue at the amount invoiced to customers based on pre-approved tariff rates. As the Company is entitled to a fixed return on equity and applicable incentives, the difference between the revenue recognised and entitlement as per the regulation is recognised as regulatory assets/liabilities. The Company has recognised regulatory assets of Rs 82.16 crore as at March 31, 2024. Accruals are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. Further the costs incurred are subject to prudential checks and prescribed norms. Judgements are made in determining the accruals including interpretation of tariff regulations. Further, in the true-up order, the regulator has observed that certain expenses booked in the audited accounts are higher than the approved costs and disallowed certain expenses. The regulator has also stated that currently expenses have been allowed on the basis of pragmatic approach. The Company is taking steps considered appropriate by the management to claim allowance for disallowed expenses and has treated these expenses as recoverable/ pass-through to the customer through subsequent regulatory orders.	Our audit procedures included the following: • Obtained an understanding of the Company's process and tested internal controls associated with the estimation and recoverability of such regulatory deferral balances. • Read the tariff regulations and tariff orders and evaluated relevant clauses to understand management's assessment on allowability of various income and expenses and consequent recognition/ measurement of regulatory deferral account balances. • Discussed with the management to understand their assessment on each qualitative and quantitative factor and reviewed consistency of the management's explanation with the underlying documentation, rules, and regulations. • Assessed management's evaluation and true up review petition and correspondences filed with regulators for the likely outcome in respect of material disallowances made by the regulators. • Assessed impact, if any, recognised by the Company in respect of tariff orders received. • Re-calculated workings obtained from the management to check arithmetical accuracy of the calculations. • Assessed disclosures made by the Company in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts." • Obtained necessary management representation.

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Key audit matter	How our audit addressed the key audit matter
Considering judgements involved in estimating various elements of true up order and resulting regulatory deferral account balance, we have determined this to be a key audit matter.	

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility 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 of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 for the financial year ended March 31, 2024 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.

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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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i) vi below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) vi below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Note 35 to the financial statements;

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

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

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds 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 entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("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; and

c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used accounting softwares 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 softwares except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 46 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting softwares.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Shivam Chowdhary

per Shivam Chowdhary
Partner
Membership Number: 067077
UDIN: 24067077BKFSEX4440
Place of Signature: Bhubaneswar
Date: April 19, 2024

S R B C & CO LLP Kolkata

For SRB & Associates
Chartered Accountants
ICAI Firm registration number: 310009E

Per R S Sahoo
Partner
Membership Number: 053960
UDIN: 24053960BKGFQE8559
Place of Signature: Bhubaneswar
Date: April 19, 2024

SRB & Associates Bhubaneswar Chartered Accountants

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Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: TP Northern Odisha Distribution Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the planned programme, a portion of the Property, Plant and Equipment was verified during the year. No material discrepancies were noticed on such verification.

(c) The Company does not hold any land in its name. As regard the buildings, thereon, the Company retains operational rights over the buildings used for the purpose of carrying out distribution business under a license granted by the Odisha Electricity Regulatory Commission. Thus, verification of title deeds is not applicable for such buildings.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory during the year. In our opinion, the frequency of verification is reasonable and the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The

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Company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year, the Company has provided unsecured loans to its employees as follows:

(Amount in Rs. Crores)

Particulars	Loans
Aggregate amount provided during the year	
- Employees	6.38
Balancing outstanding as at balance sheet date in respect above cases (post-acquisition of business)	
Employees	2.55

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or party other than as mentioned above.

(b) During the year, the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest. Further, during the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loan to firms, Limited Liability Partnerships or any other party.

(c) The Company has granted loans during the year to employees where the schedule of repayment of principal has been stipulated and the repayment of receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security given by the Company post-acquisition of business in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are

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SRB & Associates Bhubaneswar Chartered Accountants

applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the service of distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. During the year, the Company did not have any undisputed dues towards sales-tax, service tax, duty of excise, duty of customs and value added tax.

(b) The dues of provident fund and services tax have not been deposited on account of any dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount (Rs in crores)**	**Period to which the amount relates (Financial Year)**	**Forum where dispute is pending**
The Finance Act, 1994	Service tax	25.34	FY 2014-15 to FY 2017-18	CESTAT, Kolkata
Income Tax Act, 1961	Income Tax	44.73	FY 2016-17 and FY 2017-18	Commissioner (Appeals) – Income Tax

There are no dues of goods and services tax, employees' state insurance, sales-tax, customs duty, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

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Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) (a) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

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(xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 (as amended) where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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.

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(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31.2 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31.2 to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Shivam Chowdhary

S R B C & CO LLP Kolkata

per Shivam Chowdhary
Partner
Membership Number: 067077
UDIN: 24067077BKFSEX4440
Bhubaneswar
April 19, 2024

For **SRB & Associates**
Chartered Accountants
ICAI Firm Registration Number: 310009E

SRB & Associates Chartered Accountants Bhubaneswar

per R S Sahoo
Partner
Membership Number: 053960
UDIN: 24053960BKGFQE8559
Bhubaneswar
April 19, 2024

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Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of TP Northern Odisha Distribution Limited

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 with reference to financial statements of TP Northern Odisha Distribution Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 its 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to these financial statements was 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness

S R B C & CO LLP Kolkata

SRB & Associates Bhubaneswar Chartered Accountants

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

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

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Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Shivam Chowdhary

per Shivam Chowdhary
Partner
Membership Number: 067077
UDIN: 24067077BKFSEX4440
Bhubaneswar
April 19, 2024

S R B C & CO LLP
Kolkata

For **SRB & Associates**
Chartered Accountants
ICAI Firm Registration Number: 310009E

per R S Sahoo
Partner
Membership Number: 053960
UDIN: 24053960BKGFQE8559
Bhubaneswar
April 19, 2024

SRB & Associates
Bhubaneswar
Chartered Accountants

TP NORTHERN ODISHA DISTRIBUTION LIMITED
CIN:U40109OR2021PLC035951
Januganj, Balasore, Odisha, India, 756019
Website: www.tpnodl.com

BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
		₹ in crores	
A. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	2,907.84	2,058.65
(b) Capital work-in-progress	5	453.77	415.66
(c) Intangible assets	6	72.67	50.60
(d) Financial assets	7	401.17	381.16
(e) Non-current tax assets (net)	9	27.74	28.21
(f) Other non-current assets	10	19.41	49.42
Total non-current assets (1)		**3,882.60**	**2,983.70**
(2) Current assets			
(a) Inventories	11	57.04	53.97
(b) Financial assets			
(i) Trade receivables	12	177.38	259.86
(ii) Unbilled revenue		305.29	295.72
(iii) Cash and cash equivalents	13	376.94	248.82
(iv) Bank balances other than (iii) above	13	1,089.28	953.93
(v) Other financial assets	14	45.17	28.08
(c) Other current assets	15	23.72	23.76
Total current assets (2)		**2,074.82**	**1,864.14**
(3) Total assets before regulatory deferral account (1+2)		**5,957.42**	**4,847.84**
(4) Regulatory deferral account - Asset	25	82.16	-
(5) Total assets (3+4)		**6,039.58**	**4,847.84**
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	564.05	398.15
(b) Other equity	17	322.55	189.59
Total equity (1)		**886.60**	**587.74**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
Borrowings	21	507.60	226.09
(b) Provisions	18	255.91	158.14
(c) Capital grant and consumer contribution towards capital assets	19	1,374.17	1,079.76
(d) Deferred tax liabilities (net)	8	19.54	20.29
(e) Other non-current liabilities	20	736.13	579.98
Total non-current liabilities (2)		**2,893.35**	**2,064.26**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	132.46	205.31
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	22	55.03	15.14
Total outstanding dues of creditors other than micro and small enterprises	22	536.61	587.64
(iii) Other financial liabilities	23	1,378.96	1,237.51
(b) Provisions	18	16.90	15.80
(c) Other current liabilities	24	120.42	121.39
(d) Current tax liabilities (net)	9	19.25	4.69
Total current liabilities (3)		**2,259.63**	**2,187.48**
(4) Total liabilities (2+3)		**5,152.98**	**4,251.74**
(5) Regulatory deferral account- liability	25	-	8.36
(6) Total equity and liabilities (1+4+5)		**6,039.58**	**4,847.84**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI FRN: 324982E/ E300003

S R B C & CO LLP Kolkata

per **Shivam Chowdhary**
Partner
Membership Number: 067077
Place: Bhubaneswar
Date: April 19, 2024

For **SRB & Associates**
Chartered Accountants
ICAI FRN: 310009E

SRB & Associates Bhubaneswar Chartered Accountants

per **R S Sahoo**
Partner
Membership Number: 053960
Place: Bhubaneswar
Date: April 19, 2024

For and on behalf of the Board of TP Northern Odisha Distribution Limited

Praveer Sinha
Director
DIN: 01785164
Place: Bhubaneswar

Sanjay Kumar Banga
Director
DIN: 07785948
Place: Bhubaneswar

TPNODL

Dwijadas Basak
Chief Executive Officer (CEO)
Place: Bhubaneswar

Siladitya Sengupta
Chief Financial Officer (CFO)
Place: Bhubaneswar

Devendra Prasad
Company Secretary
Membership Number: A39789
Place:Bhubaneswar

Date: April 19, 2024

TP NORTHERN ODISHA DISTRIBUTION LIMITED
CIN:U40109OR2021PLC035951
Januganj, Balasore, Odisha, India, 756019
Website: www.tpnodl.com

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

₹ in crores

	Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
I.	Revenue from operations	26	3,757.41	3,340.18
II.	Other income	27	127.37	112.47
III.	**Total income (I+II)**		**3,884.78**	**3,452.65**
IV.	**Expenses**			
	Cost of power purchased and transmission charges	28	2,504.72	2,240.22
	Employee benefits expense (net)	29	467.22	395.92
	Finance costs	30	102.53	68.25
	Depreciation and amortisation expense	4 & 6	169.96	105.09
	Other expenses	31	505.45	470.27
	Total expenses (IV)		**3,749.88**	**3,279.75**
V.	**Profit before movement in regulatory deferral balance and tax (III-IV)**		**134.90**	**172.90**
	Add/(Less): Net movement in regulatory deferral balances	25	46.32	(31.61)
	Add: Deferred tax Recoverable/(Payable)		(0.76)	9.37
VI.	**Profit before tax**		**180.46**	**150.66**
VII.	**Tax expenses**			
	(1) Current tax	32	40.31	29.03
	(2) Adjustment of tax relating to earlier period	32	7.94	(3.41)
	(3) Deferred tax charge	32	6.48	9.37
	(4) Deferred tax in respect of earlier year	32	(7.23)	-
			47.50	**34.99**
VIII.	**Profit for the year (VI-VII)**		**132.96**	**115.67**
IX.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss (net)		-	-
X.	**Total Comprehensive Income for the year (VIII+IX)**		**132.96**	**115.67**
XI.	Earnings Per Equity Share [Excluding Regulatory income/(expense) (net)]			
	Basic and Diluted (in ₹)	36	4.19	4.48
	Earnings Per Equity Share [Including Regulatory income/(expense) (net)]			
	Basic and Diluted (in ₹)	36	3.33	3.91

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI FRN: 324982E/ E300003

per **Shivam Chowdhary**
Partner
Membership Number: 067077
Place: Bhubaneswar
Date: April 19, 2024

For **SRB & Associates**
Chartered Accountants
ICAI FRN: 310009E

per **R S Sahoo**
Partner
Membership Number: 053960
Place: Bhubaneswar
Date: April 19, 2024

For and on behalf of the Board of TP Northern Odisha Distribution Limited

Praveer Sinha
Director
DIN: 01785164
Place: Bhubaneswar

Sanjay Kumar Banga
Director
DIN: 07785948
Place: Bhubaneswar

Dwijadas Basak
Chief Executive Officer (CEO)
Place: Bhubaneswar

Siladitya Sengupta
Chief Financial Officer (CFO)
Place:Bhubaneswar

Devendra Prasad
Company Secretary
Membership Number: A39789
Place:Bhubaneswar

Date: April 19, 2024

TP NORTHERN ODISHA DISTRIBUTION LIMITED
CIN:U40109OR2021PLC035951
Januganj, Balasore, Odisha, India, 756019
Website: www.tpnodl.com

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Accounting Policy

Cash flows from operating activities are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

₹ in crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from Operating Activities		
Profit before tax	**180.46**	**150.66**
Adjustments to reconcile profit and loss before tax to net cash flows:		
Interest income from bank deposits	(84.51)	(48.46)
Amortisation of consumer contribution and grants	(91.75)	(85.28)
Income from delayed payment charge	(13.15)	(17.21)
Allowance for doubtful debts	60.78	64.98
Loss on retirement of property, plant and equipment	0.70	0.12
Provisions for claims and compensation	1.04	1.59
Depreciation and amortisation expense	169.96	105.09
Finance costs (net of capitalisation)	102.53	68.25
Transfer to tariff balancing reserve	3.28	-
Operating profit before working capital changes	**329.34**	**239.74**
Adjustments for (increase)/decrease in operating assets:		
Inventories	(3.07)	(39.83)
Trade receivables	21.71	(50.72)
Unbilled revenue	(9.57)	(68.19)
Other financial assets - current	(16.55)	(12.48)
Other financial assets - non current	(0.44)	0.07
Other current assets	0.04	(3.72)
Other non-current assets	(0.08)	-
Movement in operating assets	**(7.96)**	**(174.87)**
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(11.14)	66.06
Other financial liabilities - current	(53.24)	24.38
Other current liabilities	(0.97)	15.65
Other non-current liabilities	(5.08)	23.80
Provisions - current	0.06	(0.38)
Provisions - non current	97.77	24.92
Regulatory deferral account	(90.53)	30.94
Movement in operating liability	**(63.13)**	**185.37**
Cash generated in operations	**258.25**	**250.24**
Taxes paid (net of refund)	(33.22)	(19.37)
Net Cash flows generated from Operating Activities* (A)	**225.03**	**230.87**
B. Cash flow from Investing Activities		
Capital expenditure on property, plant and equipment (including capital work in progress and capital advances net off capital creditors)	(578.55)	(598.14)
Capital expenditure on intangible asset	(42.04)	(37.48)
Delayed payment charge received	13.15	17.21
Interest received	83.97	46.70
Deposits made with banks not considered as cash and cash equivalents	(1,450.47)	(1,230.60)
Deposits matured with banks not considered as cash and cash equivalents	1,295.54	1,036.51
Net Cash flows used in Investing Activities (B)	**(678.40)**	**(765.80)**

S R B C & CO LLP Kolkata

SRB & Associates Bhubaneswar Chartered Accountants

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

₹ in crores

Particulars		Year ended	
		March 31, 2024 (Audited)	March 31, 2023 (Audited)
C. Cash flow from Financing Activities			
Proceeds from issue of equity shares		84.61	52.63
Interest paid on security deposit		(44.62)	(24.13)
Interest paid on bank loan and other borrowing cost		(51.95)	(26.29)
Proceeds from consumer security deposits (net)		87.65	188.01
Proceeds from contribution for capital works (net)		92.21	54.16
Proceeds from subsidies towards cost of capital assets (net)		204.92	186.21
Proceeds from long-term borrowings		320.68	237.47
Repayment of long-term borrowings		(11.38)	-
Proceeds/(Repayment) from short term borrowings (net)		(100.64)	(39.02)
Net cash flows generated from Financing Activities	**(C)**	**581.48**	**629.04**
D. Net increase in cash and cash equivalents	**(A+B+C)**	**128.12**	**94.11**
E. Cash and cash equivalents at the beginning of the year		248.82	154.71
F. Cash and cash equivalents at year end (Refer Note 13)		**376.94**	**248.82**
G. Non-cash financing and investing activities:			
Issuance of equity shares for Considerations other than Cash (Refer Note 16)		81.29	50.57

*Net cash flow used in operating activities includes an amount of ₹ 3.87 crores (March 31, 2023: ₹ 1.89 crore) towards corporate social responsibility.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI FRN: 324982E/ E300003

per **Shivam Chowdhary**
Partner
Membership Number: 067077
Place: Bhubaneswar
Date: April 19, 2024

For **SRB & Associates**
Chartered Accountants
ICAI FRN: 310009E

per **R S Sahoo**
Partner
Membership Number: 053960
Place: Bhubaneswar
Date: April 19, 2024

For and on behalf of the Board of TP Northern Odisha Distribution Limited

Praveer Sinha
Director
DIN:01785164
Place: Bhubaneswar

Sanjay Kumar Banga
Director
DIN:07785948
Place: Bhubaneswar

Dwijadas Basak
Chief Executive Officer (CEO)
Place: Bhubaneswar

Siladitya Sengupta
Chief Financial Officer (CFO)
Place: Bhubaneswar

Devendra Prasad
Company Secretary
Membership Number: A39789
Place: Bhubaneswar

Date: April 19, 2024

TP NORTHERN ODISHA DISTRIBUTION LIMITED
CIN:U40109OR2021PLC035951
Januganj, Balasore, Odisha, India, 756019
Website: www.tpnodl.com

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Equity Share Capital

Particulars	No of Shares	Amount (₹ in crores)
Balance as at April 1, 2023	39,81,48,300	398.15
Issued during the year	16,59,00,000	165.90
Balance as at March 31, 2024	**56,40,48,300**	**564.05**

Particulars	No of Shares	Amount (₹ in crores)
Balance as at April 1, 2022	29,49,43,600	294.95
Issued during the year	10,32,04,700	103.20
Balance as at March 31, 2023	**39,81,48,300**	**398.15**

B. Other Equity

Particulars	Retained Earnings (₹ in crores)	Total (₹ in crores)
Balance as at April 1, 2023	**189.59**	**189.59**
Profit for the year	132.96	132.96
Other Comprehensive Income for the year	-	-
Total comprehensive income	**132.96**	**132.96**
Balance as at March 31, 2024	**322.55**	**322.55**

Particulars	Retained Earnings (₹ in crores)	Total (₹ in crores)
Balance as at April 1, 2022	**73.92**	**73.92**
Profit for the year	115.67	115.67
Other Comprehensive Income for the year	-	-
Total comprehensive income	**115.67**	**115.67**
Balance as at March 31, 2023	**189.59**	**189.59**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI FRN: 324982E/ E300003

per **Shivam Chowdhary**
Partner
Membership Number: 067077
Place: Bhubaneswar
Date: April 19, 2024

For **SRB & Associates**
Chartered Accountants
ICAI FRN: 310009E

per **R S Sahoo**
Partner
Membership Number: 053960
Place: Bhubaneswar
Date: April 19, 2024

For and on behalf of the Board of TP Northern Odisha Distribution Limited

Praveer Sinha
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Place:Bhubaneswar

Devendra Prasad
Company Secretary
Membership Number: A39789
Place:Bhubaneswar

Date: April 19, 2024

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 1 Corporate Information

TP Northern Odisha Distribution Limited ("TPNODL" or the "Company") is a public limited company, domiciled and incorporated in India and is engaged in the business of distribution of electricity in Northern Odisha. The Company has been incorporated on March 20, 2021 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the Odisha Electricity Regulatory Commission ('OERC') dated March 25, 2021, the Company acquired the business of distributing power in Northern Odisha ('business') from the Northern Electricity Supply Company of Odisha Limited ('NESCO') with effect from April 1, 2021 (vesting date). Accordingly, the Company is a licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles of Balasore, Bhadrak, Baripada, Jajpur and Keonjhar in the state of Odisha for a period of 25 years effective from April 1, 2021, which also marked the commencement of commercial operations for the Company.

