



7<sup>th</sup> January 2021  
BJ/SH-L2/

BSE Limited  
Corporate Relationship Department  
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Scrip Code: **500400**

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Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
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Bandra (East),  
Mumbai 400 051.  
Symbol: TATAPOWER EQ

Dear Sirs,

**Completion of acquisition of 51% equity shares of TP Southern Odisha Distribution Limited and TP Western Odisha Distribution Limited**

In continuation of our letter ref. No.BJ/SH-L2/ dated 4<sup>th</sup> December 2020, we wish to inform you that Tata Power has today acquired 51% equity stake each in TP Southern Odisha Distribution Limited (TPSODL) and TP Western Odisha Distribution Limited (TPWODL) for a consideration of ₹ 127.50 crore and ₹ 255 crore, respectively. GRIDCO Limited (GRIDCO) will hold balance 49% equity stake each on TPSODL and TPWODL.

TPSODL was incorporated on 25<sup>th</sup> December 2020 as a wholly owned subsidiary of GRIDCO to carry out the business of SOUTHCO Utility. The Hon'ble Odisha Electricity Regulatory Commission (OERC), vide its Vesting Order dated 28<sup>th</sup> December 2020, has vested the license to TPSODL to carry out the function of distribution and retail supply of electricity covering the distribution circles of Ganjam City, Berhampur, Aksa, Bhanjannagar, Jeypore and Rayagada in the state of Odisha for a period of 25 years effective 1<sup>st</sup> January 2021.

TPWODL was incorporated on 30<sup>th</sup> December 2020 as a wholly owned subsidiary of GRIDCO to carry out the business of WESCO Utility. OERC, vide its Vesting Order dated 28<sup>th</sup> December 2020, has vested the license to TPWODL to carry out the function of distribution and retail supply of electricity covering the distribution circles of Rourkela, Burla, Bhawanipatna, Bolangir and Bargargh in the state of Odisha for a period of 25 years effective 1<sup>st</sup> January 2021.

The Press Release to be issued by the Company along with details of the three license areas in Odisha is attached for your reference and record.

Yours faithfully,  
**For The Tata Power Company Limited**

Company Secretary

**TATA POWER**

**The Tata Power Company Limited**

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## **Tata Power takes over power distribution in Western and Southern Odisha from 1st January 2021 onwards**

~Tata Power holds 51 percent equity along with 49 percent by Government of Odisha~

~Retains all the existing employees of WESCO and SOUTHCO; aims to create a successful PPP model in Power Sector~

**National, 7<sup>th</sup> January 2021:** Tata Power, India's largest integrated power utility, today, announced that it has taken over the management and operations of WESCO and SOUTHCO upon completion of sale process. Now, WESCO and SOUTHCO will operate under the company name as TP Western Odisha Distribution Limited (TPWODL) and TP Southern Odisha Distribution Limited (TPSODL) respectively. As per order issued by the Odisha Electricity Regulatory Commission (OERC), Tata Power holds 51 percent of equity with management control and the State-owned GRIDCO will have the remaining 49 percent equity stake in the company.

TP Western Odisha Distribution Limited (TPWODL) shall now be responsible for the distribution and retail supply of electricity in five circles of WESCO covering 2 million consumers with annual input energy of 7520 MUs in areas of Rourkela, Burla, Bhawanipatna, Bolangir, Bargargh, while TP Southern Odisha Distribution Limited (TPSODL) will be responsible for the distribution covering 2.3 million consumers with average energy input of 3470 MUs and retail supply of electricity in six circles of SOUTHCO in areas of Ganjam City, Berhampur, Aksa, Bhanjannagar, Jeypore and Rayagada.

With this takeover, the company's distribution circles will expand to the western (TPWODL) and southern part (TPSODL) of Odisha with geographical spread of more than 47,000 sq km each. It will manage a network of more than 100,000 CKT. KMs. each for a license period of 25 years.

With the inclusion of two additional distribution utilities, Tata Power expands its consumer base to 9.5 million from the present base of 5.2 million across Mumbai, New Delhi, Central part of Odisha and Ajmer.

