

## INDEPENDENT AUDITOR'S REPORT

To the Members of TP Western Odisha Distribution Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of TP Western Odisha Distribution Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 significant 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, 2022, 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, 2022. 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 performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key audit matters	How our audit addressed the key audit matter
<b>Expected Credit Loss on trade receivables (refer note no 13 of the financial statements)</b>	
<p>The Company has outstanding gross trade receivables of INR 791.44 Crores as at March 31, 2022 including overdue/ aged receivables.</p> <p>The Company supplies electricity to various types of customers including individual customers with wide ranging characteristics in the Western Odisha. There exists inherent exposure to credit risk for these customers. Since, the business was recently acquired by the Company, limited past experiences are available to estimate credit loss allowance.</p> <p>In the absence of availability of adequate and relevant past data related to payment behaviours, the Company has elected to recognise Expected Credit Loss (ECL) allowance on trade receivables as per the tariff regulations, i.e., @ 1% of revenue from power supply.</p> <p>ECL Allowance for trade receivables is a key audit matter considering the significance of the amount, estimations and the significant judgements involved in the assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process and tested the internal controls associated with the management's assessment of determining ECL allowance for trade receivables.</li> <li>• Obtained an understanding of the management plan and steps being taken to collect overdue/ aged receivables</li> <li>• 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 and pre-acquisition receivables.</li> <li>• Evaluated management's assumption and judgment 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 loss allowance.</li> <li>• Assessed the disclosures in the financial statements</li> </ul>

#### 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 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.

#### 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 that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, the Statement of Profit and Loss 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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;
- (g) In our opinion, the managerial remuneration, if any, for the year ended March 31, 2022 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;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 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;
  - 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 person or entity, 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



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(c) Based on such audit procedures that were 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.

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

For Tej Raj & Pal  
Chartered Accountants  
ICAI Firm Registration Number: 304124E

  
per Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 22097546AIAALI3054  
Mumbai  
April 28, 2022



  
per Dinakar Mohanty  
Partner  
Membership Number: 59390  
UDIN: 22059390AHZXES4142  
Bhubaneswar  
April 28, 2022



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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 Western 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 acquired as on January 1, 2021, were physically verified by the management during the year. Management has represented that it has plan to conduct physical verification for remaining items of property, plant and equipment and capital work in progress (CWIP) in the subsequent years. This is in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any land in its name. As regard the buildings, thereon, the Company retains the operational right 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, 2022.
- (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 and in our opinion 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 23 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. The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during any point of time of the year on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.



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(iii)

(a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(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 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)

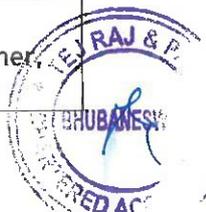
(a) Undisputed statutory dues including goods and services tax, provident fund, income-tax, employees' state insurance, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions of duty of custom is not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of the Dues	Amount in INR	Period to which the amount relates	Due Date	Date of Payment
Goods and Service Tax Act, 2017	Goods and Service Tax	1,94,55,186	March 2021	April 20, 2021	April 4, 2022
		12,54,817	April 2021	May 20, 2021	
		7,27,789	May 2021	June 20, 2021	
		7,44,872	June 2021	July 20, 2021	
		5,76,851	July 2021	August 20, 2021	
		8,81,213	August 2021	September 20, 2021	
The Building And Other Construction Workers' Welfare Cess Act, 1996	Labour Cess	4,95,149	Till September 2021	Multiple Dates - Within 30 days of commencement of work	April 25, 2022

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

Name of the Statute	Nature of the dues	INR in crores	Period	Forum where the dispute is pending
The Finance Act, 1994	Service tax	75.97	FY 2014-15 to FY 2017-18	Principal Commissioner, CGST



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There are no dues of goods and services tax, employees' state insurance, income tax, 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. 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 wilful 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 (as amended) 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 (as amended). 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 (as amended). 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 (as amended). Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of 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 has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company 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) The Group has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.



(xvii) The Company has not incurred cash losses in the current financial year and 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 44 to the financial statements, ageing and expected dates of realization 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.

(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 (as amended), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33 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 (as amended). This matter has been disclosed in note 33 to the financial statements.

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

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

For Tej Raj & Pal  
Chartered Accountants  
ICAI Firm Registration Number: 304124E

per Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 22097546AIAALI3054  
Mumbai  
April 28, 2022



per Dinakar Mohanty  
Partner  
Membership Number: 59390  
UDIN: 22059390AHZXES4142  
Bhubaneswar  
April 28, 2022



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TP WESTERN 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 Western Odisha Distribution Limited ("the Company") as of March 31, 2022 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 (as amended).

**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 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.



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### 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.

### 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, 2022, 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

per Vishal Bansal  
Partner  
Membership Number: 097546  
UDIN: 22097546AIAALI3054  
Mumbai  
April 28, 2022



For Tej Raj & Pal  
Chartered Accountants  
ICAI Firm Registration Number: 304124E

per Dinakar Mohanty  
Partner  
Membership Number: 59390  
UDIN: 22059390AHZXES4142  
Bhubaneswar  
April 28, 2022



**BALANCE SHEET AS AT MARCH 31, 2022**

₹ in Crore

	NOTE NO	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	1,596.39	1,320.20
(b) Capital work-in-progress	5	77.30	99.71
(c) Intangible assets	6	32.96	-
(d) Financial assets	7	332.14	270.93
(e) Deferred tax assets	8	10.58	0.34
(f) Non-current tax assets	9	-	25.54
(g) Other non-current assets	10	21.50	19.12
<b>Total non-current assets</b>		<b>2,070.87</b>	<b>1,735.84</b>
<b>(2) Current assets</b>			
(a) Inventories	11	36.65	22.18
(b) Financial assets			
(i) Investments	12	193.28	-
(ii) Trade receivables	13	737.88	117.53
(iii) Unbilled revenue		394.09	321.68
(iv) Cash and cash equivalents	14	324.38	211.26
(v) Bank balances other than (iv) above	14	1,159.25	811.81
(vi) Other financial assets	15	41.47	32.20
(c) Other current assets	16	13.59	1.89
<b>Total current assets</b>		<b>2,900.59</b>	<b>1,518.55</b>
<b>(3) Total assets (1+2)</b>		<b>4,971.46</b>	<b>3,254.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	17	359.93	300.00
(b) Other equity	18	62.72	(1.02)
<b>Total equity</b>		<b>422.65</b>	<b>298.98</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	50.00	-
(b) Provisions	20	124.46	22.34
(c) Contribution towards Capital Assets	21	1,241.19	1,103.02
(d) Other non-current liabilities	22	244.59	153.21
<b>Total non-current liabilities</b>		<b>1,660.24</b>	<b>1,278.57</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Short-term borrowings	23	130.24	141.26
(ii) Trade payables			
total outstanding dues of micro enterprises and small enterprises and	24	3.34	-
total outstanding dues of creditor other than micro enterprises and small enterprises	24	588.80	331.83
(iii) Other financial liabilities	25	1,243.79	1,058.71
(b) Provisions	20	48.69	5.06
(c) Current tax liabilities (Net)	9	2.23	-
(d) Other current liabilities	26	236.84	41.05
<b>Total current liabilities</b>		<b>2,253.93</b>	<b>1,577.91</b>
<b>(3) Regulatory Deferral Account - Liability</b>	27	634.64	98.93
<b>Total equity and liabilities</b>		<b>4,971.46</b>	<b>3,254.39</b>

See accompanying notes forming part of financial statements

As per our report of even date

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI FRN: 824982E/6300003

per Vishal Barisal  
Partner  
Place: Mumbai



**For TEJ RAJ & PAL**  
Chartered Accountants  
ICAI FRN: 304124E

per Dinakar Mohanty  
Partner  
Place: Bhubaneswar



For and on behalf of the Board of  
**TP Western Odisha Distribution Limited**

Praveer Sinha  
Director  
DIN: 01785164  
Place: Mumbai

Gajanan Sampatrao Kale  
Chief Executive Officer (CEO)  
Place: Sambalpur

Sanjay Kumar Banga  
Director  
DIN: 07785948  
Place: Mumbai

Satish Kumar  
Chief Financial Officer (CFO)  
Place: Sambalpur

Shishir Dudeja  
Company Secretary  
FCS 9578  
Place: Sambalpur

Date: April 28, 2022

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

		₹ in Crore	
	NOTE NO	Year Ended March 31, 2022	Period Ended March 31, 2021
<b>I.</b>	Revenue from operations	4,842.56	940.84
<b>II.</b>	Other income	83.67	29.06
<b>III.</b>	<b>Total income (I+II)</b>	<b>4,926.23</b>	<b>969.90</b>
<b>IV.</b>	<b>Expenses</b>		
	Cost of power purchased and transmission charges	3,338.17	689.80
	Employee benefits expense	450.71	101.70
	Finance costs	42.93	10.94
	Depreciation and amortization expense	81.12	16.40
	Other expenses	328.32	51.04
	<b>Total expenses (IV)</b>	<b>4,241.25</b>	<b>869.88</b>
<b>V.</b>	<b>Profit / (Loss) before movement in regulatory deferral balance</b>	<b>684.98</b>	<b>100.02</b>
	Add/(Less): Net movement in regulatory deferral balances	(599.79)	(101.38)
<b>VI.</b>	<b>Profit/(loss) before tax</b>	<b>85.19</b>	<b>(1.36)</b>
<b>VII.</b>	<b>Tax Expenses</b>		
	(1) Current tax	31.69	-
	(2) Deferred tax	(10.24)	(0.34)
<b>VIII.</b>	<b>Profit/ (loss) after tax for the period (VI-VII)</b>	<b>63.74</b>	<b>(1.02)</b>
<b>IX.</b>	<b>Other comprehensive income/(expenses)</b>		
	Items that will not be reclassified to profit or loss (Net)	-	-
<b>X.</b>	<b>Total other comprehensive income/(expense)</b>	-	-
<b>XI.</b>	<b>Total comprehensive income for the period (VIII+X)</b>	<b>63.74</b>	<b>(1.02)</b>
<b>XII.</b>	<b>Earnings per equity share (face value ₹ 10/- each)</b>		
	Earnings Per Equity Share (Excluding Regulatory income/(expense) (net)) Basic and Diluted (in ₹)	17.08	2.55
	Earnings Per Equity Share (including Regulatory income/(expense) (net)) Basic and Diluted (in ₹)	2.12	(0.03)

See accompanying notes forming part of financial statements

As per our report of even date

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

per **Vishal Bansal**  
Partner  
Place: Mumbai



For **TEJ RAJ & PAL**  
Chartered Accountants  
ICAI FRN: 304124E

per **Dinakar Mohanty**  
Partner  
Place: Bhubaneswar



For and on behalf of the Board of  
**TP Western Odisha Distribution Limited**

**Praveer Sinha**  
Director  
DIN: 01785164  
Place: Mumbai

**Gajanan Sampatran Kale**  
Chief Executive Officer (CEO)  
Place: Sambalpur

**Saniay Kumar Banga**  
Director  
DIN: 07785948  
Place: Mumbai

**Satish Kumar**  
Chief Financial Officer (CFO)  
Place: Sambalpur

**Shishir Dudeja**  
Company Secretary  
FCS 9578  
Place: Sambalpur

Date: April 28, 2022

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

**Accounting Policy**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

	Year Ended March 31, 2022	Period Ended March 31, 2021
<b>₹ in Crore</b>		
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	85.19	(1.36)
Adjustments for :		
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities</b>		
Depreciation and amortization expense	81.12	16.40
Interest on Security Deposit	32.95	8.00
Interest on Loan	9.98	2.95
Interest income	(50.94)	(12.37)
Amortization of consumer contribution	(56.66)	(11.25)
Allowance for doubtful debts	45.03	8.53
<b>Operating profit before working capital changes</b>	<b>146.67</b>	<b>10.90</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Inventories	(14.47)	1.95
Trade receivables	(665.38)	232.53
Unbilled revenue	(72.41)	(321.68)
Other financial assets - current	0.52	(5.12)
Other current assets	(11.70)	0.72
Other financial assets - non current	(0.10)	(2.72)
Other non-current assets	(2.38)	(1.17)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	260.31	63.41
Other financial liabilities - current	44.07	103.85
Other current liabilities	195.79	33.18
Other non-current liabilities	(4.66)	(0.67)
Provision - non current	102.12	22.34
Provision - current	43.63	5.06
Regulatory deferral account- Liability	535.71	98.93
<b>Cash generated from operations</b>	<b>557.72</b>	<b>241.51</b>
Taxes paid	(3.92)	6.55
<b>Net Cash Flows from Operating Activities</b> (A)	<b>553.80</b>	<b>248.06</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment	(305.53)	(1.15)
Capital expenditure on intangible assets	(32.96)	-
Interest received	41.15	24.49
Current Investments placed	(193.28)	-
Deposits with banks not considered as cash and cash equivalents - placed (net)	(408.55)	(91.24)
<b>Net Cash Flow (used in) Investing Activities</b> (B)	<b>(899.17)</b>	<b>(67.90)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of shares	30.56	-
Interest paid	(41.29)	(19.71)
Proceeds from consumer security deposit	139.37	11.71
Proceeds/(Utilization) from Deposit works	7.98	2.01
Contribution towards Capital Assets	194.83	1.18
Proceeds/(Utilization) of subsidies towards cost of capital assets	88.06	(1.27)
Proceeds from long-term borrowings	50.00	-
Proceeds/ (Repayment) from short-term borrowings	(11.02)	(195.23)
<b>Net cash from financing activities</b> (C)	<b>458.49</b>	<b>(201.31)</b>
<b>Net increase in cash and cash equivalents</b> (A+B+C)	<b>113.12</b>	<b>(21.15)</b>
<b>Cash and cash equivalents as at beginning of the period</b>	<b>211.26</b>	<b>-</b>
Cash and cash equivalents acquired on business combination	-	232.41
<b>Cash and cash equivalents at the end of the period</b>	<b>324.38</b>	<b>211.26</b>
<b>Non-cash financing and investing activities ::</b>		
Issuance of equity shares for Considerations other than Cash (Refer Note No 17)	29.37	-