The registered office of the company is located at The Corporate Office Of NESCO, Januganj Balasore , Odisha 756019.

The Company is subsidiary of The Tata Power Company Limited (TPCL) which holds 51% equity shares and balance 49% equity shares are held by GRIDCO Ltd.

NOTE 2 Material Accounting Policies

2.1 Statement of compliance

The financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with section 133 of the Companies Act, 2013 (as amended from time to time). The Company also applies requirement of Division II to Schedule III of the Companies Act 2013, while presenting financial statements. During the year, certain amendments to Ind AS have become applicable and been adopted by the Company. However, their applications did not have any material impact on financial position and financial performance of the Company.

2.2 Basis of preparation and presentation

The Ind AS Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- employee benefit expenses (refer note 18 for accounting policy)

The financial statements are presented in ₹ and all values are rounded to the nearest crores (₹ '00,00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

NOTE 3 Other Material Accounting Policies, critical accounting estimates and judgements

Accounting policies are set out along with respective explanatory notes where it specifically relates to such transactions or balances. Other significant accounting policies are set out below:

3.1 Foreign currencies

The financial statements are presented in Indian Rupee (₹), which is the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the transaction first qualifies for recognition. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

3.2 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.

The Company classifies all other liabilities 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.

3.3 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 and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price determined in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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TP NORTHERN ODISHA DISTRIBUTION LIMITED TPNODL BALASORE

3.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit or loss or fair value through other comprehensive income, depending on the classification of the financial assets.

3.4.1 Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both of the following conditions are met:

(i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) 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.

3.4.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

3.4.3 Financial assets designated at fair value through other comprehensive income (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both the following criteria are met:

(a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) the assets contractual cash flows represent SPPI

3.4.4 Impairment of financial asset

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from Contracts with Customers", the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 "Financial Instruments".

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.4.5 Derecognition of financial asset

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

(i) the rights to receive cash flows from the asset have expired, or

(ii) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

3.4.6 Offsetting of financial asset

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

3.5 Financial liabilities and equity instruments

3.5.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loan 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 bank overdrafts, security deposit from electricity consumers, consumer contributions for work under progress, capital creditors etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

(i) Financial liabilities at fair value through profit or loss

(ii) Financial liabilities at amortised cost (loans and borrowings)

3.5.2 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 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 recognised in OCI. These gains/ losses 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 and loss. The Company has not designated any financial liability as at fair value through profit or loss.

3.5.3 Financial Liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 21.

3.5.4 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.5.5 Derocgnition of financial liabilities

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 derecognition 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 and loss.

3.6 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and other assets/ liabilities acquired as part of business combination. 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.

3.7 Lease Accounting

At inception of contract, the Company assesses whether the Contract is or contains a lease. 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. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses , and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabllities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.8 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.9 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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3.10 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill as well as other assets, if any, is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.11 New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied for the first-time these amendments.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

3.12 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimates related to accrual of regulatory deferrals and revenue recognition (refer note 25 and 26)
2. Estimation of expected credit loss (refer note 12)
3. Estimation of defined benefit obligation (refer note 18)
4. Estimations of tax expense and balances (refer note 32)
5. Estimation of provision required toward litigation and other claims against the Company (refer note 35)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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NOTE 4 Property, plant and equipment :

4.01 Accounting Policy :

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation on regulated assets

Depreciation commences when an asset is ready for its intended use.

Depreciation on property, plant and equipment in respect of electricity business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates specified in vesting order and tariff regulation notified by regulatory commission. In tariff regulation, 2022 notified in December, 2022 which shall remain in force for control period FY 2023-24 to FY 2027-28, the regulatory commission has changed useful life of certain assets and has provided that depreciation shall be provided as per rates notified in these regulations for first 15 years and remaining depreciable value after a period of 15 years shall be spread over the balance useful life of the assets.

Rate of depreciation of the property, plant and equipment are as follows:

Type of asset	Rate (Assets transferred on acquisition)	Rate (New assets acquired post acquisition)
Buildings	1.80%	3.34%
Plant and equipment including transmission lines & cable network	3.80%	4.67%
Office equipment (IT Equipments)	9.00%	15%
Furniture and fixtures	4.55%	6.33%
Office equipment	9%	6.33%
Vehicles	12.86%	9.50%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Based on the Vesting Order/ tariff regulations, the residual value of the assets acquired post-acquisition is considered at 10% of the Original Cost and 5% of the Original Cost on assets transferred on acquisition.

Depreciation on meters

Depreciation on single phase smart meters and other meters has been provided in the straight line method at an useful life of 8 years and 5 years respectively.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Impairment of property, plant and equipment and intangible assets

The 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 unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group 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 post tax cash flows are discounted to their present value using a appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of property, plant and equipment and intangible assets are recognised in the statement of profit and loss.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 4.02 Property, plant and equipment (PPE) :

₹ in crores

Particulars		Gross Block				Accumulated Depreciation				Net Block
		As at April 01, 2023	Additions	Deletions	As at March 31, 2024	As at April 01, 2023	For the year	Elimination on deletions	As at March 31, 2024	As at March 31, 2024
(a)	Buildings	67.93	67.31	-	135.24	1.25	3.02	-	4.27	130.97
(b)	Plant and equipment including transmission lines and cable network	2,121.29	905.91	(4.12)	3,023.08	179.48	137.76	(3.56)	313.68	2,709.40
(c)	Motor Vehicles	1.65	0.77	(0.05)	2.37	0.14	0.22	(0.02)	0.34	2.03
(d)	Furniture and fixtures	6.20	3.93	(0.01)	10.12	1.43	1.08	(0.01)	2.50	7.62
(e)	Office equipments	49.58	21.91	(0.08)	71.41	5.70	7.91	(0.02)	13.59	57.82
	Total	**2,246.65**	**999.83**	**(4.26)**	**3,242.22**	**188.00**	**149.99**	**(3.61)**	**334.38**	**2,907.84**

Particulars		Gross Block				Accumulated Depreciation				Net Block
		As at April 01, 2022	Additions	Deletions	As at March 31, 2023	As at April 01, 2022	For the year	Elimination on deletions	As at March 31, 2023	As at March 31, 2023
(a)	Buildings	7.49	60.44	-	67.93	0.13	1.12	-	1.25	66.68
(b)	Plant and equipment including transmission lines and cable network	1,608.95	512.40	(0.06)	2,121.29	86.38	93.11	(0.01)	179.48	1,941.81
(c)	Motor Vehicles #	0.47	1.18	(0.00)	1.65	0.05	0.09	(0.00)	0.14	1.51
(d)	Furniture and fixtures	1.11	5.22	(0.13)	6.20	0.36	1.18	(0.11)	1.43	4.77
(e)	Office equipment	16.58	33.07	(0.07)	49.58	1.26	4.45	(0.01)	5.70	43.88
	Total	**1,634.60**	**612.31**	**(0.26)**	**2,246.65**	**88.18**	**99.95**	**(0.13)**	**188.00**	**2,058.65**

 # 0.00 represents amount below the rounding off norm adopted by the Company

NOTE 4.03 Additional information regarding assets acquired from NESCO as on 01 April, 2021

Particulars		As at April 01, 2021			Upto March 31, 2023		Year ended March 31, 2024			As at March 31, 2024
		Gross Block	Accumulated Depreciation	Net carrying amount/Fair value at acquisition date	Deletion Gross Block	Accumulated Depreciation	Additions	Deletions Gross block	Accumulated depreciation	Net Block
(a)	Buildings	5.59	2.12	3.47	-	-	-	-	-	3.47
(b)	Plant and equipment including transmission lines and cable network	2,184.68	716.58	1,468.10	0.06	0.01	-	4.12	3.34	1,467.27
(c)	Motor Vehicles #	0.55	0.39	0.16	0.00	0.00	-			0.15
(d)	Furniture and Fixtures	2.26	1.97	0.29	0.12	0.11	-	0.01	0.01	0.27
(e)	Office Equipment #	6.33	4.92	1.41	-	-	-	0.00	0.00	1.41
	Total	**2,199.41**	**725.98**	**1,473.43**	**0.18**	**0.12**	**-**	**4.13**	**3.35**	**1,472.57**

 # 0.00 represents amount below the rounding off norm adopted by the Company

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NOTE 4.04 Depreciation and amortization charged to Statement of Profit and Loss:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment	149.99	99.95
Amortisation of Intangible assets	19.97	5.14
	169.96	**105.09**

NOTE 4.05 The Company does not own any land in its name. As per terms of vesting order, land has been given on lease to the Company for a nominal consideration of ₹1 per year, till the expiry of power distribution license. The Company has retained operational rights over these lands used for the purpose of carrying out distribution business under the license granted by OERC.

Beneficial ownership of immovable properties constructed over the above lands viz; buildings have been transferred to the Company with effect from acquisition date. As per terms of vesting order, title for the said immovable properties continues to be in the name of erstwhile administration and Companies.

NOTE 4.06 Assets created out of Government grants etc., where the concerned liability has not been transferred

The items of the property, plant and equipment include assets created out of Government Grant. As per the terms of the Vesting Order and the Carve Out Order, these assets have been transferred to the Company; however, the corresponding deferred Grant liability has not been transferred. The Vesting Order and the Carve Out Order also provides that depreciation charged on these assets will not be allowed for determination of tariff.

In the financial statements, the Company has charged depreciation as per the accounting policy as stated above. As per the vesting order and the Carve Out order, the Company is required to utilise any amount realised through depreciation toward meeting additional serviceable liabilities. If there are any shortages in realisation to meet these additional serviceable liabilities, then the OERC will allow such shortfall through Aggregate Revenue Requirement ('ARR') adjustment.

Considering the above, the management has determined that lower depreciation allowed in ARR pursuant to the above requirements will not have any adverse impact on financial position and financial performance of the Company as at and for the year ended March 31, 2024.

NOTE 4.07 Physical verification of PPE

In accordance with physical verification policy adopted by the Company, an independent party has carried out physical verification in respect of a portion of PPE belonging to the Company. Based on reports issued by the independent party and after considering necessary reconciliations prepared by the third party/ management, Plant and Machinery having net written down value of ₹ 0.03 crores (Gross Carrying Amount: ₹ 0.05 crores) and Furniture & Fixture, Office Vehicle and Office Equipments having net written down value of ₹ 0.01 crores (Gross Carrying Amount: ₹ 0.01 crores) are not in existence and accordingly, have been decapitalised during the year. The corresponding adjustment has been to Regulatory Deferral Balance account and there is no impact on net worth and/or profit or loss of the Company.

NOTE 4.08 Property Plant and Equipment created out of consumer funds

Considering the provisions of the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019, the management believes that it has legal right and ownership over the property, plant and equipment (PPE) which are directly funded by the consumers and are being used to supply electricity to the consumers. Accordingly, during the year, the Company has capitalized PPE amounting to ₹ 231.69 Crores (March 31, 2023: ₹ 169.20 Crores) and recognised the corresponding liability under the head consumer contribution. Depreciation on PPE as well as amortisation of ₹ 66.07 Crores (March 31, 2023: ₹ 56.98 Crores) are being recognised in the Statement of Profit and Loss, having no net impact on profit or loss of the Company.
The management believes that the accounting adopted by the Company reflects substance of the arrangement and is also in compliance with the applicable requirements. Based on physical verification policy adopted by the Company, physical verification of these assets is being carried out along with other assets of the Company.

NOTE 4.09 Property Plant and Equipment received in lieu of shares

The items of the property, plant and equipment include assets received in lieu of shares amounting to ₹ 81.29 crores (March 31, 2023 : ₹ 50.57 crores) (refer note 16)

NOTE 4.10 Refer note 21 for charge created against borrowings.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 5 Capital work-in-progress
Accounting Policy
Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

₹ in crores

Particulars	As at April 01, 2023	Additions	Capitalized	As at March 31, 2024
Capital Work in Progress (majorly pertains to Plant & Machinery and transmission lines & cable network)	415.66	1,080.12	1,042.01	453.77
Total	415.66	1,080.12	1,042.01	453.77

₹ in crores

Particulars	As At April 01, 2022	Additions	Capitalized	As at March 31, 2023
Capital Work in Progress (majorly pertains to Plant & Machinery and transmission lines & cable network)	164.67	900.77	649.78	415.66
Total	164.67	900.77	649.78	415.66

Project in progress includes setting up substations, installations of transformer and cable networks at various locations in northern part of Odisha.
CWIP includes closing capital inventory of ₹ 226.23 Crores as at March 31, 2024 (March 31, 2023 : ₹ 215.33 Crore).

There are no projects temporarily suspended as at March 31, 2024 and March 31, 2023.

NOTE 5.01 Capital work in progress (CWIP) Ageing Schedule*

₹ in crores

As at March 31, 2024	Less than 1 year	1-2 years	More than 2 years	Total
Capex-Government Funded	203.51	66.56	2.30	272.37
Capex-Consumer Funded	29.23	3.19	0.55	32.97
Capex-Meter	34.77	4.10	1.17	40.04
Capex-Own	98.82	8.79	0.78	108.39
Total	366.33	82.64	4.80	453.77

As at March 31, 2023	Less than 1 year	1-2 years	More than 2 years	Total
Capex-Government Funded	185.69	3.54	-	189.23
Capex-Consumer Funded	17.07	8.49	-	25.56
Capex-meter	39.63	9.46	-	49.09
Capex-Own	143.13	8.65	-	151.78
Total	385.52	30.14	-	415.66

* CWIP ageing schedule has been prepared from the date of acquisition of business by the Company.

NOTE 5.02
CWIP Completion Schedule whose completion is overdue or exceeding its cost compared to its original plan as at March 31, 2024

Particulars	To be completed in		
	Less than 1 year	1-2 years	more than 2 years
YAAS Cyclone Infrastructure Development	73.62	-	-
OPTCL-ODSSP	1.79	-	-
Total	75.41	-	-

Post acquisition of business, there are no projects with costs over run or exceeding the planned timeline for completion as at March 31, 2023..