**Commenting on this occasion Mr Praveer Sinha, CEO & MD, Tata Power said, "It is a proud moment for us as we have ushered in the new year by commencing operations in WESCO and SOUTHCO in State of Odisha. We are committed to provide reliable, affordable and quality power supply along with superior customer service. We are thankful to the Odisha Government and OERC for giving us this opportunity and reaffirm Tata Power's commitment of 'Lighting up Lives' for the people of Odisha."**

### **About Tata Power:**

Tata Power is India's largest integrated power company and, together with its subsidiaries & jointly controlled entities, has an installed/ managed capacity of 12,772 MW. A pioneer in the field, it has a presence across the entire power value chain - generation of renewable as well as conventional power including hydro and thermal energy, transmission & distribution, trading and coal & freight logistics. With nearly 2.6GW of renewable energy assets in solar and wind accounting for 30% of the company's portfolio, Tata Power is a leader in clean energy generation. In line with the company's view on sustainable and clean energy

development, Tata Power is steering the transformation of utilities to integrated solutions by looking at new business growth in EV charging & storage, distributed generation & rooftops, micro grids and home automation & smart meters. It has successful public-private partnerships in generation, transmission & distribution in India, namely 'Tata Power Delhi Distribution Ltd.' with Delhi Vidyut Board for distribution in North Delhi; 'Tata Power Ajmer Distribution Ltd.' with Ajmer Vidyut Vitran Nigam Ltd. for distribution in Ajmer; 'Powerlinks Transmission Ltd.' with Power Grid Corporation of India Ltd. for evacuation of Power from Tala hydro plant in Bhutan to Delhi; 'Maithon Power Ltd.' with Damodar Valley Corporation for a 1050 MW Mega Power Project at Jharkhand and recently entered into public-private partnership for Central part of Odisha namely, "Tata Power Central Odisha Distribution Company Limited". Tata Power is serving more than 9.5 million distribution consumers in India and has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on super-critical technology.

With its 105 years track record of technology leadership, project execution excellence, world-class safety processes, customer care and driving green initiatives, Tata Power is poised for multi-fold growth and committed to 'lighting up lives' for generations to come. Visit us at: [www.tatapower.com](http://www.tatapower.com)

**For further information, please contact:**

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# **Tata Power 2.0**

## Lighting up a Billion Lives

Odisha Distribution Businesses

7<sup>th</sup> January 2021

Lighting up Lives!



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## Odisha Distribution License details

# Details of three licenses won by Tata Power



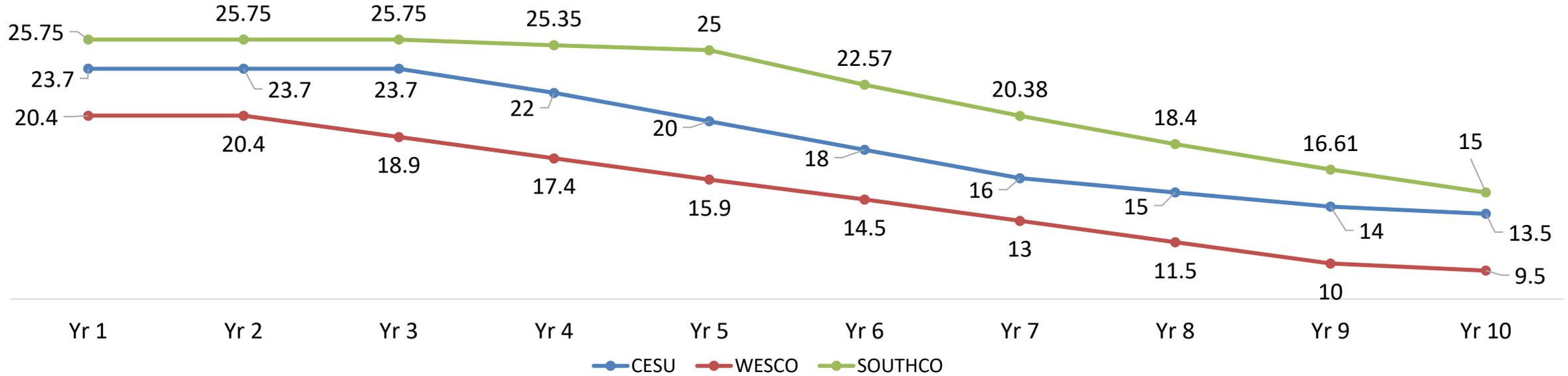
Particulars	CESU	WESCO	SOUTHCO
Area (sq kms)	29,354	48,000	47,000
No of Customers (Million)	2.69	1.96	2.28
Input Energy (MUs)	8,160	7,523	3,469
Sales (MUs)	6,271	6,114	2,620
EHT & HT consumers (as % of annual Sales MUs)	37%	57%	29%
Annual revenue billed in FY 20 (Rs crs)	3,599	3,310	1,279
Power Purchase Cost (Rs p.u.)	2.86	3.29	2.11
Initial regulated equity (Rs crs)	300	300	200
Price to be paid for 51% stake (Rs crs)	178.5	255	127.5
Minimum capex in first five years (Rs crs)	1,541	1663	1166
Arrear Receivables (Rs crs)	1,700	4,016	1,350
Date of start of operations	1 <sup>st</sup> June 2020	1 <sup>st</sup> Jan 2021	