As per our report of even date

For **S R B C & CO LLP**  
 Chartered Accountants  
 ICAI FRN: 324983E/590003

per Vishal Dabur  
 Partner  
 Place: Mumbai

For and on behalf of the Board of  
**TP Western Odisha Distribution Limited**

Praveer Sinha  
 Director  
 DIN:01785164  
 Place: Mumbai

Gaiganan Sampatrag  
 Chief Executive Officer (CEO)  
 Place: Sambalpur

Date: April 28, 2022

For **TEJ RAJ & PAL**  
 Chartered Accountants  
 ICAI FRN: 304124E

per Dinkar Mohanty  
 Partner  
 Place: Bhubaneswar

Sanjay Kumar Banga  
 Director  
 DIN:07785948  
 Place: Mumbai

Satish Kumar  
 Chief Financial Officer (CFO)  
 Place: Sambalpur

Shishir Dudeja  
 Company Secretary  
 FCS 9578  
 Place: Sambalpur



**TP Western Odisha Distribution Limited**

CIN : U40109OR2020PLC035230

Wesco Corporate Building Burla, Besides Burla Police Station, Burla, Sambalpur, Odisha, India, 768017

Website:www.tpwesternodisha.com; Email:tpwodl@tpwesternodisha.com

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022**

**A. EQUITY SHARE CAPITAL**

Particulars	No of Shares in Crores	Amount ₹ in Crores
Issued during the period	30.00	300.00
<b>Balance as at April 01, 2021</b>	<b>30.00</b>	<b>300.00</b>
Issued during the year	5.99	59.93
<b>Balance as at 31 March, 2022</b>	<b>35.99</b>	<b>359.93</b>

**B. OTHER EQUITY**

Particulars	Retained Earnings	Total
	₹ in Crores	₹ in Crores
Profit/(Loss) for the period	(1.02)	(1.02)
Other Comprehensive Income/(Expense) for the period	-	-
<b>Balance as at April 01, 2021</b>	<b>(1.02)</b>	<b>(1.02)</b>
Profit/(Loss) for the year	63.74	63.74
Other Comprehensive Income/(Expense) for the year	-	-
<b>Total comprehensive income</b>	<b>62.72</b>	<b>62.72</b>
<b>Balance as at 31 March, 2022</b>	<b>62.72</b>	<b>62.72</b>

As per our report of even date

**For S R B C & CO LLP**

ICAI FRN: 324982E/ E300003

per Vishal Bansal

Partner

Place: Mumbai



**For TEJ RAJ & PAL**

ICAI FRN: 304124E

per Dinakar Mohanty

Partner

Place: Bhubaneswar



**For and on behalf of the Board of**

Praveer Sinha

Director

DIN:01785164

Place: Mumbai

Gajanan Sampat Kale

Chief Executive Officer (CEO)

Place: Sambalpur

Sanjay Kumar Banga

Director

DIN:07785948

Place: Mumbai

Satish Kumar

Chief Financial Officer (CFO)

Place: Sambalpur

Shishir Dudeja

Company Secretary

FCS 9578

Place: Sambalpur

Date: April 28, 2022

**TP Western Odisha Distribution Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 1**  
**General Information**

TP Western Odisha Distribution Limited ("TPWODL" or the "Company") is a public limited company, domiciled and incorporated in India and is engaged in the business of distribution of electricity in Western Odisha. The Company has been incorporated on December 30, 2020 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the Odisha Electricity Regulatory Commission ("OERC") dated December 28, 2020, the Company acquired the business of distributing power in Western Orissa ("business") from the WESCO (Western Electricity Supply Company of Odisha Limited & WESCO utility) with effect from January 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 Rourkela, Burla, Bhawanipatna, Bolangir and Bargargh in the state of Odisha for a period of 25 years effective from January 1, 2021, which also marked the commencement of commercial operations for the Company.

The registered office of the company is located at The Wesco Corporate Building Burla, Besides Burla Police Station, Burla, Sambalpur, 768017, Odisha.

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**

**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 read with section 133 of the Companies Act, 2013 (as amended from time to time). The Company also applies requirement of Division II of Schedule III of the Companies Act, 2013 while presenting financial statements. During the year, the company had adopted amendments to the said Schedule III. The application of this requirement do not impact recognition and measurement in financial statements. However, it has resulted in additional disclosure which are given under various notes.

**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);
- defined benefit plan related assets and liabilities (Refer accounting policy for defined benefit plans)

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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 financial statements are presented in INR and all values are rounded to the nearest crores (INR 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.

Financial information of the company for previous period is from the date of incorporation December 30, 2020 till March 31, 2021. Hence information for the previous period is not comparable with the current period financial information.

**Note 3**  
**Other significant accounting policies**

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**

These financial statements are presented in Indian Rupee (₹), which is the functional currency of the Company. The functional currency represents the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. 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 recognized 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 treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle,
  - held primarily for the purpose of trading,
  - expected to be realized 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
- 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 realization 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 recognized 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. 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 at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

#### Effective interest method

The effective interest method is a method of calculating the amortized 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.

### 3.4 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized 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 recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### 3.4.1 Financial assets at amortized cost

A financial asset shall be measured at amortized cost using effective interest rates if both of the following conditions are met:

(i) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

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

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortized cost and/ or fair value through other comprehensive income (FVTOCI) classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

A financial asset is held for trading if:

(i) it has been acquired principally for the purpose of selling it in the near term; or

(ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent

(iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in the Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### 3.4.3 Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

(i) it has been acquired principally for the purpose of selling it in the near term; or

(ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent

(iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognized in the Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### 3.4.4 Impairment of financial asset

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized 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".

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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 management's best estimate at the reporting date.

#### 3.4.5 Derecognition of financial asset

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially transfers all the risks and rewards of ownership of the asset to another party.



**TP Western Odisha Distribution Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**3.5 Financial liabilities and equity instruments**

**3.5.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**3.5.2 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. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**3.5.3 Financial liability**

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

**3.5.3.1 Financial liabilities subsequently measured at amortized cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**3.5.3.2 Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

**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 recognizes 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 recognized, 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 Liabilities**

At the commencement date of the lease, the Company recognizes 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 recognized as expense on a straight-line basis over the lease term.



**TP Western Odisha Distribution Limited**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**3.8 Dividend**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**3.9 Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to a specified asset, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grant relating to revenue expenditure are recognized as income in the statement of profit and loss.

**3.10 Business combinations and goodwill**

Business combinations, except those under common control, 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. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized 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 recognized 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 acquire that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

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 recognized 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 recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes 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 acquire 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 is recognized in profit or loss. An impairment loss recognized 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 recognized, 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 Changes in Ind AS and related pronouncements effective at a future date**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022. The management is in the process of assessing the impact of these amendments.

**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 recognized 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 Estimation of regulatory deferral account balances.
- 2 Estimation of expected credit loss allowance
- 3 Estimation of defined benefit obligation
- 4 Estimation of current tax and deferred tax expense
- 5 Estimation of provision and contingent liability

Estimates and judgement are continually evaluated. They are based on industrial 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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**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
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**Note 4 Property, plant and equipment :**

**4.01 Accounting Policy :**

Property, plant and equipment 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 capitalized 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 recognized 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 recognized in the statement of profit and loss as incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognized when replaced.

**Depreciation**

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

Estimated useful lives of the Regulated assets are as follows:

Type of asset	Useful lives (Assets transferred on acquisition)	Useful lives (New assets acquired post acquisition)
Buildings	50 Years	27 Years
Plant & Machinery including transmission lines & cable network (excluding IT equipments & battery)	25 Years	18 Years
Plant and equipment (IT Equipments)	-	6 Years
Plant and equipment (Batteries)	-	5 Years
Furniture and fixtures	20 Years	15 Years
Office equipment	10 Years	15 Years
Motor cars	7 Years	15 Years

Based on the vesting order/ tariff regulations, the residual value of the assets is considered at 10% of the Original Cost. 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.

**Derecognition**

An item of property, plant and equipment is derecognized 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 recognized in the statement of profit and loss.

**Impairment of tangible 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 cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 loss, if any, is recognized in the statement of profit and loss.



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Particulars	Gross Block			Accumulated Depreciation		Net Block	
	As at 01.04.2021	As at 31.03.2022	Additions	As at 01.04.2021	for the period	As at 31.03.2022	As at 31.03.2022
(a) Buildings	10.65	29.71	40.37	0.06	0.23	0.29	40.08
Plant and Machinery, Transmission lines and cable network	1,322.50	1,620.58	298.08	16.18	75.61	91.79	1,528.79
(c) Vehicles	0.08	1.52	1.60	0.01	0.13	0.14	1.46
(d) Furniture and fixtures	0.39	1.30	1.69	0.02	0.29	0.31	1.38
(e) Office equipment	2.97	25.14	28.11	0.13	3.29	3.43	24.68
<b>Total</b>	<b>1,336.59</b>	<b>355.75</b>	<b>1,692.35</b>	<b>16.40</b>	<b>79.56</b>	<b>95.96</b>	<b>1,596.39</b>

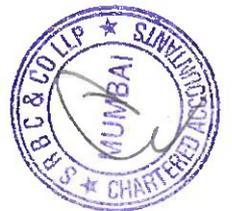
**NOTE 4.03 Property, plant and equipment:**

Particulars	Gross Block		Accumulated Depreciation		Net Block	
	Acquired as part of Business Combination	As at 31.03.2021	For the period	As at 31.03.2021	As at 31.03.2021	As at 31.03.2021
(a) Buildings	10.59	10.65	0.06	0.06	10.60	
Plant and Machinery, Transmission lines and cable network	1,306.32	1,322.50	16.18	16.18	1,306.32	
(c) Vehicles	0.07	0.08	0.01	0.01	0.07	
(d) Furniture and fixtures	0.38	0.39	0.01	0.02	0.37	
(e) Office equipment	2.84	2.97	0.13	0.13	2.84	
<b>Total</b>	<b>1,320.20</b>	<b>1,336.59</b>	<b>16.39</b>	<b>16.40</b>	<b>1,320.20</b>	

**NOTE 4.04**

**Assets acquired from WESCO**

Particulars	As at 01.01.2021		Net Carrying Amount/Fair value at acquisition date
	Gross Block	Accumulated Depreciation	
Buildings	16.05	5.46	10.59
Plant & Machinery and transmission lines & cable network	1,937.30	630.98	614.58
Motor Vehicles	0.48	0.41	0.41
Furniture & Fixtures	2.02	1.64	1.64
Office Equipment	7.45	4.61	4.61
<b>Total</b>	<b>1,963.30</b>	<b>643.10</b>	<b>631.83</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
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**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 Re.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. The impact of applying lease accounting as per Ind AS 116 - 'Leases' to these leases is not material. 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**

Also refer note no. 40.03 of business combination and note no 42 assets created with Government Fund and used by TPWODL

**NOTE 4.07**

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 realized through depreciation toward meeting additional serviceable liabilities. If there are any shortages in realization 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 31 March 2022.