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Type of asset	Rate (New assets acquired post acquisition)
Software	30%

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Impairment of Intangible assets (refer note 4.01)

₹ in crores

Description	Computer software	Total
Gross Block		
Balance as at April 01, 2022	19.42	19.42
Additions	37.48	37.48
Deletions	-	-
Balance as at April 01, 2023 (A)	**56.90**	**56.90**
Additions	42.18	42.18
Deletions	(0.18)	(0.18)
Balance as at March 31, 2024 (B)	**98.90**	**98.90**
Accumulated amortisation and impairment		
Balance as at April 01, 2022	1.16	1.16
Amortisation expense	5.14	5.14
Elimination on disposal	-	-
Balance as at April 01, 2023 (C)	**6.30**	**6.30**
Amortisation expense	19.96	19.96
Elimination on disposal	(0.03)	(0.03)
Balance as at March 31, 2024 (D)	**26.23**	**26.23**
Net carrying amount		
As at March 31, 2024 (B-D)	**72.67**	**72.67**
As at March 31, 2023 (A-C)	**50.60**	**50.60**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 7 Financial assets - non current

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(Unsecured and considered good, at amortised cost)		
Deposits with banks- earmarked balances*	386.85	367.28
Other receivables	6.64	6.59
Security Deposit-to various authorities	7.68	7.29
	401.17	381.16

* Earmarked balances against government grants/consumer contribution for work under progress

NOTE 8 Deferred tax liabilities (net) (refer note no 32)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Deferred tax liabilities (net)	19.54	20.29
	19.54	20.29

NOTE 9 Tax assets / (liabilities)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
9.1 Non-current tax assets		
Advance income tax/ tax deducted at source (net of provision)	27.74	28.21
Total non-current tax assets	27.74	28.21

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
9.2 Current tax liabilities (net)		
Income Tax Payable	19.25	4.69
Total current tax liabilities (net)	19.25	4.69

NOTE 10 Other non-current assets

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(Unsecured and considered good at amortised cost)		
(a) Receivable From State Government	2.10	2.03
(b) Capital advances	4.46	34.54
(c) Others*	12.85	12.85
	19.41	49.42

* includes amount recoverable from suppliers etc.

NOTE 11 Inventories (At lower of cost and net realisable value)

Accounting policy

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on moving weighted average basis.
NRV 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. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Stores and spares	57.04	53.97
Total inventories	57.04	53.97

Note: Refer note 21 for charge created against borrowings

NOTE 12 Trade receivables-Current (At amortised cost)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Unsecured, Considered good	160.17	219.37
Significant increase in credit risk	168.53	131.03
	328.70	350.40
Less: Allowance for doubtful debts (expected credit loss)	151.32	90.54
Total Trade receivables (net)	177.38	259.86

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Note

i The Company holds security deposits from consumers amounting to ₹ 853.47 crores (March 31, 2023: ₹ 795.82 crores)

ii Refer Note 21 for charge created against borrowings

iii The management has formulated a mechanism for receiving and addressing customer complaints including those related to billing and receivables outstanding. The management has identified disputed receivables basis information available with the Company

iv Trade receivables include amount of ₹ 168.53 crores (March 31,2023: ₹ 131.03 crores) from consumers who are inactive/ permanently disconnected, temporarily disconnected/ were non-government/ low-paying or non-paying and/or disputed

The Company has acquired power distribution business of NESCO w.e.f. April 01, 2021. The management believes that collection data related to pre-acquisition period is not relevant to assess expected credit loss (ECL) allowance on receivables in the post-acquisition period. In this scenario, the Company has recognised Expected Credit Loss (ECL) allowance on trade receivables using its best estimate considering among other aspects factors such as segregation between government and non-government consumers, security deposit available, outcome of the Company's effort to reach consumers, their most recent payment behaviour as well as the fact that electricity is an essential commodity and regulations will require consumers to clear old dues to get continuous electricity

Post-acquisition of power distribution business from the NESCO, the Company's continuous endeavour has been to reduce AT&C losses, reduce provisional billing and improve collection through better reach to consumers as well as other measures. In the process, the Company had initially faced several challenges including more than one Covid waves, Cyclones and delays in appointment/ working of metering, billing and collection (MBC) agencies for reasons beyond control of the Company. The Company successfully dealt with these challenges. It is continuously working toward reducing provisional billing and improving overall collection efficiency by changing payment behaviour of consumers. The management is confident it will be able to collect most of the outstanding receivables as it increases its reach to the consumers and also considering that electricity is an essential commodity for all consumers. Accordingly, the management believes the above ECL allowance reflects best estimate and is appropriate as per Ind AS 109 – Financial Instruments

v **Trade receivables ageing schedule as at March 31, 2024**

Particulars	Less than 6 Months*	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables						
a) Considered good	67.04	34.28	41.45	17.40	-	160.17
b) Significant increase in credit risk	24.27	28.93	74.11	35.77	-	163.08
(ii) Disputed trade receivables						
a) Considered good	-	-	-	-	-	-
b) Significant increase in credit risk	-	-	5.45	-	-	5.45
Total	**91.31**	**63.21**	**121.01**	**53.17**	**-**	**328.70**

vi **Trade receivables ageing schedule as at March 31, 2023**

Particulars	Less than 6 Months*	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables						
a) Considered good	171.44	43.90	-	-	-	215.34
b) Significant increase in credit risk	-	46.94	76.09	-	-	123.03
(ii) Disputed trade receivables						
a) Considered good	-	4.03	-	-	-	4.03
b) Significant increase in credit risk	-	8.00	-	-	-	8.00
Total	**171.44**	**102.87**	**76.09**	**-**	**-**	**350.40**

Note: Trade receivable ageing schedule has been prepared from the date of acquisition of business by the Company.
The ageing has been prepared after adjusting the collections in accordance with the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019.

* includes amount not due as at March 31, 2024 and March 31,2023

vii **Movement in the allowance for doubtful trade receivables**

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Balance at the beginning of the year	90.54	25.56
Add: Expected credit losses for the year (Refer Note 31)	60.78	64.98
Balance at the end of the year	**151.32**	**90.54**

NOTE 13 Cash and Bank balances

Accounting policy

13.1 Cash and cash equivalents 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. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise of cash at bank, cash / cheques on hand and short-term deposits, as defined above

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
13.2 Cash and cash equivalent		
(a) Balances with banks - on current accounts	122.02	86.42
(b) Deposits with banks with original maturity of less than three months	242.53	139.00
(c) Cash on hand	12.39	23.40
Total cash and cash equivalents	**376.94**	**248.82**

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	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
13 3 Other balances with banks (At amortised cost)		
(i) Deposits with banks*	1,089.28	953.93
	1,089.28	**953.93**

*includes earmarked balances against consumer security deposits amounting to ₹ 928 02 crores (March 31 2023 ₹ 330 88 crores)

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates

As at March 31 2024 the Company had available ₹ 515 16 crores (March 31 2023 ₹ 565 23 crores) of undrawn committed borrowing facilities.
The Company has pledged a part of its short term deposits to fulfill collateral requirements Refer to Note 21 for further details

13 4 **Changes in liability arising from financing activities and non-cash financing and investing activities**

₹ in crores

Particulars	As at April 1, 2023	Cash Flows		Other transactions*	As at March 31, 2024
		Proceeds	Payment		
Security deposits from electricity consumers	795 82	87 65	-	-	883 47
Contribution for capital works	1 245 33	92 21	-	155 15	1 492 69
Subsidies towards cost of capital asset	517 29	204 92	-	(15 21)	707 00
Bank overdraft (net payment during the year)	193 95	-	(100.64)	-	93 30
Long term borrowings	237 47	320 68	(11 38)	-	546 77
Total	**2,989.86**	**705.46**	**(112.02)**	**139.94**	**3,723 23**

₹ in crores

Particulars	As at April 1, 2022	Cash Flows		Other transactions*	As at March 31, 2023
		Proceeds	Payment		
Security deposits from electricity consumers #	607 82	188 01	-	(0 01)	795 82
Contribution for capital works	1,085 92	54 16	-	105 25	1,245 33
Subsidies towards cost of capital asset	352 42	186 21	-	(21 34)	517 29
Bank overdraft (net payment during the year)	226 72	-	(39 02)	6 25	193 95
Long term borrowings	-	237 47	-	-	237 47
Total	**2,272.86**	**665.85**	**(39.02)**	**90.15**	**2,989.86**

*Includes non-cash transactions like amortisation of upfront fees on term loan, amortisation of consumer deposit work/grant etc

NOTE 14 Other financial assets - current

(Unsecured and considered good, at amortised cost)	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Advance to staff	2 76	3 50
(b) Income accrued but not due	2 30	1 76
(c) Other receivables (includes receivable from Collection Agencies)	40 11	22 82
	45.17	**28.08**

NOTE 15 Other current assets

(Unsecured and considered good, at amortised cost)	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Advances to others (includes advance to vendors and prepaid expenses)	23 72	23 76
	23.72	**23.76**

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TP NORTHERN ODISHA DISTRIBUTION LIMITED TPNODL BALASORE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 16 Share capital

	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in crores	No.	₹ in crores
Authorised Share Capital				
Equity shares of ₹ 10/- each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	1,00,00,00,000	**1,000.00**	**1,00,00,00,000**	**1,000.00**
Issued, subscribed capital:				
Equity shares of ₹ 10/- each (fully paid up)	56,40,48,300	564.05	39,81,48,300	398.15
Total issued, subscribed and paid-up share capital	**56,40,48,300**	**564.05**	**39,81,48,300**	**398.15**

a. **Reconciliation of shares outstanding as at the beginning and at the end of the reporting year:**

	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in crores	No.	₹ in crores
Equity shares				
At the beginning of the year	39,81,48,300	398.15	29,49,43,600	294.94
Issued during the year	16,59,00,000	165.90	10,32,04,700	103.20
Outstanding at the end of the year	56,40,48,300	564.05	39,81,48,300	398.15

b. **Rights, preference and restrictions attached to shares including restrictions on the distribution of dividends and the repayment of capital:**

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The share holders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

c. **Details of share holders holding more than 5% shares in the Company**

Equity shares of Rs. 10 each fully paid	As at March 31, 2024		As at March 31, 2023		
Name of the Shareholder	No of Shares	% of Holding	No of Shares	% of Holding	% change in holding during the year
A. The Tata Power Company Ltd (Holding company)	28,76,64,633	51.00%	20,30,55,633	51.00%	0%
B. GRIDCO Ltd (Company having significant influence)	27,63,83,667	49.00%	19,50,92,667	49.00%	0%
Total	**56,40,48,300**	100.00%	**39,81,48,300**	100.00%	0%

d. **Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash.**

The Company has allotted equity shares as fully paid for considerations received in form of distribution assets, pursuant to shareholder's agreement and the Government of Odisha notifications. The value of distribution assets have been determined by an independent valuer.

Particulars	March 31, 2024	March 31, 2023
	No. of Shares	No. of Shares
Aggregate Equity shares issued in lieu of property plant and equipment	15,38,83,667	7,25,92,667

e. **Shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Name of promoter	No. of Shares as at March 31, 2024	Change during the year	No. of Shares as at March 31, 2023	% of Total Shares	% change
A. The Tata Power Company Ltd	28,76,64,633	8,46,09,000	20,30,55,633	51%	0%
B. GRIDCO Ltd	27,63,83,667	8,12,91,000	19,50,92,667	49%	0%
Total	**56,40,48,300**	**16,59,00,000**	**39,81,48,300**	**100%**	0%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoters	No. of Shares as at March 31, 2023	Change during the year	No. of Shares as at March 31, 2022	% of Total Shares	% change
A. The Tata Power Company Ltd	20,30,55,633	5,26,34,397	15,04,21,236	51%	0%
B. GRIDCO Ltd	19,50,92,667	5,05,70,303	14,45,22,364	49%	0%
Total	**39,81,48,300**	**10,32,04,700**	**29,49,43,600**	**100%**	0%

NOTE 17 Other equity

	As at March 31, 2024	As at March 31, 2023
	₹ in crores	₹ in crores
Retained earnings		
Balance at beginning of year	189.59	73.92
Add: Profit for the year	132.96	115.67
Other Comprehensive Income for the year (net)	-	-
Balance as at the end of the year	**322.55**	**189.59**

Nature and purpose of reserves:

Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividend or other distributions paid to shareholders.

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NOTE 18 Provisions

18.1 **Accounting Policy**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The impact of unwinding present value determine is recognised in the statement of profit and loss.

Present obligations arising under onerous contracts are recognized and measured as provisions with charge to the statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations will exceed the economic benefits expected to be received from the contract.

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the benefit. If the contribution payable to the scheme for service received on or before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received on or before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

Other current and other non-current employee benefits

A liability is recognized for current benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The cost of providing other long-term employee benefits, including earned leave, sick leave and other benefits, is determined using the projected unit credit method. The related expenses including remeasurement gains and losses are recognized in the statement of profit and loss.

The Company operates a scheme for Compensated absences wherein the employee is entitled to avail leave benefits as per the policy of the Company. The leave benefits are linked to the salary of the employee and the employee is entitled to either avail paid leave or encash unutilised leave either during employment or on retirement. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Remeasurement/ Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Pre acquisition liabilities of employees transferred from erstwhile NESCO :-

The terms of the Vesting Order as modified by the Carve Out Order provide that for entire liabilities toward pension, gratuity and compensated absences of employees retried before the acquisition date and acquisition date liabilities of continuing employees on the acquisition date, the Company's responsibility is limited only to remitting fixed amount requested by the respective Trusts and the same will be allowed to be recovered from consumers for disbursal to the beneficiaries covered under the Trusts. The Company has recognized amount payable to the Trusts for the current year for onward payment of the said liabilities are charged as an expense as they fall due.

Post-acquisition date liabilities of employees who were in service employees on the acquisition date are accounted for either as defined benefit plan or other long term employee benefit basis nature of the benefit.

18.2 **Defined contribution plans**

Erstwhile NESCO Employees

Provident Fund Plan

The Company's contributions toward provident fund of the eligible employees is deposited under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The provident fund is operated by the regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Company does not have any further obligation under the plan.

Other than Erstwhile NESCO utility Employees

Provident Fund Plan

The Company makes contributions toward Provident Fund of qualifying employees which is a defined contribution plan. The Company's contribution to the Employees Provident Fund is deposited under the Employees Provident Fund and Miscellaneous Provisions Act,1952 which is recognized by the Income Tax Authorities and operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Company does not have any further obligation under the plan.

Employee State Insurance

The Company makes Employee State Insurance ('ESI') scheme contributions to defined contribution plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified are paid to the Employee State Insurance Corporation ('ESIC') set under the ESI Act 1948. The Company is generally liable for annual contributions. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The Company has recognized a total of Rs 15.27 crores (March 31, 2023: Rs 13.36 crores) as contribution towards all the defined contribution plans in the Statement of Profit or Loss.

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18.3 **Defined Benefits plans**

Erstwhile NESCO Employees

i) Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Odisha Civil Services (Pension) Rules 1992. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is partly funded plan. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognized insurer managed funds in India.

ii) Pension

The Company has a defined benefit pension plan. The pension plan is primarily governed by the Odisha Civil Services (Pension) Rules 1992. Employees who had joined NESCO on or before 31st December 2004 are eligible for pension. The level of benefits provided depends on the member's length of service and salary at the retirement date. The pension plan is partly funded plan. The fund has the form of a trust and is governed by Trustees appointed by the Company. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognized insurer managed funds in India.

The terms of the vesting order as modified by the Carve Out order provide that for entire liabilities toward pension, gratuity and leave encashment of employees retried before the acquisition date and acquisition date liabilities of continuing employees on the acquisition date, the Company's responsibility is limited only to remitting fixed amount requested by the respective Trusts and the same will be allowed to be recovered from consumers for disbursal to the beneficiaries covered under the Trusts. Based on specific clarifications provided in the carve out and the vesting order, the Company has recognized amount payable to the Trusts for the current year for onward payment of the said liabilities in the statement of profit and loss as they fall due.

Post-acquisition date liabilities of employees who were in service employees on the acquisition date are accounted for either as defined benefit plan or other long term employee benefit basis nature of the benefit.

Refer note 18.6 for further details.

Other than Erstwhile NESCO Employees (Unfunded)

i) Gratuity

The Company operates a gratuity plan covering qualifying employee. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.

ii) Pension

The Company has a defined benefit pension plan granting a pre-determined sum as pension after completing vesting period.

iii) Post Employment Medical Benefit

The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at companies' facilities. The benefit is treated as defined benefit plan.

iv) Ex-Gratia Death Benefits

The Company has a defined benefit plan granting ex-gratia payment in case of death during service. The benefit consists of a pre-determined lump sum amount along with a sum determined based on last drawn basic salary per month and the length of service.

v) Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

		As at March 31, 2024	As at 31st March 2023
(a)	**Provision for Employee Benefits**	₹ in crores	₹ in crores
	Non-Current		
	Gratuity (Refer Note 18.6c)	42.31	36.00
	Pension Fund (Refer Note 18.6c)	145.08	71.77
	Leave Encashment (Refer Note 18.6c)	34.41	20.97
	Rehabilitation (Refer Note 18.6c)	1.12	2.00
	Other Defined Benefit Plans (Refer Note 18.6c)	32.99	27.40
	Total Non-current provisions	**255.91**	**158.14**
	Current		
	Gratuity (Refer Note 18.6c)	0.21	0.19
	Leave Encashment (Refer Note 18.6c)	1.21	1.24
	Other Defined Benefit Plans (Refer Note 18.6c)	3.84	3.47
		5.26	4.90
(b)	**Other provisions**		
	Provisions for claims & compensation	11.64	10.90
		11.64	10.90
	Total current provisions	16.90	15.80

18.4 **Pre-acquisition liabilities of employees transferred from erstwhile NESCO**

The Company has acquired the electricity distribution business of NESCO with effect from April 01, 2021. As a part of Business transfer, all the employees of the undertaking were transferred to the Company effective April 01, 2021, on a continuity of service conditions. Previously retired employees as well as continuing employees of NESCO transferred to the Company are entitled to pension and/or gratuity plan which are managed by separate trusts who are responsible for the disbursement of pension and gratuity to the beneficiaries. Liabilities of these trusts determined on an actuarial basis exceed assets available with them. Based on terms of the Vesting Order as modified by the Carve Out Order, these liabilities are treated in two parts.