***Biz Model: RoE on initial equity & incremental equity on capex plus AT&C led savings or losses***

# AT&C related terms of takeover



AT&C Trajectory for Tariff Determination



Particulars	CESU	WESCO	SouthCO
FY 20 AT&C Losses (%)	30.44	28.56	36.29
AT&C Loss related penalty for every 1% shortfall	Rs 50 cr	Rs 50 cr	Rs 30 Cr
- 3 <sup>rd</sup> Year target	23.76%	22.5%	32.8%
- 5 <sup>th</sup> Year target	20.19%	18.5%	26.75%

**CESU VESTING ORDER LINK**

**WESCO VESTING ORDER LINK**

**SOUTHCO VESTING ORDER LINK**



# Update on CESU license area

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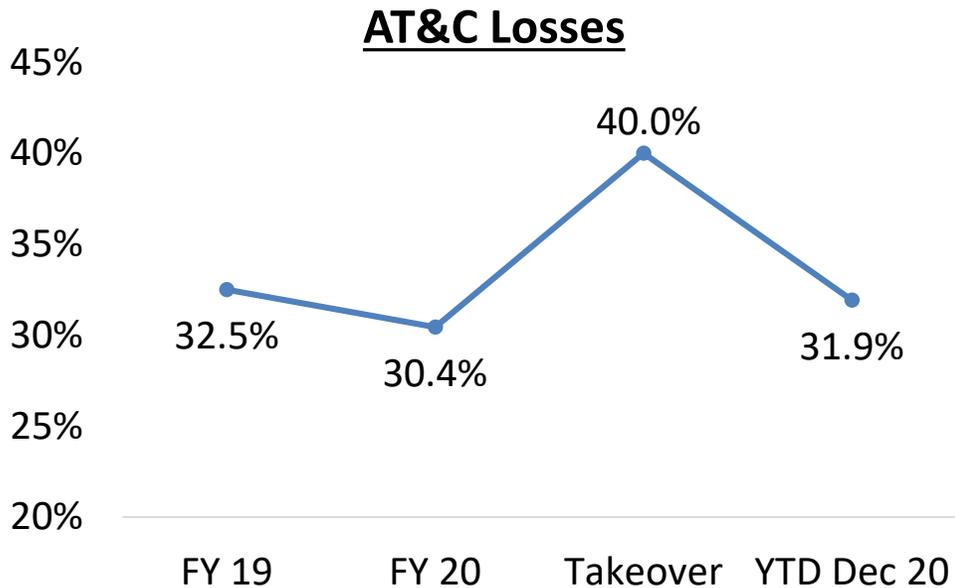
# A focused turnaround plan for CESU



## SUCCESSFUL TAKEOVER AMIDST COVID-19

- Seamless integration of ~4,500 employees and rollout of policies and systems
- Transitioned from franchisees to agencies with direct monitoring

## INCREASED AT&C LOSSES DUE TO COVID 19



## TARGETED AREAS OF IMPROVEMENT SHOWING TRACTION

- Power System Control Centre (PSCC) started since July for real time monitoring and centralized operations
- 200 meter teams operational – 1.35 Lac defective meters replaced there by reducing provisional billing
- 24 \* 7 Call Centre started and Customer Care Centres launched in Bhubaneswar & Cuttack
- 33 kV & 11 KV– significant reduction in interruptions there by enhancing reliability
- Revamped TPCODL Website and Connect Consumer App with enhanced features
- On the spot billing and collection app launched
- Schemes to promote digital payments launched – enhancing digital payment by 40 %
- SAP ISU implemented for all high end customers
- Collection efficiency improved from 78% to 98%

***Confident to achieve the trajectory in next 9-12 months with support from employees and customers***



# Thank You!

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