**NOTE 4.08 Physical verification**

Physical verification of items of property, plant and equipment (PPE) and Capital Work in Progress (CWIP) was not carried out by the management of WESCO. Post-acquisition, the Company has framed a programme for regular physical verification of these assets.

An independent party has carried out physical verification in respect of PPE transferred to the Company as at the acquisition date. Based on reports issued by the independent party and after considering necessary reconciliations prepared by the third party/ management, no material discrepancies have been identified. For the assets in existence but identified as idle / pending for repair work / damaged / burnt, management believes that assets after necessary repair work will be usable. Adjustments, if any, arising out of completion of technical evaluation will not be material. Based on the physical verification policy adopted by the company, physical verification of CWIP will be carried out in the coming year. The management does not expect material discrepancies to arise on such verification.

Pursuant to the requirements of vesting and carve out order, the Company is in the process of submitting the said reports and reconciliations to the OERC for its approval. 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 by way of future tariff adjustment or adjustment to the grant liability or any other appropriate manner determined by the OERC. The Company is confident of receiving approval from the OERC and believes that such approval will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.

**NOTE 4.09 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 were 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 Rs 174.59 Crores on an estimated basis and recognized the corresponding liability under the head consumer contribution. Depreciation on PPE and amortization of Rs 6.83 crores are being recognized in the Statement of Profit and Loss, having no net impact on profit or loss of the Company. To avoid ambiguity, the Company is seeking further clarification regarding ownership and accounting followed from the OERC. The management believes that that the proposed clarification will not have any impact on financial position or financial performance of the Company.

Based on policy adopted by the Company, physical verification of these assets will be carried out in due course. The management is confident that their will be no material discrepancy when it completes physical verification and updates necessary asset details in the system.

**NOTE 5**

**Capital work in progress**

**Accounting Policy**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

₹ in Crore

Particulars	As At 01.04.2021	Additions	Capitalized / Disposals	As At 31.03.2022
Capital Work in	99.71	333.34	(355.75)	77.30
<b>Total</b>	<b>99.71</b>	<b>333.34</b>	<b>(355.75)</b>	<b>77.30</b>

**NOTE 5.01 CWIP ageing Schedule as at 31st March 2022**

₹ in Crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	63.23	14.07	-	-	77.30
Projects temporarily suspended	-	-	-	-	-

**CWIP ageing Schedule as at 31st March 2021**

₹ in Crore

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	99.71	-	-	-	99.71
Projects temporarily suspended	-	-	-	-	-

\* Project in progress includes setting up substations, installations of transformer and cable networks at various locations in western part of Odisha. The Company has determined the aging of CWIP from the date of acquisition of the business.

**NOTE 5.02**

Post acquisition of business, there are no projects with costs overrun or exceeding the planned timelines for completion.



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 6 Intangible Assets**  
**Accounting Policy**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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.

**Derecognition of Intangible Assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in Statement of Profit and Loss when the asset is derecognized.

**Useful lives of Intangible Assets**

Type of assets	Useful lives
Computer softwares	6 years

Description	Computer softwares	₹ in Crore
		Total
<b>Cost</b>		
Balance as at April 01, 2021	-	-
Additions	34.52	34.52
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>34.52</b>	<b>34.52</b>
<b>Accumulated amortization</b>		
Balance as at April 01, 2021	-	-
Amortization expense	1.56	1.56
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>1.56</b>	<b>1.56</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2022</b>	<b>32.96</b>	<b>32.96</b>
<b>As at April 01, 2021</b>	<b>-</b>	<b>-</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
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	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 7</b>		
<b>Other financial assets - non current</b>		
(Unsecured and considered good, at amortized cost)		
Advances to Staff	3.41	3.52
Deposits with banks*	324.85	263.74
Security Deposit to various authorities	3.88	3.67
	<b>332.14</b>	<b>270.93</b>

\*Earmarked balances against government grants/subsidy towards capital assets.

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 8</b>		
<b>Deferred tax assets/ liabilities (Net) (refer note no 32)</b>		
<b>Taxable temporary differences</b>		
Deferred Tax Asset	10.58	0.34
	<b>10.58</b>	<b>0.34</b>

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 9</b>		
<b>Non-current tax assets</b>		
Advance income tax/ tax deducted at source (net of provision)	(2.23)	25.54
	<b>(2.23)</b>	<b>25.54</b>

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 10</b>		
<b>Other non-current assets</b>		
(Unsecured and considered good)		
(a) Capital advances	0.53	0.11
(b) Receivable from Government	17.63	17.63
(c) Others	3.34	1.38
	<b>21.50</b>	<b>19.12</b>

**Note 11**  
**Inventories**

**Accounting policy**

11.1 Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
(a) Stores and spares (At lower of cost and net realisable value)	36.65	22.18
	<b>36.65</b>	<b>22.18</b>

**Note 12**  
**Current investments**

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
Investment carried at fair value through profit or loss (unquoted)		
Liquid mutual fund	193.28	-
	<b>193.28</b>	<b>-</b>

Details of investments in liquid mutual fund units as at March 31,2022

Class of investment	Method of Fair Valuations	Units Nos	NAV (₹)	₹ in Crore
SBI Liquid Fund Direct Growth Plan	Quoted price	3,06,121.10	3,333.09	102.03
UTI Liquid Fund Direct Growth		57,391.03	3,488.04	20.02
AB Sunlife Mutual fund		11,97,308.99	343.13	41.08
Nippon India Mutual Fund		48,253.38	5,208.03	25.13
AB Sunlife Mutual fund		43,607.71	1,149.69	5.02
<b>Total</b>				<b>193.28</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 13**

**Trade receivables**  
(At amortized cost)

	As at <b>31.03.2022</b> ₹ in Crore	As at <b>31.03.2021</b> ₹ in Crore
(a) (i) Considered good - unsecured	320.17	108.16
(ii) Significant increase in credit risk	471.26	17.90
	791.43	126.06
Less: Allowance for doubtful debt	(53.55)	(8.53)
	<b>737.88</b>	<b>117.53</b>

**Note:**

- The Company holds security deposits from consumers amounting to ₹ 904.02 Crore.
- Trade receivables include amount of Rs 471.26 crores from consumers who are inactive/ permanently disconnected, temporarily disconnected or non-paying for past one year or more and disputed amount.  
The Company has acquired power distribution business of WESCO Utility w.e.f. January 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 the absence of availability of adequate and relevant past data related to payment behaviors, the Company has elected to recognize Expected Credit Loss (ECL) allowance on trade receivables as per the OERC tariff regulations, i.e., @ 1% of revenue from power supply.  
Post-acquisition of power distribution business from the WESCO, the Company's endeavor has been to reduce AT&C losses, reducing provisional billing and improving collection through better reach to consumers. In the process, the Company has faced several challenges including more than Covid waves, Cyclones and delays in appointment/ working of metering, billing and collection (MBC) agencies for reasons beyond control of the Company. The Company has successfully dealt with these challenges. It has reduced provisional billing and also collected significant amount towards pre-acquisition receivables on behalf of the WESCO utility. 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.
- Since the acquisition of the power distribution business from the WESCO, the Company has carried out various adjustments, in the nature of actualization of provisional bill, bill correction, bill revision, first time billing etc. resulting in net reduction of past billings by Rs 24.87 crores. These adjustments include adjustments related to the pre-acquisition as well as the post-acquisition period. The management has used its best estimate and judgment to determine adjustments attributable to the pre-acquisition period. Based on such determination, reduction in revenue amounting to Rs 71.76 crores have been considered as attributable to the pre-acquisition period. Increase in revenue amounting to Rs 46.89 crores have been considered as attributable to post-acquisition period and has been appropriately adjusted in the revenue of the Company for the year ended 31 March 2022. Management believes that any change arising out of actual adjustment in the pre acquisition period will not be significant and have no impact on financial performance and financial position of the company.
- Refer note 23 for charge created against borrowings

**Note:5. Trade Receivables Ageing schedule as at 31st March, 2022**

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
<b>(i) Undisputed Trade Receivables</b>						
a) Considered good	179.41	119.46	21.30	-	-	320.17
b) Significant increase in credit risk	178.76	119.02	74.77	-	-	372.55
<b>(ii) Disputed Trade Receivables</b>						
a) Considered good	-	-	-	-	-	-
b) Significant increase in credit risk	70.55	18.79	9.37	-	-	98.71

**Note:6. Trade Receivables Ageing schedule as at 31st March, 2021**

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
<b>(i) Undisputed Trade Receivables</b>						
a) Considered good	39.31	68.85	-	-	-	108.16
b) Significant increase in credit risk	8.53	-	-	-	-	8.53
<b>(ii) Disputed Trade Receivables</b>						
a) Considered good	-	-	-	-	-	-
b) Significant increase in credit risk	9.37	-	-	-	-	9.37

\*One of the consumers is claiming exemption from levy of electricity duty by the Company and accordingly, has not paid the outstanding amount of Rs. 98.71 crores (Rs 9.37 crores in previous year) towards the same. The Company is in the process of discussing the matter with the consumer. As per provisions of the Orissa Electricity (Duty) Act, 1961, the Company is liable to pay the electricity duty only when the consumer pays the amount to the Company. Accordingly, the Company has accounted for the said electricity duty but payment for the same to statutory authorities is not due as it has not been paid by consumers to the Company. Management believes that resolution of the matter will not have any impact on financial performance and financial position of the Company.



On acquisition of business, the management has formulated a mechanism for receiving and addressing consumer complaints including those related to arrears and outstandings. The management has identified disputed receivables basis information available with the Company.

**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 14**  
**Cash and bank balances**

**Accounting policy**

- 14.1 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.

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>14.2 Cash and cash equivalents</b>		
(a) Balances with banks - in current accounts	302.40	79.04
(b) Deposits with banks original maturity of less than 3 months	16.37	111.52
(c) Cash on hand	5.61	8.57
(d) Cheques on hand	-	12.14
	<b>324.38</b>	<b>211.27</b>
	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>14.3 Bank balances other than 13.2 above *</b>		
(i) Deposits with banks with original maturity more than 3 months upto 12 months	1,159.25	811.81
	<b>1,159.25</b>	<b>811.81</b>

\* Earmarked balances against consumer security deposits and short term borrowings.