Liabilities for past employees and acquisition date liabilities of existing employees

The Vesting Order as modified by the Carve Out order states that for entire liabilities toward pension, gratuity and leave encashment of past employees and acquisition date liabilities of existing employees, the Company's responsibility is limited only to remitting fixed amount requested by the respective Trusts and recovered by it from consumers as a part of ARR for disbursal to the beneficiaries covered under the Trusts. Given below are details of Trusts' total accrued liabilities in respect of these of ligations not transferred to the Company at this stage.

As at March 31, 2024 — ₹ in crores

Particulars	Pension	Gratuity	Leave	Total
Total liability of all employees	**1,190.25**	**52.90**	**101.78**	**1,344.93**
Total liabilities in respect of obligation not transferred to the company				
Total liabilities of past employees	864.65	-	-	864.65
Acquisition date liabilities of existing employees	180.52	19.30	71.56	271.37
Total	**1,045.17**	**19.30**	**71.56**	**1,136.02**

As at March 31, 2023 — ₹ in crores

Particulars	Pension	Gratuity	Leave	Total
Total liability of all employees	**1,138.65**	**51.42**	**93.34**	**1,283.41**
Total liabilities in respect of obligation not transferred to the company				
Total liabilities of past employees	878.14	-	-	878.14
Acquisition date liabilities of existing employees	188.74	22.46	75.44	286.64
Total	**1,066.88**	**22.46**	**75.44**	**1,164.78**

As per the Vesting and the Carve Out Order, below amounts paid / payable is given below for the current year towards the liabilities in respect of obligation not transferred to Company and have been recognised as expense in the statement of profit and loss and towards liabilities in respect of obligation transferred to Company & have been recognised in liability.

March 31, 2024 — ₹ in crores

Particulars	Pension	Gratuity	Leave	Total
Amount paid/payable towards liabilities in respect of obligation not transferred to the Company	109.79	4.08	3.86	117.73
Amount paid/payable towards liabilities in respect of obligation transferred to the Company	0.56	3.16	0.98	4.70
Total	**110.35**	**7.24**	**4.84**	**122.43**

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

March 31, 2023 ₹ in crores

Particulars	Pension	Gratuity	Leave	Total
Amount paid/payable towards liabilities in respect of obligation not transferred to the Company	96.84	-	-	96.84
Amount paid/payable towards liabilities in respect of obligation transferred to the Company	6.88	8.83	8.85	24.56
Total	103.72	8.83	8.85	121.40

Post-acquisition date liabilities of existing employees:

The Company has assessed that post transfer of business, these plans as defined benefit plans and has accordingly recognized incremental liability in respect of existing employees on the acquisition date in the financial statements. Given below are necessary disclosures in respect of these liabilities along with other defined benefit plans of the Company.

18.5 Risk associated with the plan provisions are actuarial risk. These risk are interest rate risk, demographic risk and salary escalation risk.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Escalation risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

18.6 The following tables set out the funded status of gratuity plan and amount recognized in the Company's financial statements as at March 31, 2024. The valuation has been carried out using the " Project Unit Credit Method " as per Ind AS 19 ' Employee Benefits' to determine the present value of defined benefit obligations and related current service cost.

a. Present Value of obligations ₹ in crores

	Particulars	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
a.	**Present Value of obligations as at April 01, 2022 as per Actuarial Valuation (including obligation not transferred to the company) (Refer Note 18.3)**	6.78	125.08	81.04	286.59
b.	Interest Cost	0.47	8.56	5.36	19.94
c.	Current Service Cost	0.84	2.13	3.86	16.61
d.	Past Service Cost	-	0.01	-	-
e.	Acquisition (Credit)/Cost	0.48	0.39	-	-
f.	Actuarial loss / (gain)-Demographic	-	-	-	-
g.	Actuarial loss / (gain)-Financial	(0.13)	(2.97)	(1.96)	(9.60)
h.	Actuarial loss / (gain)-Experience	(0.85)	6.27	5.60	(0.76)
i.	Benefits Paid	(0.35)	(8.52)	(11.10)	(11.36)
j.	Immediate recognition of (gains)/Losses-other long term employee benefit plans	-	-	-	-
k.	**Present Value of obligations as at March 31, 2023 as per Actuarial Valuation (including obligation not transferred to the company (Refer Note 18.3)**	7.24	130.97	82.80	301.43
l.	Interest Cost	0.51	3.18	5.69	21.50
m.	Current Service Cost	1.51	10.90	3.61	12.47
n.	Past Service Cost	-	-	-	-
o.	Acquisition (Credit)/Cost	(0.39)	(0.17)	-	0.02
p.	Actuarial loss / (gain)-Demographic	-	0.36	(1.35)	5.98
q.	Actuarial loss / (gain)-Financial	0.26	5.04	3.15	16.49
r.	Actuarial loss / (gain)-Experience	0.44	2.14	0.68	20.60
s.	Benefits Paid	(0.64)	(5.70)	(9.58)	(13.94)
t.	Immediate recognition of (gains)/Losses-other long term employee benefit plans	-	-	-	-
u.	**Present value of obligation at the end of the March 31, 2024 (including obligation not transferred to the company (Refer Note 18.3)**	8.92	146.71	85.01	364.55

b. Fair value of plan assets

₹ in crores

	Particulars	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
a.	**Fair value of plan asset as at April 1, 2022 (including plan assets not transferred to the Company)**	-	3.18	31.21	41.93
b	Acquisition (Credit)/Cost	-	-	-	-
c	Estimated return on plan asset	-	0.22	2.14	2.82
d	Employer contribution	-	0.35	8.83	2.56
e	Benefits Paid	-	(0.58)	(11.10)	(7.04)
f	Excess of actual over estimated return	-	(0.42)	0.31	0.65
g	Others	-	-	-	-
h.	**Fair value of plan asset as at March 31, 2023 (including plan assets not transferred to the Company)**	-	2.75	31.36	40.91
i	Acquisition (Credit)/Cost	-	-	-	0.02
j	Estimated return on plan asset	-	0.19	2.21	2.80
k	Employer contribution	-	0.30	7.25	1.76
l	Benefits Paid	-	(0.50)	(9.58)	(6.79)
m	Excess of actual over estimated return	-	0.15	0.87	0.25
n	Others	-	-	-	-
o.	**Fair value of plan asset as at March 31, 2024 (including plan assets not transferred to the Company)**	-	2.88	32.12	38.95

c. Amount to be recognized in the balance sheet

₹ in crores

Particulars	As at March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at the end of the year as per Actuarial Valuation (including obligation not transferred to the company)	8.92	146.71	85.01	364.55
2. Fair value of Assets at the end of the year (including obligation not transferred to the company)	-	2.88	32.12	38.95
3. Net liability	8.92	143.82	52.90	325.60
4. Liability not transferred to the Company as per vesting order	-	70.20	19.30	180.52
5. Net Liability recognized in balance sheet	**8.92**	**73.63**	**33.60**	**145.08**
6. Net Current Liability recognized in balance sheet	0.21	5.05	-	-
7. Net Non Current Liability recognized in balance sheet	8.71	68.57	33.60	145.08

₹ in crores

Particulars	As at March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at the end of the year as per Actuarial Valuation (including obligation not transferred to the company)	7.24	130.97	82.80	301.43
2. Fair value of Assets at the end of the year (including obligation not transferred to the company)	-	2.75	31.38	40.91
3. Net liability	7.24	128.22	51.42	260.52
4. Liability not transferred to the Company as per vesting order	-	73.10	22.46	188.74
5. Net Liability recognized in balance sheet	**7.24**	**55.12**	**28.96**	**71.77**
6. Net Current Liability recognized in balance sheet	0.19	4.71	-	-
7. Net Non Current Liability recognized in balance sheet	7.04	50.41	28.96	71.77

d. Expenses Recognised in the Statement of Profit & Loss

₹ in crores

Particulars	For the Year Ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	1.51	9.91	3.61	12.47
2. Past Service Cost	-	-	-	-
3. Interest Cost	0.51	3.18	5.69	21.50
4. Expected return on Plan Assets	-	(0.19)	(2.21)	(2.80)
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	7.55	-	-
6. Net Actuarial (Gain)/Loss recognized in the year	-	-	-	-
7. Others	-	-	-	-
8. Others (payment to trust)	-	-	4.08	109.79
9. Expenses recognized in statement of Profit & Loss	**2.01**	**20.45**	**11.18**	**140.95**

₹ in crores

Particulars	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service costs	0.84	2.13	3.86	16.61
2. Past Service costs	-	0.01	-	-
3. Interest costs	0.47	8.58	5.36	19.94
4. Expected return on Plan Assets	-	(0.22)	(2.14)	(2.82)
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	3.75	-	-
6. Net Actuarial (Gain)/Loss recognized in the year	-	-	-	-
7. Others	-	-	-	-
8. Others (payment to trust)	-	-	-	96.84
9. Expenses recognized in statement of Profit & Loss	**1.31**	**14.25**	**7.08**	**130.58**

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e. **Amount recognised in other comprehensive income (remeasurements)**

₹ in crores

Particulars	For the Year Ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	5.98
- changes in financial assumptions	0.26	0.06	1.80	16.49
- experience adjustments	0.44	(0.22)	0.68	20.62
Return on plan assets (greater)/less than discount rate	-	-	(0.87)	(0.27)
Total	0.70	(0.16)	1.61	42.82

₹ in crores

Particulars	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	(0.13)	(0.01)	(1.96)	(9.60)
- experience adjustments	(0.85)	(0.02)	5.60	(0.76)
Return on plan assets (greater)/less than discount rate	-	-	(0.31)	(0.65)
Total	(0.99)	(0.03)	3.33	(11.00)

f. **Principal assumptions**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity (Unfunded)	Gratuity (funded)	Gratuity (Unfunded)	Gratuity (funded)
1 Discount rate	7.00%	7.00%	7.10%	7.10%
2 Salary escalation	7.00%	6.00%	7.00%	7.00%
3 Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

g. **Category wise plan assets**

Particulars	As at March 31, 2024 Gratuity (Funded)	As at March 31, 2024 Pension (Funded)	As at March 31, 2023 Gratuity (Funded)	As at March 31, 2023 Pension (Funded)
Cash & Cash Equivalents	17%	14%	19%	17%
State Government Securities	52%	47%	50%	35%
Government of India Assets	-	-	-	-
Corporate Bonds	31%	39%	31%	48%
Other	-	-	-	-
Total	100%	100%	100%	100%

h. **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

₹ in crores

Increase/ (decrease) in defined benefit liability	For the Year Ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.45	8.79	2.77	13.21
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.42)	(8.16)	(3.27)	(12.38)
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.42)	(8.35)	(5.17)	(26.82)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.46	9.08	5.63	30.14

₹ in crores

Increase/ (decrease) in defined benefit liability	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.34	7.58	3.50	11.25
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.32)	(7.03)	(3.42)	(10.53)
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.32)	(7.01)	(4.61)	(22.12)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.34	7.61	5.02	24.88

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of reporting period. The sensitivity are based on a change in a significant assumption, keeping all other assumptions constant

The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another

i. **The following payments are expected contributions to the defined benefit plan in future years:***

₹ in crores

Expected Future cashflows	For the Year Ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Year-1	0.22	7.55	3.71	17.61
Year-2	0.62	8.06	3.68	19.88
Year-3	1.13	8.39	3.37	15.62
Year-4	1.18	8.03	3.19	13.32
Year-5	1.21	9.20	4.16	13.88
Year 6-10	7.83	51.10	22.47	66.68

₹ in crores

Expected Future cashflows	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Year-1	0.20	9.35	6.88	13.16
Year-2	0.23	8.56	5.57	15.40
Year-3	0.62	7.82	4.22	11.12
Year-4	1.09	8.25	4.29	8.80
Year-5	1.50	7.67	3.75	9.35
Year 6-10	6.63	43.49	25.22	44.09

*including payment for liabilities not transferred to the Company (refer note 18.4)

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

		As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
NOTE 19 Capital grant and consumer contribution towards Capital Assets			
	Non Current (At cost less amortisation)		
	Consumer Contribution towards cost of capital assets	1,266.67	1,063.51
	Deferred Government Grants towards cost of capital assets	107.50	16.25
	Total Capital Grant and Consumer Contribution towards Capital Assets	**1,374.17**	**1,079.76**
19.01	**Movement in consumer contribution towards cost of capital assets**		
	Opening balance	1,063.51	944.40
	Add: Additions during the year	279.70	183.06
	Less: Released to the statement of profit and loss (Refer note 26)	(76.54)	(63.95)
	Closing Balance	**1,266.67**	**1,063.51**

Note: Consumer contribution towards capital cost is amortized to the Statement of Profit and Loss to match with depreciation charged on assets created out of such contribution.

19.02	**Movement in Deferred Government Grants towards cost of capital assets**		
	Opening balance	16.25	9.56
	Add: Additions during the year	106.23	17.21
	Less: Released to the statement of profit and loss (Refer note 26)	(14.98)	(10.52)
	Closing Balance	**107.50**	**16.25**

Government grants have been received for the purchase of certain items of Property, Plant & Equipment. There are no unfulfilled conditions or contingencies attached to these grants.

NOTE 20 Other non current liabilities (At amortised cost)	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Government subsidies towards cost of capital asset	588.61	471.59
Consumers' deposits for works under progress	120.31	76.10
Deposit from suppliers/vendors	27.21	32.29
	736.13	**579.98**

NOTE 21 Financial Liabilities

A. Non Current Financial Liabilities

Long Term Borrowings	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Secured - at amortised cost		
Term Loan from banks		
(i) Union Bank of India (UBI)	434.64	226.09
(ii) Indian Bank	72.96	-
Total Long Term Borrowings	**507.60**	**226.09**

a The Company has not defaulted on any loans payable. The Company has utilised the loan for the sanctioned purpose.

b Instalments for the term loan from UBI are payable on quarterly basis and repayment has started from July 2023.
Instalments for the term loan-2 from UBI are payable on quarterly basis and repayment will start from June 2024.
Instalments for the term loan from Indian Bank are payable on quarterly basis and repayment will start from December 2024.

c The rate of interest for term loan from UBI is at 6 months MCLR plus spread of 0% per annum with annual reset i.e. presently at 8.45% (March 31, 2023: 7.05%).
The rate of interest for term loan-2 from UBI is at 6 months MCLR per annum + 0% with bi-annual reset, i.e. presently at 8.80% (March 31, 2023: 8.45%).
The rate of interest for term loan from Indian Bank is at 3 months MCLR per annum + 0% with quarterly reset i.e. presently at 8.45% (March 31, 2023: NA)

d Term Loans from Union Bank of India is repayable over 56 equal quarterly instalments.
Term Loans from Indian Bank is repayable over 32 equal quarterly instalments.

e Term loans from UBI and Indian Bank are secured against first pari passu charge on all the entire movable and immovable PPE of the Company, both present and future; excluding assets transferred to the Company from NESCO as per terms of the vesting order.2nd pari passu charge on entire current assets, both present and future excluding restricted assets as per vesting order.

f The Company has satisfied all the debt covenants prescribed in the terms of bank loans.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

B. Current financial liabilities
(At amortized cost)

(a) Short term borrowings	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Secured credit facilities from banks		
Overdraft		
(i) State Bank of India	18.51	18.64
(ii) Federal Bank of India	74.78	74.52
(iii) Axis Bank #	0.00	-
(iv) Union Bank of India	-	100.77
Current maturities of long term loan	39.17	11.38
Total short-term borrowings	**132.46**	**205.31**

0.00 represents amount below the rounding off norm adopted by the Company

(b) Secured credit facilities

The Company has availed secured credit facilities of ₹ 500 crores (March 31, 2023: ₹ 500 crores) from State Bank of India which includes fund based limit of ₹ 250 crores (March 31, 2023: ₹ 250 crores) at an interest rate for applicable 6 Month MCLR plus 25 bps reset at half yearly intervals (March 31, 2023: applicable 6 Month MCLR plus 25 bps reset at half yearly intervals) and Non-fund based limit of ₹ 250 crores (March 31, 2023: ₹ 250 crores) at a commission of 0.35% per annum (March 31, 2023: at a commission of 0.35% per annum).

The Company has availed secured credit facilities of ₹ 300 crores (March 31, 2023: ₹ 300 crores) from Axis Bank which includes fund based limit of ₹ 150 crores (March 31, 2023: ₹ 150 crores) at an interest rate for applicable 1 Month MCLR reset at monthly interval (March 31, 2023: at an interest rate for applicable 1 Month MCLR reset at monthly interval) and Non-fund based limit of ₹ 150 crores (March 31, 2023: ₹ 150 crores) at a at a commission of 0.35% per annum (March 31, 2023: at a commission of 0.35% per annum).