**14.4 Reconciliation of Liabilities from Financing Activities**

Particulars	As at April 1, 2021	Cash Flows		Non-cash Adjustments	As at March 31, 2022
		Proceeds	Payment		
Security deposits from electricity consumers	764.65	139.37	-	-	904.02
Consumer Contribution for capital works	797.28	194.83	-	(40.11)	952.00
Deferred Government Grants towards cost of capital asset	305.74	-	-	(16.55)	289.19
Consumers' deposits for works	2.01	7.98	-	-	9.99
Subsidies towards cost of capital asset	134.89	88.06	-	-	222.95
Share Capital	300.00	30.56	-	29.37	359.93
Non Current borrowings	-	50.00	-	-	50.00
Current borrowings	141.26	-	(11.02)	-	130.24
<b>Total</b>	<b>2,445.83</b>	<b>510.80</b>	<b>(11.02)</b>	<b>(27.29)</b>	<b>2,918.32</b>

Particulars	As at January 1, 2021*	Cash Flows		Non-cash Adjustments	As at March 31, 2021
		Proceeds	Payment		
Security deposits from electricity consumers	752.94	11.71	-	-	764.65
Consumer Contribution for capital works	803.65	4.88	-	(11.25)	797.28
Deferred Government Grants towards cost of capital asset	309.44	-	-	(3.70)	305.74
Consumers' deposits for works	-	2.01	-	-	2.01
Subsidies towards cost of capital asset	136.16	-	-	(1.27)	134.89
Share Capital	300.00	-	-	-	300.00
Current borrowings	336.49	-	(195.23)	-	141.26
<b>Total</b>	<b>2,638.68</b>	<b>18.60</b>	<b>(195.23)</b>	<b>(16.22)</b>	<b>2,445.83</b>

\* Date of acquisition from WESCO

**Note 15**  
**Other financial assets - current**

(Unsecured and considered good, unless otherwise stated, at amortized cost)

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
(a) Income accrued but not due on short-term deposit with banks	36.87	27.08
(b) Receivable from related parties ( Refer Note No 41)	4.60	5.13
	<b>41.47</b>	<b>32.21</b>

**Note 16**  
**Other current assets**

Unsecured and considered good

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
(a) Staff Advance	5.17	1.48
(b) Others Advance	8.42	0.41
	<b>13.59</b>	<b>1.89</b>



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	As at 31.03.2022		As at 31.03.2021	
	No. in crore	₹ in Crore	No. in crore	₹ in Crore
<b>Note 17</b>				
<b>Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 10/- each	100.00	1,000.00	100.00	1,000.00
	<b>100.00</b>	<b>1,000.00</b>	<b>100.00</b>	<b>1,000.00</b>

**Issued, subscribed and paid up**

Equity shares of ₹ 10/- each (fully paid up)	35.99	359.93	30.00	300.00
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**Total issued, subscribed and paid-up share capital**

	<b>35.99</b>	<b>359.93</b>	<b>30.00</b>	<b>300.00</b>
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**a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:**

	As at 31.03.2022		As at 31.03.2021	
	No. in crore	₹ in Crore	No. in crore	₹ in Crore
<b>Equity shares</b>				
At the beginning of the period	30.00	300.00	-	-
Issued during the period	5.99	59.93	30.00	300.00
<b>Outstanding at the end of the period</b>	<b>35.99</b>	<b>359.93</b>	<b>30.00</b>	<b>300.00</b>

**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 Rs.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**

Name of the Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. in crore	₹ in Crore	No. in crore	₹ in Crore
A. The Tata Power Company Ltd (Holding company)	18.35	183.47	15.30	153.00
B. GRIDCO Ltd (Company having significant influence)	17.64	176.37	14.70	147.00
<b>Total</b>	<b>35.99</b>	<b>359.84</b>	<b>30.00</b>	<b>300.00</b>

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

The Company allotted 2,93,67,954 equity shares as fully paid for considerations received in form of Distribution Assets, pursuant to shareholder's agreement and Government of Odisha notifications. The value of distribution assets have been determined by an independent valuer.

**e. Details of shares held by promoters at the end of the year :**

**Equity shares of Rs. 10 each fully paid**

**Disclosure of shareholding of promoters as at March 31, 2022 is as follows:**

Promoter	No of Shares		Change	No of Shares		% of Total Shares	% Change in Shareholding During the year
	As at 1st April 2021	During the year		31st March 2022	31st March 2021		
A. The Tata Power Company Ltd	15.30	3.05	18.35	15.30	51.00%	0.00%	
B. GRIDCO Ltd	14.70	2.94	17.64	14.70	49.00%	0.00%	
<b>Total</b>	<b>30.00</b>	<b>5.99</b>	<b>35.99</b>	<b>30.00</b>	<b>100.00%</b>	<b>0.00%</b>	

**Disclosure of shareholding of promoters as at March 31, 2021 is as follows:**

Promoter	No of Shares		Change	No of Shares		% of Total Shares	% Change in Shareholding During the period
	As at 30th Dec 2020	During the period		31st March 2021	31st March 2020		
A. The Tata Power Company Ltd	-	15.30	15.30	15.30	51.00%	51.00%	
B. GRIDCO Ltd	0.01	14.69	14.70	14.70	49.00%	-51.00%	
<b>Total</b>	<b>0.01</b>	<b>29.99</b>	<b>30.00</b>	<b>30.00</b>	<b>100.00%</b>	<b>0.00%</b>	



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	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 18</b>		
<b>Other equity</b>		
18.1 <b>Retained earnings</b>		
(a) Opening Balance	(1.02)	-
(b) Profit for the period	63.74	(1.02)
(c) Other Comprehensive Income for the period	-	-
(d) Closing balance	<b>62.72</b>	<b>(1.02)</b>

**Nature and purpose of reserves:**

**Retained earnings**

Retained earnings are the profits of the Company earned till date net of appropriations. The amount can be distributed to the shareholders of the Company as per the requirements of the Companies Act, 2013 (as amended).

**Note 19**

**Non-current Borrowings**

(At amortized cost)

	Purpose	Effective Rate of interest %	Maturity Years	As at 31.03.2022 ₹ in Crore Non Current	As at 31.03.2021 ₹ in Crore Non Current
19.1 <b>Secured - at amortised cost Term Loans from Banks</b>	Capital expenditure	HDFC Bank 6 Months MCLR+ 30bps	14.25 Years	50.00	-
(a) HDFC Bank				<b>50.00</b>	<b>-</b>

19.2 **Security**

The Term Loan from HDFC Bank is secured by a first charge over tangible movable assets created after the acquisition date.

19.3 **Terms of Repayment**

Term Loan from HDFC Bank is repayable over 53 equal quarterly installments after 12 months moratorium. The First repayment date shall fall at the end of 15 months from the date of first disbursement i.e. Jan 13, 2022.

19.4 **Loan covenants**

Term Loan from HDFC Bank contain certain debt covenants relating to limitation on indebtedness, Total Long Term Debt to Total Network ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the company meets certain prescribed criteria. The company has also satisfied all other debt covenants prescribed in the terms of bank loan.

19.5 The Company has not defaulted on any loans payable. The company has utilized the loan for its intended purpose and sanctioned purpose.



**Note 20**  
**Provisions**

**20.01 Accounting Policy**

Provisions are recognized 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).

Present obligations arising under onerous contracts are recognized and measured as provisions with charge to 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 under the contract exceed the economic benefits expected to be received from the contract.

**Defined contribution plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the 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 recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to 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 recognised 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 recognised 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 recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

**Other current and other non-current employee benefits**

A liability is recognised for current benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised 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 recognised 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 unavailed 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. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**Pre acquisition liabilities :-**

As per terms of the Vesting Order and the Carve Out order states that for entire liabilities towards pension, gratuity and compensated absences of employees retired 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 shall be allowed to be recovered from consumers on behalf of the respective Trusts for disbursement to the beneficiaries covered under the Trusts. The Company has recognised 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.

**Change in accounting policy related to employee terminal benefits**

As per terms of vesting order dated December 28, 2020 issued by the Odisha Electricity Regulatory Commission ('OERC'), all existing employees of WESCO Utility (WESCO) have been transferred to the Company. Payment of terminal benefits including pension, gratuity and leave encashment to the past and existing employees will be made by the respective Trusts (WESCO Employees Pension Fund Trust, WESCO Employees Gratuity Fund Trust and WESCO Employees Rehabilitation Fund Trust) over the eligibility period.

The Company has received the Carve Out order dated November 23, 2021 issued by the OERC. The carve out order issued for the Company does not specify the treatment of the terminal liabilities. However, TP Central Odisha Distribution Limited ('TPCODL') has also received the Carve Out order dated October 01, 2021 issued by the OERC wherein they have stated that for entire liabilities toward pension, gratuity and leave encashment of past employees and acquisition date liabilities of existing employees, TPCODL'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 on behalf of the respective Trusts for disbursement to the beneficiaries covered under the Trusts as prescribed in clause 50(c) of the Vesting Order. TPCODL Carve Out order also states that the relevant paragraph of the vesting order stands modified to this extent. The management believes that similar clarification will also apply for the Carve Out order issued for the Company and is expecting a clarification on similar lines from the OERC.

Considering specific clarification in TPCODL's Carve Out order and management expectations, the Company has revised the accounting treatment of terminal employee liabilities to align it with TPCODL.

Considering specific clarification in the Carve Out order, the Company has revised accounting treatment of terminal employee liabilities to align it with the Carve Out order. The figures for the comparative period have also been restated accordingly to align with the Carve Out Order. This has resulted in below changes in figures for the year ended 31 March 2021.



**Changes in the balance sheet liability as at 31 March 2021**

	₹ in Crore
Reduction in employee benefit liability	37.50
Reduction in Regulatory Deferral Adjustment	-37.50
Reduction in total equity	-

**Changes in the profit or loss for the period ended 31 March 2021**

	₹ in Crore
Reduction in employee benefit expense	28.34
Changes in Regulatory Deferral Balances movement recognised in P&L	(28.34)
Reduction in profit or loss	-

**Changes in the Other Comprehensive Income for the period ended 31 March 2021**

	₹ in Crore
Reduction in Remeasurement gain/ loss	9.16
Changes in Regulatory Deferral Balances movement recognised in OCI	(9.16)
Reduction in OCI	-

**20.02 Defined contribution plans  
Erstwhile WESCO utility Employees  
Provident Fund Plan**

The Company makes contributions towards provident fund Trust which is a defined contribution plan for eligible erstwhile WESCO utility employees. The Companies contribution to the other remaining eligible employees provident fund is deposited under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The provident fund is operated by 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.

**Other than Erstwhile WESCO utility Employees**

**Provident Fund Plan**

The Company makes contributions towards provident fund which is a defined contribution plan for qualifying employees. The Companies contribution to the employees provident fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognized by the income tax authorities. The provident fund is operated by 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.

**Employee State Insurance :-**

The Company makes Employee State Insurance ('ESI') scheme contributions to defined benefit 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 recognised a total of ₹10.33 crores as contribution towards provident fund in the statement of profit or loss.

**20.03 Defined Benefits plans**

**Erstwhile WESCO 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 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 recognised 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 WESCO 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 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 recognised insurer managed funds in India.

As per terms of the vesting order and the Carve Out order states that for entire liabilities toward pension, gratuity and leave encashment of employees retired 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 shall be allowed to be recovered from consumers on behalf of the respective Trusts for disbursement to the beneficiaries covered under the Trusts. The Company has recognised 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.

**Other than Erstwhile WESCO Employees (Unfunded)**

**i) Gratuity**

The Company operates a gratuity plan covering qualifying employees. 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 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.

**iv) Ex-Gratia Death Benefits**

The company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lumpsum 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.



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	As at	As at
	31.03.2022	31.03.2021
	₹ In Crore	₹ in Crore
<b>Non-Current</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	14.83	9.01
Pension Fund	78.85	8.48
Leave Encashment	22.66	3.11
Post Retirement Medical Benefit (PRMB)	6.13	0.92
Other Defined Benefit Plan	1.99	0.83
	<b>124.46</b>	<b>22.34</b>
<b>Current</b>		
<b>(a) Provision for Employee Benefits</b>		
Gratuity	13.40	0.34
Pension Fund	16.92	3.85
Leave Encashment	1.18	0.54
Post Retirement Medical Benefit (PRMB)	0.00	0.00
Other Defined Benefit Plan	-	0.32
	<b>31.50</b>	<b>5.06</b>
<b>(b) Other provisions</b>		
Provision for Claims & Compensation	17.20	-
	<b>17.20</b>	<b>-</b>
	<b>48.69</b>	<b>5.06</b>

**20.04 Note**

The Company has acquired the electricity distribution business of WESCO with effect from January 1, 2021. As a part of Business transfer, all the employees of the undertaking were transferred to the Company effective January 1, 2021 on a continuity of service conditions. Previously retired employees as well as continuing employees of WESCO 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 on behalf of the respective Trusts for disbursement 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.

**March 31,2022**

	Pension	Gratuity	Leave encashment
Total liability of past employees	1,190.03	25.90	80.62
Acquisition date liabilities of existing employees	95.77	19.99	17.07
<b>Total</b>	<b>1,285.80</b>	<b>45.89</b>	<b>97.69</b>

**March 31,2021**

	Pension	Gratuity	Leave encashment
Total liability of past employees	1,100.99	39.31	90.00
Acquisition date liabilities of existing employees	38.22	0.92	-
<b>Total</b>	<b>1,139.21</b>	<b>40.23</b>	<b>90.00</b>

As per the Vesting and the Carve Out Order, below amounts paid/ payable in respect of the current year have been recognised as expense in the statement of profit and loss:

**March 31,2022**

	Pension	Gratuity	Leave encashment
Amount paid/ payable toward liability of past employees	103.52	13.42	9.38
Amount paid/ payable toward acquisition date liabilities of existing employees	16.92	13.40	-
<b>Total</b>	<b>120.43</b>	<b>26.82</b>	<b>9.38</b>

**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.

20.05 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.