These facilities are secured against first pari passu charge on all the current assets (other than restricted as per vesting order, including consumer security deposits and Government deposits received in the form of grant, subsidy, relief fund etc) both present and future with other lenders of the Company under Multiple Banking Arrangement (MBA). Collateral security- Second pari passu charge on entire movable PPE of the Company, excluding assets transferred to the Company from NESCO as per terms of the vesting order, with other lenders of the Company under Multiple Banking Arrangements (MBA).

The Company has availed secured overdraft limit of ₹ 93.29 crores (₹ 74.78 crores from Federal bank, ₹ 18.51 crores from State bank of India and ₹ Nil from Union Bank of India) (March 31, 2023: ₹ 193.93 crores (₹ 74.52 crores from Federal Bank ,₹ 18.64 crores from State bank of India and ₹ 100.77 crores from Union Bank of India)) at an interest rate of 8.20 % p.a., 7.90 % p.a. and 8.24 % p.a respectively (March 31, 2023: at an interest rate of 7.96% p.a, 6.12% p.a and 8.24% p.a respectively)) . These facilities are secured against fixed deposits of ₹ 279.65 crores (March 31, 2023:₹ 392.88 crores).

(c) Current borrowings secured against current assets

The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account. The Company has not used any of the borrowings from banks apart for the purpose for which it was taken.

NOTE 22 Trade payables	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Total outstanding dues of micro enterprises and small enterprises (Refer Note 22.2 for details of dues to micro and small enterprises)	55.03	15.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	536.61	587.64
Total trade payables	**591.64**	**602.78**

22.1 Trade Payables includes ₹ 362.71 crores outstanding dues of related parties as at March 31, 2024. (March 31, 2023: ₹ 351.04 crores) (refer note 38)

22.2 Post acquisition, the Company has initiated the process of identifying the micro and small enterprises. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) have been determined based on the information available with the Company and the required disclosures are given below:

	Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a)	Principal amount due to micro and small enterprises	55.03	15.14
(b)	Interest due on above	-	-
(c)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid	-	-
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-
		55.03	**15.14**

22.3 Trade Payables Ageing schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment #			Total ₹ crore
	Less than 1 year*	1-2 Year	More than 2 years	
(i) Undisputed dues				
(a) Total outstanding dues of micro enterprises and small enterprises	50.06	-	-	50.06
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	521.59	1.98	13.04	536.61
(ii) Disputed dues				
(a) Total outstanding dues of micro enterprises and small enterprises	-	4.01	0.96	4.97
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Total	**571.65**	**5.99**	**14.00**	**591.64**

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment #			Total ₹ crore
	Less than 1 Year*	1-2 Year	More than 2 years	
(i) Undisputed dues				
(a) Total outstanding dues of micro enterprises and small enterprises	14.18	-	-	14.18
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	574.60	13.04	-	587.64
(ii) Disputed dues				
(a) Total outstanding dues of micro enterprises and small enterprises	-	0.96	-	0.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Total	**588.78**	**14.00**	**-**	**602.78**

Where due date of payment is not available date of transaction has been considered

* includes amount not due as at March 31, 2024 and March 31, 2023.

NOTE 23 Other financial liabilities - current
(At amortised cost)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Payable to employees	43.76	36.45
Security deposit from consumers	883.47	795.82
Capital creditors	260.52	144.15
Interest accrued but not due on security deposits from electricity consumers	48.38	42.54
Payable to residuary company	18.42	78.97
Interest accrued but not due on borrowings	0.11	-
Interest accrued on government grant funds	10.90	29.46
Tariff balancing reserve	3.28	-
Consumer contribution for work under progress	105.72	105.72
Deposit from suppliers/vendors	4.40	4.40
	1,378.96	**1,237.51**

Note: The security deposits from electricity consumers carry interest at 6.75% p.a (March 31, 2023: 6.75% p.a.) and is adjusted against power bill of the respective customers as per tariff regulations. The amount is refundable on surrender of electricity connection by the consumer.

NOTE 24 Other current liabilities

		As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a)	Statutory liabilties	71.67	77.89
(b)	Advance from consumers	48.75	43.50
		120.42	**121.39**

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NOTE 25 Regulatory Deferral Account

Accounting Policy

The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 - 'Regulatory Deferral Accounts' read with the Guidance Note on Rate Regulated Activities issued by The Institute of Chartered Accountants of India (ICAI) and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination.

These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Company presents separate line items in the balance sheet for:
i. the total of all regulatory deferral account debit balances and related deferred tax balances; and
ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account.

Rate Regulated Activities

(i) As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein OERC, the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

The Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations,2014, is applicable. These regulations, together with the vesting order, require OERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in these Regulations and Vesting Order.

As per the vesting order, the AT&C loss trajectory which can be passed on to customers is fixed for the first ten years. Any gain/ loss arising due to lower/ higher AT&C losses vis-a-vis fixed trajectory belongs to the Company and is not passed on to the customer. The Company determines the amount of such gain/ loss based on basis power purchase cost only and treats all other expenses including operation and maintenance expenses, employee cost, finance cost and tax expense as pass through to the consumers as per prevailing regulations and tariff orders while determining 'Regulatory Deferral Account Balance.

(ii) In terms of the applicable regulations, the Company submits its Annual Revenue Requirements (ARR) before beginning of the year for approval of the OERC. After close of financial statements for a year, the actual income and expense incurred by the Company are reviewed and approved by the OERC in the form of True-up Order.

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Regulatory Deferral Account - Assets/(Liabilities)		
Regulatory Assets	82.16	(8.36)
Regulatory Assets/(liabilities)	**82.16**	**(8.36)**

(iii) Movement of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

Particulars	March 31, 2024 ₹ in crores	March 31, 2023 ₹ in crores
Regulatory Income/(Expenses) during the year		
(i) Power Purchase Cost (Normative) net-off rebate	2,531.62	2,312.31
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity	1,311.51	1,043.57
(iii) Available revenue net of cash discount including non tariff income etc *	(3,797.57)	(3,378.12)
Net movement in regulatory deferral balances (i+ii+iii) (A)	**45.56**	**(22.24)**
Regulatory (expenses)/income recognised in OCI (B)	44.96	(8.70)
Opening regulatory assets (C)	(8.36)	22.58
Closing regulatory (liabilities)/assets (A+B+C)	**82.16**	**(8.36)**

*Based on the true up order upto March 31, 2023, Non-tariff income has been allowed excluding meter rent. Accordingly, the Company has retained meter rent (net of depreciation, finance cost and other installation costs) excluding the meters installed under various Government schemes such as IPDS etc. instead of Non- tariff income.
The aggregate of such meter rent (net of depreciation, finance cost and other installation costs) recognised during the year is ₹ 30.46 crores (including ₹ 17.47 crores pertaining to earlier years).

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True-up order

The Company determines revenue gaps (i.e. surplus/ shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 - 'Regulatory Deferral Accounts' read with the Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI) and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the OERC and the actual or expected actions of the regulator under the applicable regulatory framework.

The OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, regulations require the OERC to determine tariff in a manner that the Company, subject to certain specific gains and losses allowed to be retained under the Vesting Order, can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in these Regulations. In terms of the regulations, the Company submits its Annual Revenue Requirements (ARR) before beginning of the year for approval of the OERC. After close of financial statements for a year, the actual income and expense incurred by the Company are reviewed and approved by the OERC in the form of True-up Order.

During the current year, the Company has filed true up petition for FY 2022-23 along with ARR petition for FY 24-25 as per the regulations. After going through due process of tariff finalisation, the OERC has issued true up order up to FY 2022-23 and ARR for FY 2024-25. In the true up order, the OERC has found that the licensees have incurred actual expenses in variance to approved amount by the OERC pertaining FY 2021-22 and FY 2022-23.

The OERC has trued up revenue gap / surplus upto March 31, 2023, resulting in a lower revenue entitlement of ₹ 146.82 crores vis-à-vis the amount arrived at using actual expenses incurred by the Company. The Management has submitted a petition with OERC for review of the above lower revenue entitlement and also seeking a clarification from them that true up of FY 2022-23 carried out is only provisional and has not been finalised . The management believes that the Company will be able to justify additional expense to the OERC and claim in the next ARR filings.

Also, during the current year, the Company has incurred additional expenses under the following heads as compared to amount approved by the OERC for the financial year 2023-24.
Operation and Maintenance expenses - ₹ 29.00 crores

The Company continues to treat above additional expenditures as pass through to the consumer. The management believes that there will not be any adverse financial implications.

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NOTE 26 Revenue recognition

Accounting policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Description of performance obligations are as follows:

26.1 **Sale of Power - Distribution**

Revenue from the supply of power is recognised net of any cash rebates over time for each unit of electricity delivered at the pre-determined rate as per the tariff order.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenue accrued upto the end of the reporting year.

Revenue from power supply is recognised net of the applicable taxes and other amounts which the Company collects from the customer on behalf of the government/state authorities.

The Company, as per the prevalent Regulations (referred as "Tariff Regulations") for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations and maintenance expenses, financing cost and taxation, as per the said Tariff Regulations and an assured return on equity. As per the said Tariff Regulations, the Company determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance".

Revenue in respect of invoice raised for dishonest abstraction of power is recognised when the certainty of its collection is probable i.e. generally as and when recovered.

26.2 **Contribution for capital works**

Consumer's contribution towards property, plant and equipment which require an obligation to provide electricity connectivity to the consumers is treated as capital receipt and credited in other liabilities under the head 'consumer's deposit for work' until transferred to a separate account on commissioning of the assets. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the Statement of Profit and Loss.

		Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
26.4	**Revenue from operations**		
	Gross revenue as per tariff	3,622.82	3,206.73
	Less: Cash discount	50.23	34.26
	Revenue from contract with customers	**3,572.59**	**3,172.47**
26.4.1	**Other operating revenue**		
	Amortisation of consumer contribution	76.54	63.95
	Amortisation of government grants in capital nature	14.98	10.52
	Amortisation of government grants in revenue nature	0.23	10.81
	Recovery of meter rent	44.61	27.60
	Over drawal payment recovered	8.42	9.06
	Open access cross subsidy income	22.55	34.21
	Supervision charges	16.16	9.92
	Miscellaneous operating income	1.33	1.64
	Total other operating revenue	**184.82**	**167.71**
	Revenue from operations	**3,757.41**	**3,340.18**

Disaggregation of revenue

The Company deals in a single type of product i.e. power which is sold directly to consumers, consideration in respect of which is based on energy supplied. Thus further disclosure in respect of disaggregation of revenue is not required.

26.5 **Contract Balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Contract liabilities		
Advance from consumers *	48.75	43.50
Total contract liabilities	**48.75**	**43.50**
Receivables		
Trade receivables	328.70	350.40
Unbilled revenue depending only on passage of time	305.29	295.72
Less : Allowances for doubtful debts	(151.32)	(90.54)
Net receivables	**482.67**	**555.58**

*Includes revenue recognised during the year from opening balance of ₹ 20.06 crores and advance received during the year not recognised as revenue of ₹ 25.31 crores.

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract including advance received from customer i.e., normally within twelve months from reporting date.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

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Particulars	Contract assets	
	As at March 31, 2024	As at March 31, 2023
Unbilled revenue	₹ in crores	₹ in crores
Opening balance as at 1 April	295.72	227.52
Add: Revenue recognised during the year	305.29	295.72
Less: Transfer from contract assets to receivables/adjustments	(295.72)	(227.52)
Closing Balance	305.29	295.72

26.6 **Transaction Price - Remaining Performance Obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

NOTE 27 Other income

Accounting Policy

- Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Delayed Payment Charges (DPC)

DPC is charged at the rate prescribed by the Tariff Regulations on the outstanding balance. Revenue in respect of DPC and interest on DPC leviable as per the Tariff Regulations are recognised on actual realisation or accrued based on an assessment of certainty of realisation supported by an acknowledgement from customers.

-Incentive on Past Arrears Collection

As per terms of OERC vesting order, the Company is eligible for incentive on past area collections pertaining to period prior to March 31, 2021. Income in respect of incentive is recognised as percentage of actual realization of past arrears.

Other income	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest income on	₹ in crores	₹ in crores
Bank Deposits	84.51	48.46
Other non - operating income		
Delayed payment surcharge	13.15	17.21
Other income*	14.11	8.59
Incentives on arrears collection	15.60	38.21
	127.37	112.47

* (includes scrap sale, LD charges etc)

NOTE 28 Cost of power purchased and transmission charges

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Power purchased	2,361.70	2,079.75
Transmission charges	168.76	181.29
SLDC charges	1.16	1.08
Gross power purchase and transmission charges	2,531.62	2,262.12
Less: Rebate on power purchased and transmission charges	(26.90)	(21.90)
Net power purchase and transmission charges	2,504.72	2,240.22

NOTE 29 Employee benefits expense (net)

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Salaries, wages and bonus	273.49	244.11
Contribution to provident and other funds (refer note 18.2)	15.27	13.36
Staff welfare expenses	16.99	13.54
Terminal benefit expenses	177.89	137.77
Equity settled options granted by parent (refer note below and note 38)	0.28	-
Gross employee benefit expenses	483.92	408.77
Less: Employee cost capitalization	(16.70)	(12.85)
Net employee benefit expenses	467.22	395.92

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Share Based Payments
Accounting policy

The Tata Power Company Limited ("Holding Company") has granted employee stock options to the eligible employees of the Company. As per the scheme, on fulfilling of the vesting condition the Holding Company will issue its equity shares to the eligible employees of the Company.

The cost of equity-settled transactions is determined by the fair value of holding company's share at the date when the grant is made using an appropriate valuation model. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the companies best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.
Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the companies best estimate of the number of equity instruments that will ultimately vest. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Equity-settled share option plan

The Tata Power Company Limited – Employee Stock Option Plan 2023

During the year, the shareholders of the Holding Company approved 'The Tata Power Company Limited – Employee Stock Option Plan 2023' ('ESOP 2023'/ 'Plan'). During this year, the Holding Company has granted employee stock options to the eligible employees of the Holding and its subsidiaries, including employees of the Company at an exercise price of Rs. 249.80 (Rupees Two Hundred Forty Nine and Eighty Paise) per option exercisable into equivalent equity shares of ₹ 1 each subject to fulfilment of vesting conditions.

The expense recognised for employee services received during the year is shown in the following table:

	Year Ended March 31, 2024	*Year Ended March 31, 2023*
	₹ in crores	₹ in crores
Expense arising from equity-settled share-based payment transactions	0.28	-
Total expense arising from share-based payment transactions	0.28	-
Movements during the year		
Option exercisable at the beginning of the year	-	-
Granted during the year	2,04,690	-
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Option exercisable at the end of the year	2,04,690	-
Share price for options exercised during the year	Not applicable	-
Remaining contractual life	2.58 Years	-

The holding company has estimated fair value of options using Black Scholes model. The following assumptions were used for calculation of fair value of options granted.

Assumption factor	Year Ended March 31, 2024	Year Ended March 31, 2023
Dividend Yield (%)	0.70%	-
Risk free interest rate (%)	7.21%	-
Expected life of share option (Years)	3 - 5 Years	-
Expected volatility (%)	39.81%	-
Weighted Average Share price	249.80	-
Weighted Average Fair Value at the measurement date	97.75	-

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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NOTE 30 Finance costs

	Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
Interest on consumer security deposits at amortised cost	50.46	41.96
Interest on cash credit carried at amortised cost - banks	15.53	14.52
Interest on long term borrowing at amortised cost - banks	32.28	7.86
Other borrowing cost (commitment charges, processing fees etc)	4.26	3.91
	102.53	**68.25**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the qualifying asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTE 31 Other expenses

	Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
Repairs and maintenance:		
(i) Building	1.32	4.13
(ii) Plant and equipment	238.81	248.17
(iii) Vehicles and Office equipment	0.56	0.47
(iv) Furniture and Fixtures	0.66	0.71
Rent	2.45	1.67
Consultancy fees (refer note 31.1)	7.55	8.85
Legal charges	3.47	3.18
Advertisement and marketing expenses	2.78	1.89
Tariff balancing reserve	3.28	-
Electricity consumption expenses	6.00	3.53
Telephone expenses	2.12	1.52
Insurance premium	3.86	2.88
Travelling and conveyance	2.66	4.19
Office expenses	5.20	4.94
Allowance for doubtful debts	60.78	64.98
Outsourced employee expenses	19.43	13.92
Watch and ward expenses	2.10	5.27
Billing and collection expenses	135.23	93.96
Provisions for claims and compensation	1.04	1.59
Directors sitting fees	0.45	0.45
CSR expenditure (refer note: 31.2)	3.87	1.89
Miscellaneous expenses	1.13	1.96
Loss on retirement of property, plant and equipment	0.70	0.12
Total other expenses	**505.45**	**470.27**

31.1 **Payments to auditors**
Consultancy fees include auditor's remuneration as follows:

Particulars	Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
As auditors:		
Audit fee (including Goods and Services Tax)	0.51	0.49
Tax audit fee	0.03	0.02
Limited Review	0.24	0.23
In other capacity:		
Other services (certification fees)	0.02	0.02
Reimbursement of expenses	0.02	0.04
	0.82	**0.80**

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31.2 **Details of CSR expenditure**

	Particulars	Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
(a)	Gross amount required to be spent by the Company during the year	3.29	2.40
(b)	Amount approved by the Board to be spent during the year	3.29	2.40

(c)

Amount spent during the year ended on March 31, 2024:	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	3.54	0.33	3.87

Amount spent during the year ended on March 31, 2023:	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1.57	0.32	1.89

(d) **Details related to spent/unspent obligations:**

Particulars	Year Ended March 31, 2024 ₹ in crores	Year Ended March 31, 2023 ₹ in crores
a. Employability and Employment (Skilling for livelihoods)	0.54	0.73
b. Education (Including Financial and Digital Literacy)	0.99	0.42
c. Essential Services (Health and Environment)	1.41	0.55
d. Entrepreneurship	0.93	0.19
Unspent amount in relation to		
- On-going project	-	0.51
Total	3.87	2.40

NOTE 32 Tax expenses

Accounting policy

Tax expenses comprises current tax expense and deferred tax.