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20.06 The following tables set out the funded status of gratuity plan and amount recognized in the Company's financial statements as at 31st March 2022. 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**

Particulars	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
a. Present Value of obligations as at January 1, 2021 as per Actuarial Valuation (including obligation not transferred to the Company) (Refer note 19.04)	-	157.47	85.60	1342.94
b. Interest Cost	-	2.71	1.45	23.07
c. Current Service Cost	-	2.32	1.24	8.56
d. Past Service Cost	-	2.75	-	0.00
e. Acquisition (Credit)/Cost	3.43	1.03	-	0.00
f. Actuarial loss / (gain)-Demographic	-	0.36	-	0.00
g. Actuarial loss / (gain)-Financial	-	(4.44)	(2.04)	-3.87
h. Actuarial loss / (gain)-Experience	2.30	0.56	1.08	16.82
i. Benefits Paid	-	(3.88)	(5.09)	-38.00
j. Present value of obligation as at March 31,2021 (including obligation not transferred to the Company) (Refer note 20.04)	5.73	158.88	82.24	1,349.52
k. Interest Cost	0.37	10.72	4.72	89.42
l. Current Service Cost	0.44	1.91	4.05	9.07
m. Past Service Cost	-	-	-	12.49
n. Acquisition (Credit)/Cost	0.90	0.56	-	-
o. Actuarial loss / (gain)-Demographic	-	0.05	-	-
p. Actuarial loss / (gain)-Financial	-0.41	-2.09	(1.20)	25.04
q. Actuarial loss / (gain)-Experience	1.56	-29.33	28.08	146.15
r. Benefits Paid	-0.15	-9.81	(28.97)	(133.05)
s. Present value of obligation at March 31,2022 (including obligation not transferred to the Company) (Refer note 20.04)	8.45	130.89	88.92	1,498.64

**b. Fair value of plan assets**

Particulars	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
a. Fair value of plan asset as at January 1, 2021 (including plan assets not transferred to the Company) (Refer note 19.04)	-	0.66	43.90	212.35
b. Acquisition (Credit)/Cost	-	-	-	-
c. Estimated return on plan asset	-	0.01	0.76	3.70
d. Employer contribution	-	-	2.42	30.43
e. Benefits Paid	-	-	(5.09)	(38.00)
f. Excess of actual over estimated return	-	0.00	0.02	1.83
g. Others	-	-	-	-
h. Fair value of plan asset as at March 31,2021 (including plan assets not transferred to the Company) (Refer note 20.04)	-	0.67	42.01	210.30
i. Acquisition (Credit)/Cost	-	-	-	-
j. Estimated return on plan asset	-	0.05	2.85	14.22
k. Employer contribution	-	0.39	26.82	120.43
l. Benefits Paid	-	-0.39	(28.97)	(133.05)
m. Excess of actual over estimated return	-	-0.02	0.32	0.93
n. Others	-	-	-	-
o. Fair value of plan asset at March 31,2022 (including plan assets not transferred to the Company) (Refer note 20.04)	-	0.70	43.03	212.84

**c. Amount to be recognized in the balance sheet**

Particulars	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at March 31,2021 as per Actuarial Valuation (including obligation not transferred to the Company)	5.73	158.88	82.24	1,349.52
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	0.67	42.01	210.30
3. Net liability (before reducing liability not transferred to Company)	5.73	158.21	40.23	1,139.21
4. Liability not transferred to the Company as per vesting order	-	152.29	39.32	1,101.00
5. Net current Liability recognized in balance sheet as at March 31,2021	-	0.87	0.34	3.85
6. Net non current Liability recognized in balance sheet as at March 31,2021	5.73	5.04	0.58	34.37
1. Present Value of obligations as at March 31,2022 as per Actuarial Valuation (including obligation not transferred to the Company)	8.45	130.89	88.92	1,498.64
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	0.70	43.03	212.84
3. Net liability (before reducing liability not transferred to Company)	8.45	130.19	45.89	1,285.80
4. Liability not transferred to the Company as per vesting order	-	98.45	25.90	1,190.03
5. Net current Liability recognized in balance sheet as at March 31,2022	-	1.18	13.40	16.92
6. Net non current Liability recognized in balance sheet as at March 31,2022	8.45	30.56	6.59	78.86



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**d. Expenses Recognized in the Statement of Profit & Loss**

Particulars	For the year ended March 31, 2022			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	0.44	1.91	4.05	9.07
2. Past Service Cost	-	-	-	12.49
3. Interest Cost	0.37	10.67	1.87	72.05
4. Expected return on Plan Assets	-	-	-	-
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	13.13	-	-
6. Net Actuarial (Gain)/Loss recognized in the period	-	-	-	-
7. Expenses recognized in statement of Profit & Loss	0.81	25.72	5.92	93.61

Particulars	For the period ended March 31, 2021			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	-	2.32	-	-
2. Past Service Cost	-	2.75	-	-
3. Interest Cost	-	2.70	0.31	-
4. Expected return on Plan Assets	-	-	-	-
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	0.36	-	-
6. Net Actuarial (Gain)/Loss recognized in the period	-	-3.88	-	-
7. Expenses recognized in statement of Profit & Loss	-	4.25	0.31	-

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

Particulars	For the year ended March 31, 2022			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	0.05	-	-
- changes in financial assumptions	-	0.22	(1.21)	6.49
- experience adjustments	1.16	0.16	27.76	29.47
<b>Total</b>	<b>1.16</b>	<b>0.42</b>	<b>26.54</b>	<b>35.96</b>

Particulars	for the period ended March 31, 2021			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	-	-	(2.04)	(5.70)
- experience adjustments	1.45	-	1.08	16.82
<b>Total</b>	<b>1.45</b>	<b>-</b>	<b>(0.96)</b>	<b>11.12</b>

**f. Principal assumptions**

Particulars	As at 31.03.2022		As at 31.03.2021	
	Gratuity (Unfunded)	Gratuity (funded)	Gratuity (Unfunded)	Gratuity (funded)
1. Discount rate	7.10%	7.10%	6.60%	6.97%
2. Salary escalation	7%	6%	7%	6%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	100 % Indian Assured Lives Mortality (2012 - 14)	Indian Assured Lives Mortality (2006-08) Ult	100 % Indian Assured Lives Mortality (2012 - 14)



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**g. 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.

Increase/ (decrease) in defined benefit liability	As at March 31, 2022			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.41	0.78	4.77	23.78
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.38)	(0.74)	(4.38)	(28.06)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.38)	(0.75)	(3.15)	(10.64)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.40	0.79	3.25	11.33

Increase/ (decrease) in defined benefit liability	As at 31.03.2021			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.27	9.93	4.21	45.19
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.25)	(9.04)	(3.85)	(42.19)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.25)	(9.05)	(2.99)	(26.94)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.27	9.86	2.98	26.36

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the The weighted average duration of the unfunded gratuity plan is 7.4 years.

**h. Effect of Plan on Company's future cash flows**

Expected Future cashflows	As at March 31, 2022			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)*	Pension (Funded)*
March 31, 2023	0.26	3.19	8.47	11.35
March 31, 2024	0.29	3.16	9.41	12.13
March 31, 2025	0.31	3.15	7.91	9.92
March 31, 2026	0.63	3.20	5.75	6.43
March 31, 2027	1.42	3.27	4.96	4.59
March 31, 2028 to March 31, 2032	8.01	17.03	26.86	21.50

Expected Future cashflows	As at 31.03.2021			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)*	Pension (Funded)*
March 31, 2022	0.22	16.16	11.54	137.59
March 31, 2023	0.18	13.67	10.47	115.61
March 31, 2024	0.21	11.49	8.48	113.49
March 31, 2025	0.22	9.12	6.41	112.30
March 31, 2026	0.52	6.99	4.37	109.23
March 31, 2027 to March 31, 2031	5.47	34.81	19.15	496.88

\*Including payment for liabilities not transferred to the Company (refer note 20.04)



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	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
<b>Note 21</b>		
<b>Contribution towards Capital Assets-Non Current (At Cost less amortisation)</b>		
Consumer Contribution Towards Cost of Capital Assets	952.00	797.28
Deferred Government Grants towards cost of capital asset	289.19	305.74
	<b>1,241.19</b>	<b>1,103.02</b>
<b>Movement in consumer contribution towards cost of capital asset</b>		
Opening	797.28	803.65
Add: Additions during the period	194.83	1.18
Less: Transfer to statement of profit & loss	(40.11)	(7.55)
<b>Closing Balance</b>	<b>952.00</b>	<b>797.28</b>
Consumer Contribution is amortized to the statement of profit and loss to match with depreciation charged on assets created out of such contribution.		
<b>Movement in Deferred Government Grants towards cost of capital asset</b>		
Opening	305.74	309.44
Add: Additions during the period	-	0.00
Less: Transfer to statement of profit & loss	(16.55)	(3.70)
<b>Closing Balance</b>	<b>289.19</b>	<b>305.74</b>
	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore

**Note 22**

**Other non current liabilities**

Deposit from supplier/vendor	11.65	16.31
Consumers' deposits for works	9.99	2.01
Subsidies towards cost of capital asset	222.95	134.89
	<b>244.59</b>	<b>153.21</b>

Note: As part of business combination, certain grants/ subsidies have been transferred to the Company which can be used only in accordance with the terms and conditions of the concerned scheme. Pending clarity on the terms and conditions of the Scheme, the Company has not used and continues to reflect grant/ subsidy as liability.

**Note 23**

**Short-term borrowings**

(At amortized cost)

**(a) LOANS REPAYABLE ON DEMAND**

23.1 **Secured - at amortized cost**

	As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
From Banks		
(a) Cash credit	130.24	141.26
<b>Total short-term borrowings</b>	<b>130.24</b>	<b>141.26</b>

**Note:1.Secured credit facilities**

The Company has availed secured fund based cash credit limits of ₹ 359 Crore from Union Bank of India. These facilities are secured against first charge on fixed deposits with bank of face value of ₹ 397.21 crores. Interest range varies from 4% to 7%.

**Note:2. Current borrowings secured against current assets**

The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts and there are no material discrepancies.



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**Note 24**

**Trade payables (at amortized cost)**

Dues to Micro Small and Medium Enterprises (MSME)  
Dues Other-than MSME Creditors

As at 31.03.2022 ₹ in Crore	As at 31.03.2021 ₹ in Crore
3.34	-
588.80	331.83
<b>592.14</b>	<b>331.83</b>

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

**Particulars**

- (a) Principal amount remaining unpaid as at 31 March  
(b) Interest due thereon as at 31 March  
(c) The amount of interest paid 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 as at 31 March  
(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

As at March 31, 2022 ₹ crore	As at March 31, 2021 ₹ crore
3.34	-
-	-
-	-
-	-
-	-
-	-
<b>3.34</b>	<b>-</b>

**Total**

**24.2 Trade Payables Ageing schedule as at 31st March, 2022**

Particulars	Outstanding for following periods from due date of					Total
	Less than 6	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
<b>(i) Undisputed Trade Payables</b>						
a) MSME	3.34	-	-	-	-	3.34
b) Others	505.09	18.82	64.89	-	-	588.80
<b>(ii) Disputed Trade Payable</b>						
a) MSME	-	-	-	-	-	-
b) Others	-	-	-	-	-	-

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

**Trade Payables Ageing schedule as at 31st March, 2021**

Particulars	Outstanding for following periods from due date of					Total
	Less than 6	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
<b>(i) Undisputed Trade Payables</b>						
a) MSME	-	-	-	-	-	-
b) Others	331.83	-	-	-	-	331.83
<b>(ii) Disputed Trade Payable</b>						
a) MSME	-	-	-	-	-	-
b) Others	-	-	-	-	-	-

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

The Management has identified disputed payables basis information available from the company.



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**Note 25**

**Other financial liabilities - current**

(At amortized cost)

	As at <b>31.03.2022</b>	As at <b>31.03.2021</b>
	₹ in Crore	₹ in Crore
(a) Payable to employees	47.66	54.50
(b) Security deposit from consumer	904.02	764.65
(c) Deposit from others	3.51	6.91
(d) Outstanding for supply for capital material (Refer note no 41)	162.86	52.69
(e) Interest payable on consumer security deposits	37.42	35.78
(f) Payable to residuary company	37.29	93.15
(g) Consumers' deposits for works (Refer note no 41)	51.03	51.03
	<b>1,243.79</b>	<b>1,058.71</b>

Note: The security deposits from electricity consumers carry interest at 4.25% 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 26**

**Other current liabilities**

	As at <b>31.03.2022</b>	As at <b>31.03.2021</b>
	₹ in Crore	₹ in Crore
(a) Statutory dues	184.92	40.87
(b) Income received in advance	51.92	0.11
(c) Others	-	0.06
	<b>236.84</b>	<b>41.04</b>



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**Note 27**

**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 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 revenue 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.