32.1 **Current 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 at the reporting date in the country where the Company operates and generates taxable income.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

32.2 **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financials statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 utilized. 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 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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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

32.3	**Tax expense**	Year Ended March 31, 2024	Year Ended March 31, 2023
		₹ in crores	₹ in crores
	Current income tax charge	40.31	29.03
	Adjustment of tax relating to earlier year	7.94	(3.41)
	Deferred tax		
	Relating to origination and reversal of temporary differences for current year	6.48	9.37
	Relating to origination and reversal of temporary differences in respect of earlier years	(7.23)	-
	Total income tax expense reported in the Statement of Profit and Loss	47.50	34.99

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

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Profit from continuing operations before income tax expense	180.46	150.66
Tax at the India's statutory tax rate of 25.17%	45.42	37.92
Computed expected tax expenses		
-CSR expenses	0.97	0.47
-Others	0.40	-
Income tax expense	46.79	38.40
Tax expenses in respect of earlier year	0.71	(3.41)
Total income tax expense	47.50	34.99

The Company has made provision for income tax at the rate of 25.17% (Tax rate 22% Plus Surcharge 10% Plus cess 4% on tax & surcharge) in accordance with normal provisions of the Income Tax Act, 1961 for the year ended March 31, 2024 and March 31, 2023.

32.5	**Deferred tax liability** **Deferred tax liability on account of :**	As at March 31, 2024	As at March 31, 2023
		₹ in crores	₹ in crores
	Accelerated depreciation for tax purposes	(77.57)	(43.08)
	Provision for doubtful debts	38.09	22.79
	Post employment employee benefits	19.94	-
	Total	(19.54)	(20.29)

NOTE 33	**Other comprehensive income/(expenses)**	Year Ended March 31, 2024	Year Ended March 31, 2023
		₹ in crores	₹ in crores
	Items that will not be reclassified to profit or loss		
	Remeasurement-gains/(losses) on defined benefit plans	(44.96)	8.70
	Net Movement in regulatory deferral balances	44.96	(8.70)
	Total other comprehensive income	-	-

Post-acquisition of business, the Company has decided to treat pension and gratuity benefits payable to erstwhile NESCO employees as defined benefit plan under Ind AS 19 "Employee Benefits". Consequently, the cost and liability of providing such benefits is determined using the projected unit credit method (PUCM). Among other matters, the application of PUCM results in recognition of remeasurement gain/ loss, comprising items such as actuarial gains and losses and effect of the asset ceiling, in the Other Comprehensive Income (OCI). The amount of remeasurement gain/ loss fluctuates period on period based on changes in actuarial assumptions including discount rate and mortality rate.

To ensure offsetting impact in the OCI and the Balance Sheet, the Company recognises equivalent amount as Regulatory Deferral Account –Income/ expense in the OCI. The amount of Regulatory Deferral Account – Income/ expense recognised in the OCI in this manner fluctuates in line with and in contrary to the Remeasurement gain/ loss. Based on the Vesting Order, the Company will be allowed to include and recover this amount as revenue from customers only when the amount is paid to the trust for onward payment to employees.

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Note 34 Commitments:

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Estimated amount of Contracts remaining to be executed on capital account and not provided for	539.58	366.53
Total	539.58	366.53

As per terms of vesting order, cumulative capital expenditure of ₹ 1,270 crores (FY 2022-26) has been committed. Further commitment in respect of AT&C losses reduction and past arrears collection have also been slated in the vesting order.

Note 35 Contingent liabilities

Contingent liability is:
(a) a possible obligation arising from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
(b) a present obligation that arises from past events but is not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37

Contingent Asset
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period. However,when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognise such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

	Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
35.1	Claims against the Company not acknowledged as debts: Legal cases filed by consumers, employees and others under litigation	10.08	4.42
35.2	Direct tax matters related to FY 2016-17 and FY 2017-18 pending with CIT Appeals	44.73	44.73
35.3	Indirect tax matters Assessment order for FY 2014-15 to 2016-17 (up to June 30, 2017) was made by Principal Commissioner GST and Central Excise, Bhubaneswar imposing Service Tax penalty of ₹ 25.34 crores on NESCO Utility U/s 78(I) of Finance Act 1994 after dropping the demand of ₹ 1.26 crores out of total demand ₹ 26.60 crores. Company contested the same by filing an appeal to CESTAT Kolkata	25.34	25.34

No provision is considered necessary since the Company expects favourable decisions as well as past liabilities are pass through in tariff

35.4 Before acquisition, NESCO Utility was not identifying and tracking dues payable to MSME vendors separately. Consequently, it was not tracking whether timely payments are being made to such vendors and/ or interest/ penalty, if any, payable for delay in making payment. Post acquisition, the Company has initiated a process and identified MSME vendors based on confirmations received. In the absence of adequate data, the Company is unable to determine whether any interest or penalty is payable for past default. The management will be able to identify and recognise such obligation, if any, based on claims received.

35.5 As per terms of vesting order all litigations pertaining to NESCO have been transferred to the Company. In case of any unfavourable outcome the Company will be able to recover the liability through Aggregate Revenue Requirement.

35.6 Also refer note no. 25

Note 36 Earnings per Equity share (EPS)

Accounting policy

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company 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 of the Company [after adjusting for dividend, interest and other charges to expense or income (net of any attributable taxes)] 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 Company also presents Basic EPS in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit for the year before and after net movement in regulatory deferral account balance attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit for the year before and after net movement in regulatory deferral account balance attributable to equity holders as [after adjusting for dividend, interest and other charges to expense or income (net of any attributable taxes)] relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

36.1 **EPS - Continuing operations (excluding regulatory income/expense)**

	Particulars	Units	March 31, 2024	March 31, 2023
a)	Profit for the year	₹ in crores	132.96	115.67
b)	Net movement in regulatory deferral account balance	₹ in crores	45.56	22.24
c)	Income-tax attributable to regulatory deferral account balance	₹ in crores	11.47	5.60
d)	Net movement in regulatory deferral account balance (net of tax) (b-c)	₹ in crores	34.09	16.64
e)	Profit for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance (a+d)	₹ in crores	167.06	132.31
f)	Weighted average number of equity shares	Nos /crores	39.91	29.55
g)	Basic and diluted earnings per equity share of ₹ 10 each (e/f)	₹	4.19	4.48
h)	Face value of equity shares	₹	10.00	10.00

36.2 **EPS - Continuing operations (including regulatory income/expense)**

	Particulars	Units	March 31, 2024	March 31, 2023
a)	Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹ crores	132.96	115.67
b)	Weighted average number of equity shares	Nos /crores	39.91	29.55
c)	Basic and diluted earnings per equity share of ₹ 10 each (a/b)	₹	3.33	3.91
d)	Face value of equity shares	₹	10.00	10.00

There has been no other transactions involving equity shares or potentioal equity shares between the reporting date and the date of authorisation of these financial statements.

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TP NORTHERN ODISHA DISTRIBUTION LIMITED TPNODL BALASORE

TP NORTHERN ODISHA DISTRIBUTION LIMITED
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Note 37 Financial Instruments : Accounting classifications, Fair value measurements, Financial Risk management and offsetting of financial assets and liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

(i) Accounting classifications

The fair values of the financial assets and liabilities are the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and others are considered to be the same as their fair values, due to their short-term nature. Most financial assets and liabilities of the Company as at the balance sheet date are short term having fair value equal to amortised cost

(ii) Fair Value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1 : Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Significant unobservable inputs from assets and liability

-Fair Value

The following table summarizes the fair value hierarchy for financial assets and financial liabilities that are either measured at fair value on a recurring basis or are not measured at fair value (but fair value disclosures are required) and the carrying value of financial instruments by categories:

As at March 31, 2024:

₹ in crores

Particulars	Carrying Value	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets							
(a) Trade receivables	177 38	-	-	177 38	-	-	-
(b) Unbilled revenue	305 29	-	-	305 29	-	-	-
(c) Other financial assets (current and non-current)	446 34	-	-	446 34	-	-	401 17
(d) Cash and cash equivalents	376 94	-	-	376 94	-	-	-
(e) Bank balances other than (d) above	1,089 28	-	-	1,089 28	-	-	-
	2,395.23	-	-	2,395.23	-	-	401.17
Financial Liabilities							
(a) Borrowings (Current and Non Current)	640 06	-	-	640 06	-	546 77	-
(b) Trade payables	591 64	-	-	591 64	-	-	-
(c) Other financial liabilities	1,378 96	-	-	1,378 96	-	-	-
	2,610.66	-	-	2,610.66	-	546.77	-

As at March 31, 2023:

₹ in crores

Particulars	Carrying Value	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets							
(a) Trade receivables	259 86	-	-	259 86	-	-	-
(b) Unbilled revenue	295 72	-	-	295 72	-	-	-
(c) Other financial assets (current and non-current)	409.24	-	-	409 24	-	-	381 16
(d) Cash and cash equivalents	248 82	-	-	248 82	-	-	-
(e) Bank balances other than (d) above	953.93	-	-	953 93	-	-	-
	2,167.57	-	-	2,167.56	-	-	381.16
Financial Liabilities							
(a) Borrowings (Current and Non Current)	431 40	-	-	431 40	-	237 47	-
(b) Trade payables	602.78	-	-	602 78	-	-	-
(c) Other financial liabilities	1,237.51	-	-	1,237.51	-	-	-
	2,271.69	-	-	2,271.69	-	237.47	-

There have been no transfers between Level 1 and Level 2 during year ended March 31, 2024 and March 31, 2023

(iii) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Company's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and cash equivalents as detailed below. The position on reporting date is summarised in the following table:

Particulars	March 31, 2024 ₹ in crores	March 31, 2023 ₹ in crores
Long-term borrowings including current maturities of long term borrowings (refer note 21)	546 77	237 47
Short-term borrowings (refer note 21)	93 29	193 93
Interest accrued but not due on borrowings (refer note 23)	0 11	-
Total Debt (a)	**640.17**	**431.40**
Less: Cash and cash equivalents (b) (refer note 13)	376 94	248 82
Net debt {(c)=(a-b)}	**263.23**	**182.58**
Total equity (d) (refer note 16 and note 17)	886 60	587 74
Total equity and net debt {(e)=(c+d)}	1,149 84	770 32
Gearing ratio (%) {(f)=(c)/(e)}	22.89%	23.70%

i. Debt is defined as long-term borrowings (including current maturities) and short-term borrowings and interest accrued on long-term and short-term borrowings

ii. Equity is defined as equity share capital and other equity

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowings in the current year

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023

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TP NORTHERN ODISHA DISTRIBUTION LIMITED TPNODL

TP NORTHERN ODISHA DISTRIBUTION LIMITED
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Januganj, Balasore, Odisha, India, 756019
Website: www.tpnodl.com; Email: contactus@tpnodl.com

(iv) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks , unbilled revenue and other financial assets that are derived directly from its operations.

The senior management of the Company oversees these risks and are managed in accordance with the Companies policies and risk objectives.

(v) Market Risk

Market risk is the risk that changes in market prices will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. As at the reporting date, the Company does not have material financial assets or financial liabilities exposing it to significant market risk comprising foreign currency risk, interest rate risk and price risk.

The variable rate of borrowing will not have any impact on profit & loss of the Company as interest cost is pass-through to consumers through ARR.

(vi) 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 rates on floating rate loans are linked with different benchmarks (e.g. MCLR/T- Bills etc) to distribute the risk wherever possible. Further, senior management of the Company monitors its interest rate risk regularly and may take appropriate action if needed to mitigate risk.

Any fluctuation in the floating interest rate will be allowed as pass through to the Company as part of the Annual Revenue Requirement (ARR). Hence, the Company is of the view that the interest rate sensitivity on account of interest rate fluctuation will not have any material impact of its financial position or financial performance as reflected in the financial statements.

(vii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Trade receivables	177 38	259 86
(b) Unbilled revenue	305 29	295 72
(c) Other financial assets (current and non-current)	446 34	409 24
(d) Cash and cash equivalents	376 94	248 82
(e) Bank balances other than above	1,089 28	953 93
Total	2,395.23	2,167.57

In case of trade receivables and unbilled revenue, senior management of the Company monitors overdue amount on regular basis and take appropriate action, including forfeiture of security deposit and/ or disconnection of electricity, to get timely dues. Refer note 12 for further details of credit risk/ loss allowance on trade receivables. Most of the cash and bank balances of the Company are with scheduled commercial banks where risk of default is low.

(viii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

₹ in crores

Particulars	Up to 1 year	1 to 5 years	5+ years	Total
As at March 31, 2024				
(a) Trade payables	591 64	-	-	591 64
(b) Short term borrowings	93 29	-	-	93 29
(c) Long term borrowings (including future interest)	84 80	321 90	450.08	856.78
(d) Interest accrued but not due on borrowings	0.11	-	-	0.11
(e) Other financial liabilities	1,378.96	-	-	1,378.96
	2,148.80	321.90	450.08	2,920.78

₹ in crores

Particulars	Up to 1 year	1 to 5 years	5+ years	Total
As at March 31, 2023				
(a) Trade payables	602 78	-	-	602 78
(b) Short term borrowings	193 93	-	-	193 93
(c) Long term borrowings (including future interest)	30 81	132 69	220 39	383 89
(d) Interest accrued but not due on borrowings	-	-	-	-
(e) Other financial liabilities	1,237 51	-	-	1,237.51
	2,065.03	132.69	220.39	2,418.11

As at the balance sheet date, the Company has cash and bank balances (including deposits classified under non-current financial assets) of ₹ 1,853 07 crores (March 31, 2023: ₹ 1,570.03 crores) which can be used to meet its obligation. In case of requirement, the management is confident of raising further finance as required to meet its obligations. The Company has access to financing facilities as described in note below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

₹ in crores

Financing facilities (short term)	As at March 31, 2024		
	Fund based	Non-fund based	Total
Secured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	93 29	449 98	543 27
Amount unused	515 03	-	515 03
Total	608.32	449.98	1,058.30

₹ in crores

Financing facilities (short term)	As at March 31, 2023		
	Fund based	Non-fund based	Total
Secured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	193 93	350 52	544 45
Amount unused	565 23	49 48	614 71
Total	759.16	400.00	1,159.16

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Note 38 Related party disclosures

Names of related parties and related party relationship-where control exists

A. Holding company
The Tata Power Company Limited (TPCL)

B. Promoters holding together with its subsidiary more than 20% in holding company
Tata Sons Private Limited (Tata Sons)

C. Company exercising significant influence
GRIDCO Limited

D. Fellow Subsidiaries (with whom the Company has transactions)
TP Southern Odisha Distribution Ltd (TPSODL)
TP Central Odisha Distribution Ltd (TPCODL)
TP Western Odisha Distribution Ltd (TPWODL)
Tata Power Delhi Distribution Ltd (TPDDL)
TP Ajmer Distribution Limited (TPADL)
South East UP Power Transmission Company Limited (SEUPTCL)
Powerlinks Transmission Limited (PTL)
TP Power Plus Limited (TPPL)

E. Subsidiaries and Jointly Controlled Entities of Promoters of Holding Company - Promoter Group (with whom the Company has transactions)
Tata Capital Financial Services Limited (Tata Capital)
Tata AIG General Insurance (Tata AIG)
Tata Consultancy Services Limited (TCS)
Tata Steel Limited (TSL)
Neelachal Ispat Nigam Limited (NINL)
Tata Sponge Iron Limited (TSIL)
Tata Steel Mining Limited (TSML)
Tata Steel Long Products Limited (TSLPL)

F. Associates of Holding Company
Tata Projects Limited

G. Post retirement employee benefit trust
NESCO Employees Pension Trust
NESCO Employees Gratuity Trust
NESCO Employees Provident Fund Trust
NESCO Employees Rehabilitation Fund Trust

H. Key management personnel
Chief Executive Officer
Dwijadas Basak (Appointed w.e.f. February 24, 2024)
Bhaskar Sarkar (Appointed w.e.f. April 01, 2021, Date of Cessation : February 23, 2024)