In the regulated operations of the Company where tariff recovered from consumers is determined on cost plus return on equity, the Income tax cost is pass through cost and accordingly the Company recognizes Deferred tax recoverable/payable as Regulatory Asset/ Liability against any Deferred tax expense/ income.

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.

	As at 31.03.2022 ₹ crore	As at 31.03.2021 ₹ crore
<b>Regulatory Deferral Account - Liability - Current</b>		
Regulatory Assets	-	-
Regulatory Liability	634.64	98.93
<b>Net Regulatory Assets/(Liabilities)</b>	<b>634.64</b>	<b>98.93</b>

**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.'

Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

	Year Ended March 31, 2022 ₹ crore	Period Ended March 31, 2021 ₹ crore
(i) Power Purchase Cost	3,399.79	675.38
(ii) Other expenses as per the terms of Tariff Regulations including ROE	729.66	124.65
(iii) Collected during the period as per approved Tariff	(4,729.24)	(901.41)
Net movement in regulatory deferral balances (i + ii + iii) (A)	(599.79)	(101.38)
Regulatory Income/(Expenses) recognized in OCI (B)	64.09	2.45
Opening Regulatory Assets (net of Liabilities) (C)	(98.93)	-
Closing Regulatory Assets (net of Liabilities) (A+B+C)	<b>(634.64)</b>	<b>(98.93)</b>

During the year, the OERC has issued a provisional true up order in respect of regulatory deferral balance of the company for the period ended March 31, 2021. As stated in the order, the true up order is based only on the tariff regulations, 2014 without considering the provision of vesting order and subsequent orders/clarifications issued in this regard. The OERC has also stated that impact of the vesting order and subsequent orders/clarifications issued in this regard. It will be considered in the final true up order to be issued in the subsequent year. Accordingly, regulatory deferral balance as approved in the true up order is at variance with that accounted for in the financial statements. Management is in the process of making necessary submission to the OERC and is of the view that there will not be any significant gap in the regulatory deferral balance approved by the OERC in the final order vis-a-vis the balance accounted in the financial statements.



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**Note 28**

**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. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

**28.1 Sale of power**

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied and units of electricity are delivered as it best depicts the value to the customer and satisfaction of performance obligation. Revenue from such contracts is recognized over time for each unit of electricity delivered at the pre-determined rate.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes 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, 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 recognized when the certainty of its collection is probable i.e. as and when recovered.

**28.2 Contribution for capital works**

Consumer's contribution towards cost of capital assets is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets and installation of connection respectively. 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.

**28.3 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, 2020. Revenue in respect of incentive is recognized as percentage of actual realization of pass arrears.

	<b>Year Ended March 31, 2022</b>	<b>Period Ended March 31, 2021</b>
	<b>₹ in Crore</b>	<b>₹ in Crore</b>
<b>28.4 Revenue from operations</b>		
<b>28.4.1 Revenue from sale of power</b>		
(a) Sale of power	4,729.24	901.41
Less: rebate to consumers	37.38	7.22
<b>Revenue from contract with customers</b>	<b>4,691.86</b>	<b>894.19</b>
<b>28.4.2 Other operating revenue</b>		
(a) Amortisation of consumer contribution	56.66	11.25
(b) Recovery of meter Rent	23.11	8.71
(c) Over drawal Payment recovered	20.01	1.28
(d) Reliability Charges	0.87	1.89
(e) Incentives on Arrears Collection	11.92	10.81
(f) Supervision Charges	24.90	7.48
(g) Miscellaneous operating income	13.22	5.22
	<b>150.69</b>	<b>46.64</b>
<b>Revenue from operations</b>	<b>4,842.55</b>	<b>940.83</b>

**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.



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**28.6 Contract Balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	Year Ended	Period Ended
	March 31, 2022	March 31, 2021
	₹ in Crore	₹ in Crore
<b>Contract liabilities</b>		
Advance from consumers	51.92	0.11
<b>Total contract liabilities</b>	<b>51.92</b>	<b>0.11</b>
<b>Receivables</b>		
Trade receivables	791.43	126.06
Unbilled revenue depending only on passage of time	394.09	321.68
Less : Allowances for doubtful debts	(53.55)	(8.53)
<b>Net receivables</b>	<b>1,131.97</b>	<b>439.21</b>

**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 recognized 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.

**28.7 Transaction Price - Remaining Performance Obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize 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 recognized corresponds directly with the value to the customer of the entity's performance completed to date. Advance from consumers will be recognized as revenue within 12 months from the reporting date.

**Note 29 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 recognized on actual realisation or accrued based on an assessment of certainty of realization supported by an acknowledgement from customers.

	Year Ended	Period Ended
	March 31, 2022	March 31, 2021
	₹ in Crore	₹ in Crore
(a) Interest income	50.94	12.37
(b) Delayed payment surcharge	11.90	15.74
(c) Income from sale of scraps	14.59	-
(d) Other income	6.24	0.95
	<b>83.67</b>	<b>29.06</b>

**Note 30**

**Cost of power purchased and transmission charges**

	Year Ended	Period Ended
	March 31, 2022	March 31, 2021
	₹ in Crore	₹ in Crore
(a) Power purchase cost	3,142.38	649.37
Transmission charges	252.11	48.79
SLDC charges	1.48	0.30
Less: rebate on power purchased, transmission charges and SLDC charges	(57.80)	8.66
	<b>3,338.17</b>	<b>689.80</b>

**Note 31**

**Employee benefits expense**

	Year Ended	Period Ended
	March 31, 2022	March 31, 2021
	₹ in Crore	₹ in Crore
(a) Salaries, wages and bonus	220.86	44.49
(b) Contribution to provident and other funds (refer note 20.06)	198.24	49.87
(c) Staff welfare expenses	2.30	1.29
(d) Terminal benefit expenses	34.95	6.05
Less : Employee Cost Capitalization	(5.64)	-
	<b>450.71</b>	<b>101.70</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 32**

**Finance costs**

	Year Ended March 31, 2022	Period Ended March 31, 2021
	₹ in Crore	₹ in Crore
(a) Interest on consumer security deposits	32.95	8.00
(b) Interest on Cash Credit carried at amortised cost - banks	9.51	2.95
(c) Interest on Loans-banks	0.47	-
	<b>42.93</b>	<b>10.95</b>

**Note 33**

**Other expenses**

	Year Ended March 31, 2022	Period Ended March 31, 2021
	₹ in Crore	₹ in Crore
(a) Rent	3.64	0.50
(b) Repairs and maintenance:		
(i) Building	-	0.16
(ii) Plant and equipment	135.22	5.59
(iii) Lines, Cables, Network	0.10	-
(iv) Vehicles	0.01	-
(v) Office Equipment	1.73	-
(c) Consultancy Fees	14.75	1.83
(d) Legal Charges	17.47	0.02
(e) Advertisement & Marketing Expenses	3.36	0.10
(f) Electricity Consumption Expenses	2.60	1.20
(g) Telephone Expenses	1.42	0.28
(h) Insurance Premium	6.31	0.62
(i) Travelling Expenses	15.55	3.43
(j) Office Expenses	1.41	0.25
(k) Allowance for doubtful debts	45.03	8.53
(l) Other Administrative Expenses	13.84	4.23
(m) Spot billing and meter reading expenses	14.25	1.59
(n) Input & collection based Franchisee Expenses	15.78	7.94
(o) Corporate social responsibility Expenses	0.14	-
(p) Director's sitting fees	0.38	-
(q) Outsource and Contratual labour cost	32.96	14.69
(r) Miscellaneous expenses	2.37	0.08
<b>Total other expenses</b>	<b>328.32</b>	<b>51.04</b>

**33.1**

**Auditors remuneration**

Consultancy fees include auditor's remuneration as follows:

**Particulars**

Audit fee (including Goods and Services Tax)

	Year Ended March 31, 2022	Period Ended March 31, 2021
	₹ in Crore	₹ in Crore
	0.66	0.31
	<b>0.66</b>	<b>0.31</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**33.2 Corporate social responsibility expenditure**

	Year Ended March 31, 2022 ₹ in Crore	Period Ended March 31, 2021 ₹ in Crore
a) Gross amount required to be spent by the company during the year	0.14	-
b) Amount approved by the Board to be spent during the year	0.14	-

c) Amount spent during the year ending on 31 March 2022:	In cash	Outstanding	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	0.14	-	0.14

d) Details related to spent / unspent obligations:

	Year Ended March 31, 2022	Period Ended March 31, 2021
i) Promoting health care including preventive health care	0.14	-
ii) Unspent Amounts	-	-
	<b>0.14</b>	<b>-</b>

**33.3 Short term leases**

The Company has applied short term lease exemption for above rental of land, buildings, plant and equipment, etc in accordance with Ind AS 116 - 'Leases'

**Note 34 Tax expenses**

**Accounting policy**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**34.1 Current tax**

The current tax payable is based on taxable profit for the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (either in other comprehensive income or 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 establishes provisions where appropriate.

**34.2 Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial 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. Unrecognized 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 and liabilities are offset when they relate to income tax else vied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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

**34.3 Tax expense/(income)**

	Year Ended March 31, 2022	Period Ended March 31, 2021
<b>Current tax</b>		
In respect of the current period	31.69	-
	<b>31.69</b>	
<b>Deferred tax</b>		
In respect of the current period	(10.24)	(0.34)
	<b>(10.24)</b>	<b>(0.34)</b>
<b>Total income tax expense/(income) recognised in the current period</b>	<b>21.45</b>	<b>(0.34)</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
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**34.4 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**

Profit from continuing operations before income tax expense	<b>85.19</b>	<b>(1.36)</b>
Tax Expenses /(Income) at the Indian tax rate of 25.17%	<b>21.44</b>	<b>(0.34)</b>

**Income tax expense**

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 Income Tax Act, 1961 for the period ended 31 March, 2022.

**34.5 Deferred Tax Asset/ (Liability)**

Deferred tax asset/(liability) on account of :	As At March 31 2022	As At March 31 2021
Property plant and equipment	(27.91)	(8.77)
Provision for doubtful debts	13.48	2.15
Expenses allowed on payment basis	25.01	1.31
Business losses and unabsorbed depreciation	-	5.66
<b>Total</b>	<b>10.58</b>	<b>0.34</b>

**Note 35 Other comprehensive income/(expenses)**

	Year Ended March 31, 2022 ₹ in Crore	Period Ended March 31, 2021 ₹ in Crore
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(64.09)	(2.45)
Net Movement in regulatory deferral balances	64.09	2.45
	-	-

Post-acquisition of business, the Company has decided to treat pension and gratuity benefits payable to erstwhile WESCO employees which are continuing in employment at the date of acquisition 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 recognizes equivalent amount as Regulatory Deferral Account - Income/ expense in the OCI. The amount of Regulatory Deferral Account - Income/ expense recognized in the OCI in this manner fluctuates in line with and in opposite direction 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.



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 36**

**Commitments:**

Estimated amount of Contracts remaining to be executed on capital account and not provided for:

**Total**

As per terms of vesting order, cumulative capital expenditure of Rs. 1663 crores has been committed. Further, commitment in respect of AT&C losses and past arrear collection have also been stated in the vesting order.

As At	As At
31.03.2022	31.03.2021
₹ crore	₹ crore
113.13	39.14
<b>113.13</b>	<b>39.14</b>

**Note 37**

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized but disclosed only when an inflow of economic benefits is probable.

**Particular**

As At	As At
31.03.2022	31.03.2021
₹ crore	₹ crore
37.01 Claims against the Company not acknowledged as debts: (i) Legal cases filed by consumers, employees and others under litigation	46.30
37.02 Indirect taxation matters relating to sales tax, service tax, GST demand for FY 2014-15 to June 2017 including Interest till 31st March 21 where demand is under contest before judicial/appellate authorities CESTAT, Kolkata and deposited Rs 2.96 Cr @7.5% of principal demand of Rs 39.41 Cr	78.93

No provision is considered necessary since the Company expects favorable decisions.

37.03 Before acquisition, WESCO 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 of penalty is payable for past default. The management will be able to identify and recognize such obligation, if any, based on claims received.

37.04 As per terms of vesting order all litigations pertaining to WESCO have been transferred to the Company. In case of any unfavorable outcome the Company will be able to recover the liability through Aggregate Revenue Requirement.

**Note 38**

**Earnings per equity share (EPS)**

**Accounting policy**

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33, "Earnings Per Share". Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted 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 reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

The Company also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders as adjusted 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 reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

**38.01 EPS - Continuing operations (excluding regulatory income/expense)**

Units	As At	As At
	31.03.2022	31.03.2021
a) Profit for the period	₹ Crore 63.74	(1.02)
b) Net movement in regulatory deferral account balance	₹ Crore (599.79)	(101.38)
c) Income tax attributable to regulatory deferral account balance	₹ Crore (150.97)	(25.52)
d) Net movement in regulatory deferral account balance (net of tax) (b-c)	₹ Crore (446.02)	(73.86)
e) Profit for the period from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹ Crore 512.57	74.84
f) Weighted average number of equity shares	Nos in Crore 30.02	29.35
g) Basic and diluted earnings per equity share of Rs.10 each	₹ 17.08	2.55
h) Face value of equity shares	₹ 10.00	10.00

**38.02 EPS - Continuing operations (including regulatory income/expense)**

Units	As At	As At
	31.12.2022	31.03.2021
a) Profit for the period from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹ Crore 63.74	(1.02)
b) Weighted average number of equity shares	Nos in Crore 30.02	29.35
c) Basic and diluted earnings per equity share of ₹ 10 each	₹ 2.12	(0.03)
d) Face value of equity shares	₹ 10.00	10.00



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 39**

**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 included at 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:

a. 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.

b. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**(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 other than quoted price 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: Unobservable inputs for fair valuation of assets and liability

March 31, 2022

₹ crore

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial assets</b>							
Trade receivables	737.88	-	-	737.88	-	-	-
Unbilled Revenue	394.09	-	-	394.09	-	-	-
Other financial assets	373.61	-	-	373.61	-	-	-
Cash and cash equivalents	131.10	193.28	-	324.38	193.28	-	-
Bank balances other than (iii) above	1,159.25	-	-	1,159.25	-	-	-
	<b>2,795.93</b>	<b>193.28</b>	-	<b>2,989.21</b>	<b>193.28</b>	-	-
<b>Financial Liabilities</b>							
	<b>Carrying Value</b>		<b>Classification</b>	<b>Amortised Cost</b>	<b>Fair Value</b>		
		<b>FVTPL</b>	<b>FVTOCI</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Borrowings	180.24	-	-	180.24	-	-	-
Trade payables	592.14	-	-	592.14	-	-	-
Other financial liabilities	1,243.79	-	-	1,243.79	-	-	-
	<b>2,016.17</b>	-	-	<b>2,016.17</b>	-	-	-

March 31, 2021

₹ crore

Particulars	Carrying Value	Classification		Amortised Cost	Fair Value		
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
<b>Financial assets</b>							
Trade receivables	117.53	-	-	117.53	-	-	-
Unbilled Revenue	321.68	-	-	321.68	-	-	-
Other financial assets	303.13	-	-	303.13	-	-	-
Cash and cash equivalents	211.26	-	-	211.26	-	-	-
Bank balances other than (iii) above	811.81	-	-	811.81	-	-	-
	<b>1,765.41</b>	-	-	<b>1,765.41</b>	-	-	-
<b>Financial Liabilities</b>							
	<b>Carrying Value</b>		<b>Classification</b>	<b>Amortised Cost</b>	<b>Fair Value</b>		
		<b>FVTPL</b>	<b>FVTOCI</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Borrowings	141.26	-	-	141.26	-	-	-
Trade payables	331.83	-	-	331.83	-	-	-
Other financial liabilities	1,058.71	-	-	1,058.71	-	-	-
	<b>1,531.80</b>	-	-	<b>1,531.80</b>	-	-	-



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(iii) Capital Management & Gearing Ratio**

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's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

	As at 31.03.2022 ₹ crore	As at 31.03.2021 ₹ crore
Long-term borrowings	50.00	-
Current maturities of long-term borrowings		
Interest accrued but not due on borrowings		
Short-term borrowings	130.24	141.26
Total Debt (a)	<b>180.24</b>	<b>141.26</b>
Less: Cash and bank balances (b)	324.38	211.26
Net debt {(c)=(a-b)}	-	-
Total equity (d)	422.65	298.98
Total equity and net debt {(e)=(c+d)}	422.65	298.98
<b>Net debt to total equity plus net debt ratio (%) {(f)=(c)/(e)}</b>	-	-

i. Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

ii. Equity is defined as Equity share capital, Unsecured perpetual securities 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 borrowing in the current year.

**(iv) Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, lease liabilities, 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 its 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 of financial liabilities exposing it to significant market risk comprising foreign currency risk, interest rate risk and price risk.

**(vi) 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 31.03.2021 ₹ crore	As at 31.03.2022 ₹ crore
(a) Trade receivables	117.53	737.88
(b) Unbilled revenue	321.68	394.09
(c) Other financial assets	303.13	373.61
(d) Cash and cash equivalents	211.26	324.38
(e) Bank balances other than above	811.81	1,159.25
<b>Total</b>	<b>1,765.41</b>	<b>2,989.21</b>

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. Most of the cash and bank balances of the Company are with scheduled commercial banks where risk of default is low.



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**(vii) 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.

Particulars	₹ crore			
	Upto 1 year	1 to 5 years	5+ years	Total
<b>As at 31 March, 2022</b>				
(a) Trade payables	592.14	-	-	592.14
(b) Short term borrowings	130.24	-	-	130.24
(c) Long term borrowings	-	17.54	32.46	50.00
(d) Other financial liabilities	1,243.79	-	-	1,243.79
	<b>1,966.17</b>	<b>17.54</b>	<b>32.46</b>	<b>2,016.17</b>

Particulars	₹ crore			
	Upto 1 year	1 to 5 years	5+ years	Total
<b>As at 31 March, 2021</b>				
(a) Trade payables	331.83	-	-	331.83
(b) Short term borrowings	141.26	-	-	141.26
(c) Other financial liabilities	1,058.71	-	-	1,058.71
	<b>1,531.80</b>	<b>-</b>	<b>-</b>	<b>1,531.80</b>

As at the balance sheet date, the Company has cash and bank balances of Rs 1483.63 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.

Financing facilities (short term)	As at 31.03.2022		
	Fund based	Non-fund based	Total
Secured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	130.24	525.38	655.62
Amount unused	628.76	24.62	653.38
<b>Total</b>	<b>759.00</b>	<b>550.00</b>	<b>1,309.00</b>

Financing facilities (Long term)	As at 31.03.2022		
	Fund based	Non-fund based	Total
Secured credit facilities			
Amount used and outstanding	50.00	-	50.00
Amount unused	175.00	-	175.00
<b>Total</b>	<b>225.00</b>	<b>-</b>	<b>225.00</b>

Financing facilities (short term)	As at 31.03.2021		
	Fund based	Non-fund based	Total
Secured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	141.26	-	141.26
Amount unused	217.74	-	217.74
<b>Total</b>	<b>359.00</b>	<b>-</b>	<b>359.00</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
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**Note 40**

**Business Combinations**

**40.01 Summary of Business Combination**

The Company has been incorporated on December 30, 2020 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the OERC dated December 28, 2020, the Company acquired the business of distributing power in Western Orissa ('business') from WESCO with effect from January 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 Rourkela, Burla, Bhawanipatna, Bolangir and Bargargh in the state of Odisha for a period of 25 years effective from January 1, 2021.

**40.02 Details of purchase considerations, the net assets acquired are as follows :**

The Company has accounted for this acquisition as a business combination in accordance with Ind AS 103 – 'Business Combinations'. The acquisition date of business combination is 1 January 2021. Total purchase consideration for the acquisition of this business from WESCO is ₹ 300 crores.

Particulars	₹ crore
Equity Shares issued	300.00
Fair value of net assets acquired (Refer 38.03 below)	300.00
<b>Goodwill</b>	-

The company has issued 30,00,00,000 equity shares at a price of ₹ 10 each on conversion of trade payables toward the purchase consideration.

**40.03 The assets and liabilities recognized as a result of business combination are as follows :**

The following table summarises the fair value of the assets and liabilities recognized as a part of business combination upon finalisation of purchase price allocation in accordance with Ind AS 103 is as follows:

₹ crore			
Particulars	(Provisional fair values reported in previous year)	(Fair values based on purchase price allocation)	Change in acquisition values
<b>A. ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	1,267.27	1,336.31	69.04
(b) Capital Work-in-Progress	151.65	98.85	-52.80
(c) Financial Assets	-	165.03	165.03
(d) Non-current tax assets	168.80	32.09	-136.71
(e) Other Non-current Assets	1.08	17.95	16.87
<b>Total Non-current Assets</b>	<b>1,588.80</b>	<b>1,650.23</b>	<b>61.43</b>
<b>Current Assets</b>			
(a) Inventories	24.13	24.13	-
(b) Financial Assets	-	-	-
(i) Trade receivables	-	358.59	358.59
(ii) Unbilled revenue	-	-	-
(iii) Cash and cash equivalents	233.00	232.41	(0.59)
(iv) Bank balances other than (iii) above	823.75	823.75	-
(v) Other financial assets	39.28	39.19	(0.09)
(c) Other Current Assets	0.37	2.61	2.25
<b>Total Current Assets</b>	<b>1,120.53</b>	<b>1,480.69</b>	<b>360.16</b>
<b>TOTAL ASSETS (A)</b>	<b>2,709.32</b>	<b>3,130.92</b>	<b>421.59</b>
₹ crore			
Particulars	(Provisional fair values reported in previous year)	(Fair values based on purchase price allocation)	Change in acquisition values
<b>B. LIABILITIES</b>			
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Contribution towards Capital Assets	662.66	1,113.05	230.20
(b) Other non-current liabilities	210.90	153.12	(57.78)
<b>Total Non-current Liabilities</b>	<b>1,093.78</b>	<b>1,266.21</b>	<b>172.43</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities	-	-	-
(i) Borrowings	336.49	336.49	-
(ii) Trade Payables	21.75	268.42	246.67
(iii) Other Financial Liabilities	950.15	951.93	1.78
(b) Other current liabilities	7.16	7.87	0.71
<b>Total Current Liabilities</b>	<b>1,315.54</b>	<b>1,564.71</b>	<b>249.16</b>
<b>TOTAL LIABILITIES (B)</b>	<b>2,409.32</b>	<b>2,830.92</b>	<b>421.59</b>
<b>C Net Assets Acquired (A-B)</b>	<b>300.00</b>	<b>300.00</b>	<b>(0.00)</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**40.04 Trade Receivables**

Trade receivables amounting to Rs 358.59 Crores have been transferred to the Company as part of business combination.

**40.05 Additional explanations to Assets acquired and Liability Assumed**

The Carve Out order dated November 23, 2021 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 state amounts 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 results.

For the following assets and liabilities, the acquisition date records are incomplete and under reconciliation:

(a) Carrying amount of security deposits as per the general ledger is lower by INR 7.41 Crores as compared to balance as per customer ledger at the same date.

(b) Payable to Residuary Company amounting to INR 38.50 crores.

(c) Vendor / customer details are not available for the following items:

- (i) Sundry Creditors for Expenses amounting to INR 15.34 crores;
- (ii) Advance payment/deposit for consumers for capital works amounting to INR 51.03 crores; and
- (iii) Other assets amounting to INR 4.30 crores.

(d) The Company, with the WESCO management and the help/guidance of the OERC, is in the process of reconciling/ resolving the above matters and adjustments, if any, will be recognized 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 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. 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.