Chief Financial Officer
Siladitya Sengupta

Company Secretary
Devendra Prasad

I. Non-executive directors
Mr. Pradeep Kumar Jena (Appointed w.e.f. April 11, 2023)
Mr. Nikunja Bihari Dhal (Appointed w.e.f. June 19, 2023, Date of Cessation : October 30, 2023)
Dr. Praveer Sinha
Mr. Sanjay Kumar Banga
Mr. Arup Ghosh
Mr. Trilochan Panda
Mr. Gagan Bihari Swain
Mr. Sanjeev Satyaprakash Gupta
Mr. Narendra Nath Misra (Appointed w.e.f. April 11, 2023)
Mr. Sanjay Kumar Singh (Appointed w.e.f. April 11, 2023, Date of Cessation : May 26, 2023)
Mr. Vishal Kumar Dev (Appointed w.e.f. November 21, 2023)
Mr. Suresh Chandra Mahapatra (Date of cessation : February 28, 2023)
Mr. Nipun Aggarwal (Date of cessation : April 18, 2022)
Mr. Kesava Menon Chandrasekhar (Date of cessation : February 19, 2023)

J. Independent Directors
Mr. Kailash Nath Shrivastava, IAS (Retd.)
Ms. Satya Gupta (Date of Cessation : July 31, 2023)
Dr. Arun Kumar Panda, IAS (Retd.)
Mr. Ashok Kumar Tripathy
Mrs. Shefali Shah (Appointed w.e.f. October 20, 2023)

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Related party transactions and balances

a. Particulars of transactions with the related parties

S No.	Name of Related Party	Nature of transactions	Year ended	
			March 31,2024	March 31,2023
			₹ in crores	₹ in crores
1	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of expense	0.02	-
		Reimbursement of capex expenses and transfer of assets	0.10	0.05
		Deputation of employees, IT and Contract Expenses	2.06	2.00
		Staff related Liability/ Expenses (Gratuity and EL/UL)	0.95	1.62
		Reimbursement of Expenses(Education Loan & Insurance)	0.01	-
2	TP Central Odisha Distribution Ltd (TPCODL)	Power purchase expenses (net of rebate)	0.95	1.03
		CSA Fees	1.18	-
		Supply of materials	-	0.80
		Staff related Liability/ Expenses (Gratuity and EL/UL)	1.08	0.10
		Reimbursement of capex expenses and transfer of assets	0.01	-
		Reimbursement of expenses	0.37	-
3	TP Western Odisha Distribution Ltd (TPWODL)	Reimbursement of Expenses,supply of Materials		0.31
		Staff related Liability/ Expenses (Gratuity and EL/UL)	0.01	-
		Reimbursement of capex expenses and transfer of assets	0.01	-
4	TP Southern Odisha Distribution Ltd (TPSODL)	Staff related Liability/ Expenses (Gratuity and EL/UL)	0.20	0.23
5	GRIDCO Limited	Power purchase expenses net of rebate	2,337.26	2,060.41
		Issue of equity shares	81.29	50.57
6	Tata AIG General Insurance (Tata AIG)	Procurement of services	9.46	5.05
7	TATA Capital Financial Services Limited (Tata capital)	Procurement of goods/services	0.19	0.27
8	NESCO Employees Pension trust	Contribution of Pension	110.35	103.72
9	NESCO Employees Gratuity trust	Contribution of Gratuity	7.24	8.83
10	NESCO Employees Provident Fund trust	Contribution of Provident Fund	6.03	10.59
11	NESCO Employees Rehabilitation Fund trust	Contribution of Rehabilitation Fund	0.30	-
12	Compensation of Key management personnel of the Company	Managerial remuneration and sitting fees*	4.44	3.08
13	Tata Consultancy Services Limited (TCS)	Procurement of Intangible Assets	3.13	6.49
14	Tata Steel Long Products Limited	Staff related Liability/ Expenses (Gratuity & EL/UL)	0.03	-
15	South East UP Power Transmission Company Limited	Reimbursement of Capex and Transfer of Assets	0.02	-
16	Tata Projects Limited	Sale of power (includes ED)	-	0.20
17	Tata Steel Limited (TSL)	Sale of power (includes ED)	388.54	225.32
18	Neelachal Ispat Nigam Limited (NINL)	Sale of power (includes ED)	137.63	45.65
19	Tata Sponge Iron Limited (TSIL)	Sale of power (includes ED)	0.08	1.15
20	TP Ajmer Distribution Limited (TPADL)	Procurement of goods/PPE/services	0.01	0.01
		Staff related Liability/ Expenses (Gratuity & EL/UL)	-	0.91
21	Tata Power Company Limited (TPCL)	Reimbursement of expenses	0.03	0.06
		Staff related Liability/ Expenses (Gratuity & EL/UL)	1.93	2.14
		Procurement of goods/PPE/services	0.87	1.14
		Reimbursement of expenses (against ESOP)	0.28	-
		Issue of equity shares	84.61	52.63
22	Tata Sons Private Limited	Procurement of goods/PPE/services	0.02	-
23	Powerlinks Transmission Limited	Procurement of goods/PPE/services	0.01	-
24	TP Power Plus Limited	Procurement of goods/PPE/services	0.01	-
25	Tata Steel Utilities & infrastructure Services Ltd	Staff related Liability/ Expenses (Gratuity & EL/UL)	-	0.02
26	Tata Steel Mining Limited	Sale of power (includes ED)	136.01	102.89

*Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

b. Particulars of Outstanding Payable/ Receivable with the related parties:

₹ in crores

Sr No	Name of the Entity	Nature of transactions	As at March 31, 2024	As at March 31, 2023
1	**Share Capital**			
	The Tata Power Company Limited (TPCL)	Share capital	287.67	203.06
	GRIDCO Limited	Share capital	276.38	195.09
2	**Trade Payable**			
	GRIDCO Limited	Power Purchase Cost	360.79	348.09
	TP Central Odisha Distribution Ltd (TPCODL)	Power Purchase Cost	0.44	0.85
	Tata Consultancy Services (TCS)	Procurement of Intangible Assets	0.36	1.99
	Tata AIG General Insurance (Tata AIG)	Procurement of services	0.04	0.11
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation, IT and Contract Expenses	0.01	-
	The Tata Power Company Limited (TPCL)	Procurement of goods/services / Reimbursement of expenses	0.79	-
		Reimbursement of expenses (against ESOP)	0.28	
3	**Deposit Received**			
	Tata Steel Mining Limited	Security Deposit reveived for sale of power	22.53	22.53
	Tata Sponge Iron Limited (TSIL)	Security Deposit reveived for sale of power	0.06	0.06
	Neelachal Ispat Nigam Limited (NINL)	Security Deposit reveived for sale of power	30.72	30.72
	Tata Projects Limited (TPL)	Security Deposit reveived for sale of power	-	0.11
	Tata Steel Ltd (TSL)	Security Deposit reveived for sale of power	103.88	99.61
4	**Trade Receivable**			
	Tata Steel Mining Limited	Sale of power (includes ED)	2.93	5.18
	Tata Sponge Iron Limited	Sale of power (includes ED)	-	0.01
	Tata Steel Limited	Sale of power (includes ED) *	0.00	-
5	**Other Receivable**			
	The Tata Power Company Limited (TPCL)	Gratuity and Annual Leave / Procurement	-	1.36
	TP Central Odisha Distribution Ltd (TPCODL)	Procurement of goods/services	-	1.00
	Powerlinks Transmission limited (PTL)	Procurement of goods/services	0.01	-
	Tata Power Delhi Distribution Ltd (TPDDL)	Procurement of goods/services	0.04	-
	TP Power Plus Limited (TPPL)	Procurement of goods/services	0.01	-
	TP Western Odisha Distribution Ltd (TPWODL)	Procurement of goods/services	0.01	-
6	**Others**			
	NESCO Employees Provident Fund Trust	Contribution of PF	0.49	-

* 0.00 represents amount below the rounding off norm adopted by the Company

Note - Information about Core Investment Companies

The Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 39 Ratio Analysis and its elements

Sl No	Ratios	Numerator	Denominator	Note	March 31, 2024	March 31, 2023	% of Variance	Reason for Variance in excess of 25%
a)	Current Ratio (In times)	Current Assets	Current Liabilities	A	0.92	0.85	8.16%	NA
b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	B	0.72	0.73	-1.64%	NA
c)	Debt Service Coverage Ratio (In Times)	Profit before tax + interest expenses + depreciation & amortisation - current tax expense	Interest expense + scheduled principal repayment of long term debt and lease liabilities during the year	C	4.15	6.92	-40.00%	The ratio has decreased due to availment of term loan in the current year
d)	Return on equity ratio (%)	Net Profit after taxes	Average Shareholder's Equity	D	18.04%	24.18%	-25.40%	The ratio has decrease due to infusion of equity during the current year
e)	Trade Receivables Turnover Ratio (in number of days)	Average receivable (including unbilled revenue and regulatory balances wherever applicable) x number of days	Gross Sales		50.57	57.76	-12.46%	NA
f)	Trade Payable Turnover Ratio (in number of days)	Average trade payable x number of days	Net credit purchases	E	74.00	78.66	-5.92%	NA
g)	Net capital turnover Ratio	Revenue from operation including net movement in Regulatory deferral balances	Working capital = Current assets – Current liabilities	F	(26.13)	(10.82)	141.54%	The ratio has increased due to increase in revenue and increase in current asset due to better cash management
h)	Return on Capital Employed	Profit before tax + interest expense excluding interest on consumer security deposit	Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)	G	18.89%	22.44%	-15.84%	NA
i)	Net Profit Ratio (%)	Net Profit After Tax	Revenue (including net movement in regulatory deferral balances)		3.50%	3.43%	2.02%	NA

1. Inventory turnover ratio and return on investment ratio is not applicable to the Company.
2. As explained in note related to financial instruments, the Company has access to sufficient liquidity resources to continue its operations for at least 12 months from the date of approval of financial statements.

Notes :

A. Current Assets and Current Liabilities as per balance sheet
B. Total Debt: Long term borrowings (including current maturities of long term borrowings), short term borrowings and interest accrued on these debts
Total Equity : Issued share capital and other equity
C For the purpose of computation, scheduled principal repayment of long term borrowings does not include prepayments
Interest expenses is net of interest on consumer security deposits.
D Average Shareholders Equity: Issued share capital and other equity
E Net credit purchases comprise of (a) cost of power purchased; (b) transmission charges and (c) Other expenses excluding (i) Bad debts (including provision); (ii) CSR expenses and (iii) Transfer to Tariff Balancing Reserve
F Working capital :
i) Current Assets: as per balance sheet
ii) Current Liabilities as per balance sheet (excluding current maturities of long term debt and interest accrued on long term debts)

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Note 40 Disclosure regarding details of assets created with Government Fund and used by NESCO/TPNODL

As per last details provided by the Odisha Power Transmission Company Limited (OPTCL) vide email dated April 18, 2023, certain assets were created for NESCO through different schemes formed by the government and executed by OPTCL. Based on details shared by OPTCL, the carrying amount of such assets as of March 31, 2024 is ₹ 1473.54 crores (March 31, 2023: ₹ 1554.83 crores) for completed assets and ₹ 232.93 crores (March 31, 2023: ₹ 232.93 crores) for work in progress (WIP). These are subject to detailed verification and reconciliation by various authorities.

As per the Vesting Order, the ownership of these assets has not been transferred to the Company; however, it can continue to use these assets for supply of power to the consumer. Since the Company is not able to charge any depreciation for these assets in the ARR, the fair value of these assets for the Company at the vesting date is Nil. Details are given below:

As at March 31, 2024 ₹ in crores

Name of Scheme	Completed	WIP	Total
Biju Grama Jyoti Yojana(BGJY OPTCL DTR)	34.89	-	34.89
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	446.49	-	446.49
Integrated Power Development Scheme (IPDS)	293.66	-	293.66
Integrated Power Development Scheme (IPDS-IT Phase II)	54.20	-	54.20
Odisha Distribution System Strengthening Project (ODSSP)*	503.42	132.80	636.22
Odisha Distribution System Strengthening Project (ODSSP) (Phase-IV)	-	59.26	59.26
Odisha Dedicated Agricultural Fishery Feeder Project(ODAFFP)	13.10	40.87	53.97
Soubhagya	124.27	-	124.27
Rajiv Gandhi Grameen Vidyutikaran Yojana	3.51	-	3.51
Total	**1,473.54**	**232.93**	**1,706.47**

*Excluding ₹ 81.29 crore and ₹ 50.57 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2024 and March 31, 2023.

As at March 31,2023 ₹ in crores

Name of Scheme	Completed	WIP	Total
Biju Grama Jyoti Yojana(BGJY OPTCL DTR)	34.89	-	34.89
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	446.49	-	446.49
Integrated Power Development Scheme (IPDS)	293.66	-	293.66
Integrated Power Development Scheme (IPDS-IT Phase II)	54.20	-	54.20
Odisha Distribution System Strengthening Project (ODSSP)*	584.71	132.80	717.51
Odisha Dedicated Agricultural Fishery Feeder	-	59.26	59.26
Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya	13.10	40.87	53.97
Soubhagya	124.27	-	124.27
Rajiv Gandhi Grameen Vidyutikaran Yojana	3.51	-	3.51
Total	**1,554.83**	**232.93**	**1,787.76**

*Excluding ₹ 50.57 crore and ₹ 22.02 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2023 and March 31, 2022.

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Note 41 Business Combinations

The Company has been incorporated on March 20, 2021 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the OERC dated March 25, 2021 ('Vesting Order'), the Company acquired the business of distributing power in Northern Orissa ('Business') from the NESCO with effect from April 1, 2021 ('Vesting Date'). Accordingly, the Company is a licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles Balasore, Bhadrak, Baripada, Jajpur and Keonjhar in the state of Odisha for a period of 25 years effective from April 1, 2021.

The OERC has issued the Carve Out order dated November 25, 2021 to specify assets and liabilities transferred to the Company. The Carve Out order so issued by the OERC acknowledges that underlying details are not available for certain assets and liabilities. In accordance with the Carve Out Order, these amounts have been transferred to the Company and will continue to be its liabilities, and they cannot be paid without verification. These liabilities need to be verified through an external agency. Once verified, the Company is obliged to discharge the same upon the OERC approval. These liabilities cannot be written off without the Board and the OERC approval. Pending legal release, the Company continues to recognise these liabilities at the stated amount reflecting acquisition date fair values. In accordance with the vesting order, any change in the value of assets and liabilities transferred on account of the reconciliation / resolution of the above matters and / or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order, viz., by way of future tariff adjustment or adjustment to the grant liability. Hence, the Company believes that the reconciliation / resolution of the above matters will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.

(a) Carrying amount of security deposits (classified under note 23 in the Balance Sheet) as per the general ledger is higher by ₹ 27.99 crores as compared to balance as per customer ledger.

(b) Vendor/customer details not available for the following items:

- (i) Other receivable: ₹ 2.57 crores (Classified under Note 7 in the Balance Sheet)
- (ii) Other receivable: ₹ 0.81 crores (Classified under Note 14 in the Balance Sheet)
- (iii) Other receivable: ₹ 12.85 crores (Classified under Note 10 in the Balance Sheet)
- (iv)Grants receivable: ₹ 2.02 crores (Classified under Note 10 in the Balance Sheet)
- (v) Advance to Others: ₹ 16.89 crores (Classified under Note 15 in the Balance Sheet)
- (vi)Payable to Employees: ₹ 9.87 crores (Classified under Note 23 in the Balance Sheet)
- (vii)Payable to Vendors: ₹ 39.60 crores (Classified under Note 22 in the Balance Sheet)
- (viii)Retention money, Earnest money and Security deposit from others: ₹ 4.40 crores (Classified under Note 23 in the Balance Sheet)
- (ix) Consumers Contribution for work: ₹ 105.72 crores (Classified under Note 23 in the Balance Sheet)

(c) NESCO did not have any process for identification of vendors as micro, small and medium enterprise (MSME) under the MSMED Act. Post-acquisition, the company has initiated the process and rolled out MSME confirmation to all its vendors. Based on the responses received, the Company has identified MSME vendors and in the process of ensuring necessary compliance with the MSMED Act.

The Company, with the NESCO management and the help of the OERC, is in the process of reconciliation/resolving the above matters and adjustments, if any, will be recognised post reconciliation and resolution of the matters. As stated above, the vesting order provides that any change in the value of assets and liabilities transferred on account of reconciliation/resolution of the above matters and/or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order. Hence, the Company believes that the reconciliation/resolution of the above matters will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.

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SRB & Associates Bhubaneswar Chartered Accountants

Northern Odisha Distribution Limited TPNODL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

Note 42 Segment Information
The Company is engaged in the business of distribution of power in Northern part of Odisha. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has a single reportable segment.

There is no consumer from whom the Company has earned more than 10% of revenue.

Note 43 Relationship with Struck off Companies
The Company has not entered into any transaction with struck off companies as prescribed under Section 248 of the Companies Act, 2013.

Note 44 Other Statutory Information
(i) No proceedings has been initiated or are pending against the company for holding any Benami Property under the Benami Transactions(Prohibition) Act, 1988 and rules made thereunder.
(ii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the current and previous year.
(iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(v) The Company have not any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
(vi) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
(vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
(viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
(ix) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of account.
(x) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
(xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Note 45 Social Security Code
The code on Social Security, 2020 ('Code') relating to employee benefits during employment and past employment benefits received Presedential consent in September 2020.The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant

Note 46 Audit Trail
The Company has used accounting softwares 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 softwares, except that audit trail feature is not enabled at the database level in sofar as it relates to the SAP S/4 HANA and CIS application and/or the underlying HANA and DB2 database respectively.
However stringent control procedures were implemented to effectively restrict direct changes to data throughout the financial year. These procedures included thorough reviews of logs and reconciliation of datasets and during the financial year no direct changes were made that impacted financial records. Further no instance of audit trail feature being tampered with was noted in respect of the accounting softwares.