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 41**

**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)**

Coastal Gujarat Power Ltd (CGPL)  
Maithon Power Limited (MPL)  
Tata Power Renewable Energy Limited (TPREL)  
Tata Power Solar Systems Limited (TPSSL)  
TP Ajmer Distribution Limited (TPADL)  
Tata Power Delhi Distribution Ltd (TPDDL)  
TP Northern Odisha Distribution Limited (TPNODL)  
TP Central Odisha Distribution Limited (TPCODL)  
TP Southern Odisha Distribution Limited (TPSODL)

**E. Joint Venture of Holding Company (with whom company has transactions)**

Industrial Energy Limited (IEL)

**F. Post retirement employee benefit trust**

WESCO Employees Pension trust  
WESCO Employees Gratuity trust  
WESCO Employees Provident Fund trust

**G. Key management personnel**

**Chief Executive Officer**

Mr. Gajanan Sampatrao Kale

**Chief Financial Officer**

Mr. Satish Kumar

**Company Secretary**

Shishir Dudeja

**Non-executive directors**

Mr. Suresh Chandra Mahapatra  
Mr. Nikunja Bihari Dhai  
Dr. Praveer Sinha  
Mr. Kesava Menon Chandrasekhar  
Mr. Arup Ghosh  
Mr. Sanjay Kumar Banga  
Mr. Nipun Aggarwal  
Mr. Trilochan Panda  
Dr. Aditi raja  
Mr. Kailash Nath Shrivastava  
Mr. Rabi Narayan Bohidar  
Mr. Rabindra Nath Nayak  
Mr. Umakanta Sahoo



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

**a. Particulars of transactions with the related parties for the year ended 31.03.2022:**

₹ in crore

Sr No	Name of Related Party	Nature of transactions	Year Ended 31.03.2022	Period Ended 31.03.2021
<b>1</b>	<b>Purchase of Power</b> GRIDCO Ltd	Power purchase expenses net of rebate	3,088.96	642.96
<b>2</b>	<b>Issue of Equity Shares</b> GRIDCO Ltd The Tata Power Company Limited (TPCL)	Issue of equity shares Issue of equity shares	29.37 30.47	147.00 153.00
<b>3</b>	<b>Repayment of Dues</b> TP Southern Odisha Distribution Limited(TPSODL)	Repayment of Dues	5.05	-
<b>4</b>	<b>Gratuity &amp; Annual Leave</b> The Tata Power Company Limited (TPCL) Coastal Gujarat Power Ltd (CGPL) Industrial Energy Limited (IEL) Maithon Power Limited (MPL) Tata Power Renewable Energy Limited (TPREL) Tata Power Solar Systems Limited (TPSSL) TP Ajmer Distribution Limited (TPADL) Tata Power Delhi Distribution Ltd (TPDDL) Powerlink Transmission Limited (PTL)	Gratuity and Leave liability transferred Gratuity and Leave liability transferred	0.27 0.12 - - - - 0.03 0.93 0.10	2.84 0.03 0.01 0.71 0.24 0.13 0.49 0.64 -
<b>5</b>	<b>Supply of Material and Management Services</b> The Tata Power Company Limited (TPCL) TP Northern Odisha Distribution Limited(TPNODL) TP Central Odisha Distribution Limited(TPCODL) Tata Power Delhi Distribution Ltd (TPDDL)	Management Services Supply of Material Supply of Material and Management Services Supply of Material and Management Services	0.90 0.07 1.43 1.55	- - - -
<b>6</b>	<b>Transaction with Trust</b> WESCO Employees Pension trust WESCO Employees Gratuity trust WESCO Employees Provident Fund trust WESCO Employees Rehabilitation Fund trust	Contribution of Pension* Contribution of Gratuity* Contribution of Provident Fund Contribution of Rehabilitation Fund	58.91 34.22 8.15 0.36	30.43 2.42 0.28 -
<b>7</b>	Managerial remuneration including directors' sitting fee	Managerial remuneration and sitting fees	1.77	0.34
<b>Total</b>			<b>3,262.66</b>	<b>981.52</b>

**b. Particulars of Outstanding Payable/ Receivable with the related parties as on 31.03.2022:**

₹ in crore

Sr No	Name of the Entity	Nature of transactions	Year Ended 31.03.2022	Period Ended 31.03.2021
<b>1</b>	<b>Share Capital</b> The Tata Power Company Limited (TPCL) GRIDCO Limited	Share capital Share capital	183.47 176.37	153.00 147.00
<b>2</b>	<b>Trade Payable</b> GRIDCO Limited Tata Power Delhi Distribution Ltd (TPDDL) The Tata Power Company Limited (TPCL) TP Central Odisha Distribution Limited(TPCODL) TP Northern Odisha Distribution Limited(TPNODL)	Car/laptop transfer/Consultancy services Consultant services Supply of material Supply of Material	506.85 0.24 - 2.07 -	260.79 - - - -
<b>3</b>	<b>Other Receivable</b> The Tata Power Company Limited (TPCL) Coastal Gujarat Power Ltd (CGPL) Industrial Energy Limited (IEL) Maithon Power Limited (MPL) Tata Power Renewable Energy Limited (TPREL) Tata Power Solar Systems Limited (TPSSL) TP Ajmer Distribution Limited (TPADL) Tata Power Delhi Distribution Ltd (TPDDL) Powerlink Transmission Limited (PTL) Receivable from GRIDCO-ODSSP TP Northern Odisha Distribution Limited(TPNODL)	Gratuity & Annual Leave Gratuity & Annual Leave Supply of Material	2.29 0.15 0.01 0.01 0.24 0.13 0.49 - - 0.49 0.24	2.84 0.03 0.01 0.71 0.24 0.13 0.49 0.64 -
<b>Total</b>			<b>873.05</b>	<b>565.88</b>



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 42**

**Disclosure regarding details of assets created with Government Fund and used by TPWODL**

As per details provided by the Odisha Power Transmission Company Limited (OPTCL), Certain assets were created for WESCO 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 31st March, 2022 is Rs. 2940.20 crores for completed assets and Rs. 195.13 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 provisional fair value of these assets for the Company at the vesting date is nil. Details are given below:

Name of Scheme	Reference	April 2021-March 2022			Prior to March 31,2021		
		Completed	WIP	Total	Completed	WIP	Total
Odisha Distribution System Strengthening Project (ODSSSP)		833.63	191.13	1,024.76	930.23	215.69	1,145.92
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	278 Date: 26.04.2022	285.72	-	285.72	257.00	36.00	293.00
Integrated Power Development Scheme (IPDS)	280 Date: 26.04.2022	214.44	-	214.44	211.40	4.60	216.00
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (POWER GRID)		496.70	-	496.70	496.70	-	496.70
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (NTPC)		1,023.71	-	1,023.71	870.48	164.52	1,035.00
Renovation long term action plan (RLTAP)		86.00	4.00	90.00	80.00	10.00	90.00
<b>Total</b>		<b>2,940.20</b>	<b>195.13</b>	<b>3,135.33</b>	<b>2,845.81</b>	<b>430.81</b>	<b>3,276.62</b>

**Note 43**

**Statement of past arrears collection and utilisation of proceeds**

As per the Vesting Order, trade receivables for pre-acquisition period are not transferred to the Company. However, the Company as a collection agent needs to collect these receivables and use the same amount for paying obligations not transferred to the Company. The Company performs these activities purely as an agent of WESCO. Based on information and records maintained, the Company has made below collections and payments during the period ended March 31, 2022:

Particulars	April 2021 to March 2022	Prior to March 31, 2021	Total
Gross Collection from consumers excluding electricity duty	113.18	104.55	217.73
Less : Incentive earned as per vesting order	(11.92)	(10.81)	(22.73)
Less : GST on Incentive earned (Jan 21 to Mar 22)	(4.11)	-	(4.11)
<b>Net Collection (A)</b>	<b>97.15</b>	<b>93.74</b>	<b>190.89</b>
Payment to GRIDCO Limited as per Carve out order	152.39	-	152.39
Audit Fee Paid for Dec 20 Accounts	0.04	-	0.04
<b>Total Payments (B)</b>	<b>152.43</b>	<b>-</b>	<b>152.43</b>
<b>Net Receivable / (Payable) D = (B-A)</b>	<b>55.28</b>	<b>(93.74)</b>	<b>(38.46)</b>

**Notes:**

(a) Considering the balances transferred to the Company from WESCO are provisional, there is a possibility that some of the payments made during the year may pertain to liabilities transferred from WESCO. Adjustment in respect of the same shall be considered after completion of finalisation of acquisition value of liabilities.



**TP WESTERN ODISHA DISTRIBUTION LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 44**  
**Financial Ratios**

Sl No	Ratios	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	% of Variance	Reason for Variance
a)	Current Ratio	Current Asset	Current Liability	128.69%	96.24%	33.72%	The ratio has improved on account of increase of liquid assets due to improved collection and repayment of short term borrowings
b)	Debt-equity ratio	Total Debt	Shareholder's Fund	42.64%	47.25%	-9.74%	NA
c)	Debt service coverage ratio	Earnings available for debt service	Debt Service	410.34%	215.71%	90.23%	The ratio has considerably improved primarily due to increase in profits as operations are gradually stabilising. Also, previous year observation was for three months.
d)	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	4.42%	-0.09%	-101.92%	The ratio has considerably improved primarily due to increase in profits as operations are gradually stabilising.
f)	280 Date: 26.04.2022	sales	Average Accounts Receivables	640.92%	766.96%	-16.43%	NA
g)	Trade payables turnover ratio	sales	Average Accounts Payable	530.68%	782.77%	-32.20%	The ratio has improved on account of repayment of short term borrowings backed by improved collection efficiency
h)	Net capital turnover ratio	sales	Working Capital	731.34%	-1518.66%	-148.16%	The ratio has considerably improved primarily due to increase in profits as operations are gradually stabilising.
i)	Net profit ratio	Net Profits after taxes	sales	1.36%	-0.11%	-108.38%	The ratio has considerably improved primarily due to increase in profits as operations are gradually stabilising.
j)	Return on capital employed	Earning before interest and taxes	Capital Employed	21.63%	8.71%	148.28%	The ratio has considerably improved due to stabilisation of operations resulting in better utilisation of capital and consequent profitability.
k)	Return on investment	Income generated from investments	Time weighted average investments	5.78%	-	-	The company has made investment for the first time this year

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

**Note 45**  
**Segment Reporting**

The Company is engaged in the business of distribution of power in Western 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 not earned more than 10% of revenue

**Note 46**  
**Relationship with Struck off Companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 (as amended) or section 560 of Companies Act, 1956.

**Note 47**  
**Other Statutory Information**

- (i) During the previous year, the Company has acquired power distribution business from WESCO and accounted for property, plant and equipment (PPE) as well other current and non-current assets/ liabilities acquired at the acquisition date fair value using principles of Ind AS 103 Business Combination. The said fair valuation was done by a registered valuer. In the current year, the Company has received additional equity in the form of PPE from one of the shareholder and recognized such PPE at the acquisition date value using valuation determined by a registered valuer. In both the cases, the acquisition date fair values are treated as cost of acquisition. Hence, the Company has not revalued its PPE or any other assets.
- (ii) The Company has not given any loans or advances in the nature of loans are granted to promoters, directors, KMPs and/ or related parties (as defined under 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.
- (iii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (iv) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- (v) 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).
- (vi) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (vii) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- (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) The Company has neither traded nor it holds any investment in Crypto currency or Virtual Currency.
- (x) The Company has not advanced or loaned or invested funds to any other persons or entities, 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
- (xii) The Company has not received any fund from any persons or entities, 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 on behalf of the Ultimate Beneficiaries.
- (xiii) The Company does not have any transaction which is not recorded in the books of accounts but 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).



TP WESTERN ODISHA DISTRIBUTION LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 48**  
**Social Security Code**

The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

**Note 49**  
**Significant events after the reporting period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

**Note 50**  
**Approval of financial statements**

The financial statements were approved for issue by the board of directors on 28th April, 2022.

For S R B C & CO LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300093

per Vishal Bansal  
Partner  
Place: Mumbai



For TEJ RAJ & PAL  
Chartered Accountants  
ICAI FRN: 304124E

per Dinakar Mohanty  
Partner  
Place: Bhubaneswar



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

Praveer Sinha  
Director  
DIN:01785164  
Place: Mumbai

Sanjay Kumar Banga  
Director  
DIN:07785948  
Place: Mumbai

Gajanan Sampatrao Keri  
Chief Executive Officer (CEO)  
Place: Sambalpur

Satish Kumar  
Chief Financial Officer (CFO)  
Place : Sambalpur

Shishir Dudeja  
Company Secretary  
FCS 9578  
Place: Sambalpur

Date: April 28, 2022