Note 47 Significant events after the reporting period
There were no significant adjusting events after end of the reporting period which require any adjustment or disclosure in the financial statements subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 48 Standards notified but not yet effective
There are no standards that are notified and not yet effective as on the date.

Note 49 Approval of financial statements
The financial statements were approved for issue by the board of directors on April 19, 2024.

For S R B C & CO LLP
Chartered Accountants
ICAI FRN: 324982E/ E300003

per Shivam Chowdhary
Partner
Membership Number: 067077
Place: Bhubaneswar
Date: April 19, 2024

For SRB & Associates
Chartered Accountants
ICAI FRN: 310009E

per R.S Sahoo
Partner
Membership Number: 053960
Place: Bhubaneswar
Date: April 19, 2024

For and on behalf of the Board of TP Northern Odisha Distribution Limited

Praveer Sinha
Director
DIN:01785164
Place: Bhubaneswar

Sanjay Kumar Banga
Director
DIN:07785948
Place: Bhubaneswar

Dwijadas Basak
Chief Executive Officer (CEO)
Place: Bhubaneswar

Siladitya Sengupta
Chief Financial Officer (CFO)
Place: Bhubaneswar

Devendra Prasad
Company Secretary
Membership Number: A39789
Place: Bhubaneswar

Date: April 19, 2024

ANNEXURE-3

Summary of Assets Created under Government (Fund/Grant) as on 31.03.2023 (In Rs. Crs)

Implementing Agency	Name of Scheme	As on March 31, 2023			Equity Contribution Upto 31.03.2023	Remarks	Reference Document/Table
		Completed	WIP	Total			
OPTCL	Biju Grama Jyoti Yojana(BGJY OPTCL DTR)	34.89	0	34.89		Scheme was closed prior takeover, but confirmation received from OPTCL on 7th June'24	BGJY OPTCL DTR of Annexure-5
OPTCL	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)-OPTCL	368.36	0	368.36			Asset Created by OPTCL_DDUGJY of Annexure-4
PGCIL	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY 11th &12th Plan)-PGCIL	1270.55		1270.55			Assets created by PGCIL of Annexure-4
NTPC	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY 11th & 12th Plan)-NTPC	450.22		450.22			Asset Created by NTPC of Annexure-4
OPTCL	Integrated Power Development Scheme (IPDS)	280.71	0	280.71			Asset Created by OPTCL of Annexure-4
OPTCL	Integrated Power Development Scheme (IPDS-IT Phase II)	54.2	0	54.2		Scheme was closed prior takeover, but confirmation received from OPTCL on 7th June'24	IPDS IT PH-II of Annexure-5
OPTCL	Odisha Distribution System Strengthening Project (ODSSP)	463.36	291.65	755.01	72.59		Name of the Asset Created Agency-OPTCL of Annexure-4
OPTCL	Odisha Dedicated Agricultural Fishery Feeder Project(ODAFFP)	13.1	40.87	53.97		Scheme was closed prior takeover, but confirmation received from OPTCL on 7th June'24	ODAFFP of Annexure-5
NTPC/PGCIL	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	3.51	0	3.51		Scheme was closed prior takeover, but confirmation received from OPTCL on 7th June'24	RGGVY of Annexure-5
	Total	**2,938.90**	**332.52**	**3,271.42**			
	Grant Total (After Deducting Equity Contribution of GRIDCO)	**2,866.31**					

ANNEXURE-4

MINUTES OF MEETING OF 1ST MEETING OF COMMITTEE FOR DEVELOPMENT OF PROTOCOL FOR ASSET MANAGEMENT OF GOI/GOO FUNDED SCHEMES HELD ON 12.10.2023 AT 4PM.

The list of participants is placed at **Annexure-1**.

Welcoming the members, Director (F&CA), GRIDCO briefed about the decision taken during the meeting held on 2nd Sept'2023 under the chairmanship of ACS, Energy Department and Chairman, GRIDCO on proper management of GoI/GoO funded Electrical Distribution Assets and necessity for development a protocol for management of GoI/GoO funded Electrical Distribution Assets.

A brief presentation was given on the status of assets created by OPTCL, NTPC, PGCIL and by DISCOMs till 31.03.2023.

The details of deliberation and decision taken in the meeting as follows:

1. **Fixed Asset Register (FAR) of GoI/GoO funded schemes implemented through OPTCL and Central Agencies.**

a. OPTCL clarified that they have provided the Fixed Assets Register for SCRIPS, DDUGJY, IPDS, ODSSP, Nabakalebar Schemes to GRIDCO as well as to respective DISCOMs after obtaining certification from external Audit Firm valuing total to the tune of Rs.6542.55 crore as on 31.03.2023 which includes Rs5199.75 Crore capitalised and Rs1342.80 crore CWIP. A detail statement in this regard is enclosed at **Annexure-2**.
However, CFOs of respective DISCOMs stated that they have not received the copy of the FAR so forwarded by OPTCL. CFO, OPTCL agreed to resend the Asset Register to all CFOs of Discoms both the hard copy by post and soft copy through e-mail.

b. CGM(F), DMU clarified that, the implementing Agencies such as NTPC & PGCIL have submitted the FAR copy to Respective Discoms as well as GRIDCO to the tune of Rs.6629.06 crore for DDUGJY 10th Plan, DDUGJY 11th Plan, DDUGJY 12th plan etc. A detail statement in this regard is enclosed at **Annexure-3**.
However, CFOs of respective DISCOMs stated that they have not received the copy of the FAR so forwarded by either PGCIL or NTPC.

It was decided that, CGM(F), DMU to forward the copy of Asset Register so submitted by NTPC and PGCIL to all CFOs of Discoms both the hard copy by post and soft copy through e-mail.

2. **Fixed Asset Register (FAR) of GoI/GoO funded schemes implemented by Discoms.**

   Discoms are the implementing Agency of various Government funded Schemes such as Saubhagya, BGJY, CAPEX, R-APDRP, DESI, Elephant Corridor, shifting of lines & S/S from School Anganwadi etc. during Pre-vesting period as well as post-vesting period. However, no FAR copy has yet been received fromDiscoms.

   Respective Discoms were agreed to share the copy of FAR created post vesting period to GRIDCO as well as to Energy Department duly verified by Third Party Auditors.

   Further, it was advised to prepare the FAR for pre-vesting period by collecting information from respective Divisions within one month period positively and forward the same to GRIDCO as well as to Energy Department after obtaining certification from the Third-Party Auditors.

3. **Development of a protocol for Assets Management of GoI / GoO Funded Schemes.**

   Detailed discussions and deliberations were made regarding preparation of draft protocol for Assets Management of GoI / GoO Funded Schemes.

   It was deliberated that the protocol should cover the details about the date of Assets creation, value of assets, its location, O&M allowed by OERC and spent in each year of operation, date of retirement of assets, major R&M done including source of fund for special R&M etc.

   As OPTCL is having the expertise of executing/implementing the Govt. Funded schemes for DISCOMs, it was decided that; OPTCL to draft the protocol for Asset Management up to Capitalisation of Assets and hand over to CGM(F), DMU as well as to both the Auditors. CFO of TP Discoms are requested to share their insights to CGM(F), DMU as well as the Auditors for value addition.

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CA, Dinkar Mohanty of M/s Tejraj Pal & Co and CFO, GRIDCO were requested to draft the Protocol jointly with CA Dilip Jena of SRB taking draft from CFO, OPTCL.

The draft Protocol will be presented for deliberation in the next meeting.

The next meeting will be held after 15 days and shall be informed accordingly well in advance.

The meeting ended with a vote of thanks to the Chair and the participants.

19/x/2023

Director (F&CA)

Members Present in the meeting regarding 1st Committee to develop a protocol of Asset Management of GoI/GoO funded scheme on 12.10.2023 at 04.00 PM in the Conf. hall of GRIDCO

Sl NO	Name	Designation	Company Name	Signature
1	Sri G B Swain	Director (F&CA)	Gridco	
2	Sri S K Sahu	CFO	Gridco	
3	Sri U.K Gupta	CFO	OPTCL	
4	Sri B. C padhihary	CGM (F)	Gridco	
5	Sri S. Sahu	GM (F)	OPTCL	
6	Sri Dinkar Mohanty	TRP	Auditor	
7	Sri Dileep Jena	SRB & Associates	Auditor	
8	CA Dinakar Mohanty	Tej Raj & Pal		
9	FA cum Addl Secy		GoO, DoE	
10	[illegible]			
11	C.F.O		TPCODL	Through VC
12	C.F.O		TPWODL	Through V.C
13	C.F.O		TP SODL	Through V.C
14	C.F.O		TP NODL	Through V.C
15				
16				
17				
18				
19				
20				

Annexure-1

Name of the Asset Created Agency-OPTCL AS ON 31.03.2023					
					Rs. In Crore
Sl No	Name of Scheme	Name of Discoms	Assets Value		
			Completed	WIP	Total
1	SCRIPS	TPCODL	268.72	254.63	**523.35**
2	DDUGJY	TPCODL	294.99		294.99
		TPNODL	368.36		368.36
		TPSODL	273.21		273.21
		TPWODL	293.39		293.39
		Total	**1229.95**	**0.00**	**1229.95**
3	IPDS	TPCODL	195.61		195.61
		TPNODL	280.71		280.71
		TPSODL	211.86		211.86
		TPWODL	223.11		223.11
		Total	**911.29**	**0.00**	**911.29**
5	ODSSP	TPCODL	507.97	543.43	1051.40
		TPNODL	463.36	291.65	755.01
		TPSODL	760.18	68.62	828.80
		TPWODL	899.45	184.47	1083.92
		Total	**2630.96**	**1088.17**	**3719.13**
6	NABAKALEBAR	TPCODL	158.83		**158.83**
TOTAL OF ALL PROJECT		TPCODL	1426.12	798.06	2224.18
		TPNODL	1112.43	291.65	1404.08
		TPSODL	1245.26	68.62	1313.88
		TPWODL	1415.95	184.47	1600.42
		Total	**5199.75**	**1342.80**	**6542.55**

Annexure-3

Assets Executed by Cenral Agencies				
Name of the assets Created agency - PGCIL				
				Rs. In Crore
Scheme Sl No	Scheme Name	DISCOM	Value as on	Completed Value
1	DDUGJY 11th Plan	TPCODL	18.01.2016	369.22
		TPNODL	19.09.2015	650.50
		TPSODL	21.03.2018	269.58
		TPWODL	16.07.2015	192.80
		Sub-Total		**1482.10**
2	DDUGJY 12th plan	TPCODL	10-03-2021	439.88
		TPNODL	12-02-2021	620.05
		TPSODL	30-11-2020	582.70
		TPWODL	30-11-2020	492.57
		Sub-Total		**2135.20**
PGCIL Total				**3617.30**
Name of the assets Created agency -NTPC				
1	DDUGJY 10th Plan	TPCODL	Not available	**194.32**
		Sub- Total		**194.32**
2	DDUGJY 11th Plan	TPCODL		62.30
		TPNODL		123.39
		TPSODL		113.98
		TPWODL		418.91
		Sub-Total		**718.58**
3	DDUGJY 12th Plan	TPCODL	As on 31.03.2022	372.96
		TPNODL		326.83
		TPSODL		375.36
		TPWODL		1023.72
		Sub- Total		**2098.86**
NTPC Total				**3011.76**
Central Agency (PGCIL + NTPC) Grand Total				**6629.06**

ANNEXURE-5

Received - Hard copy from CFO, OPTCL on 7/4/2024

STATEMENT OF ASSETS CREATED UNDER GOVT. PROJECTS AS ON 31.03.2024

	Name of the Scheme	ODSSP		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	205.73	804.61	1,010.34
	TPNODL	148.04	584.71	732.75
	TPSODL	114.85	698.87	813.72
	TPWODL	192.38	886.18	1,078.56
	TOTAL	**661.00**	**2,974.37**	**3,635.37**

	Name of the Scheme	ODSSP PH-IV as on 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL			-
	TPNODL	182.49		182.49
	TPSODL			-
	TPWODL	216.92		216.92
	TOTAL	**399.41**	-	**399.41**

	Name of the Scheme	SCRIPS 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	136.35	622.06	758.41
	TPNODL			-
	TPSODL			-
	TPWODL			-
	TOTAL	**136.35**	**622.06**	**758.41**

	Name of the Scheme	SETU 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPSODL		14.2	14.20
	TOTAL	-	**14.20**	**14.20**

	Name of the Scheme	DDUGJY 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		289.97	289.97
	TPNODL		446.49	446.49
	TPSODL		395.08	395.08
	TPWODL		373.42	373.42
	TOTAL	-	**1,504.96**	**1,504.96**

	Name of the Scheme	IPDS 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		217.73	217.73
	TPNODL		293.66	293.66
	TPSODL		241.64	241.64
	TPWODL		244.65	244.65
	TOTAL	-	**997.68**	**997.68**

	Name of the Scheme	SOUBHAGYA 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		168.99	168.99
	TPNODL		124.27	124.27
	TPSODL		191.44	191.44
	TPWODL		158.50	158.50
	TOTAL	-	**643.20**	**643.20**

	Name of the Scheme	NABAKALEBARA 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		158.83	158.83
	TPNODL			-
	TPSODL			-
	TPWODL			-
	TOTAL	-	**158.83**	**158.83**

Sl No	Name of the Scheme	RGGVY 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		38.93	38.93
	TPNODL		3.51	3.51
	TPSODL		11.59	11.59
	TPWODL		26.94	26.94
	TOTAL	-	**80.97**	**80.97**

Sl No	Name of the Scheme	ODAFFP 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	7.21	59.24	66.45
	TPNODL	40.87	13.10	53.97
	TPSODL	6.62		6.62
	TPWODL			-
	TOTAL -ODAFFP	**54.70**	**72.34**	**127.04**

Sl No	Name of the Scheme	BGJY OPTCL DTR 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		153.33	153.33
	TPNODL		34.89	34.89
	TPSODL		45.71	45.71
	TPWODL		41.08	41.08
	TOTAL	-	**275.01**	**275.01**

Sl No	Name of the Scheme	IPDS IT PH-II 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL			-
	TPNODL		54.20	54.20
	TPSODL		54.20	54.20
	TPWODL		54.20	54.20
	TOTAL	-	**162.60**	**162.60**

SRB & Associates
CHARTERED ACCOUNTANTS
INDIA

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Email:info@srbandassociates.in
srbbbsr@gmail.com

CERTIFICATE

Herewith we certify that the Gross Fixed Assets (GFA) of TP Northern Odisha Distribution Limited (TPNODL) as on March 31, 2024 is ₹ 4067.11crores. This includes Gross Assets taken over by TPNODL from Northern Electricity Supply Company (NESCO) pursuant to vesting order issued by the Odisha Electricity Regulatory Commission ('OERC') dated March 25, 2021, the Company acquired the business of distributing power in Northern Odisha ('business') from NESCO with effect from April 1, 2021 (date of vesting order)

Year-wise breakup is as provided in below table.

(Figs in ₹ crore)

S.No.	Particulars	Gross Fixed Asset as on April 01, 2021	Net Addtion FY 21-22	Net Addtion FY 22-23	Net Addtion FY 23-24	Gross Fixed Asset as on March 31, 2024
		(A)	(B)	(C)	(D)	(A+B+C+D)
1	**TANGIBLE**					
(a)	Buildings	5.59	4.02	60.44	67.31	137.35
(b)	Plant and equipment including transmission lines and cable network	2,184.68	140.85	512.34	901.80	3,739.66
(c)	Motor Vehicles	0.55	0.32	1.18	0.72	2.76
(d)	Furniture and fixtures	2.26	0.82	5.09	3.92	12.09
(e)	Office equipments	6.33	15.17	33.00	21.83	76.33
	Total PPE	**2,199.41**	**161.18**	**612.04**	**995.57**	**3,968.20**
2	**INTANGIBLE**	-	19.42	37.48	42.01	98.91
	Total Gross Fixed Asset	**2,199.41**	**180.60**	**649.52**	**1,037.58**	**4,067.11**

(Figs in ₹ crore)

S.No.	Particulars	GFA (as on 01.04.2021) depreciated 90%	
		31-03-2023	31-03-2024
(a)	Buildings	-	
(b)	Plant and equipment including transmission lines and cable network	271.43	274.63
(c)	Motor Vehicles	0.36	0.36
(d)	Furniture and fixtures	1.88	1.88
(e)	Office equipments	4.59	4.60
	Total PPE	**278.26**	**281.47**

Note:

This certificate is issued for the purpose of submission to OERC only.

SRB & Associates
Chartered Accountants,
FRN:310009E

Aditya Kumar Mishra

Aditya Kumar Mishra
Partner
M.No:55254
UDIN:24055254BKHMVR9494
Date:27.11.2024

SRB & Associates * Bhubaneswar * Chartered Accountants