

S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

## INDEPENDENT AUDITOR'S REPORT

To the Members of TP Northern Odisha Distribution Limited

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

#### Key Audit Matters

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

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



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

Key audit matter	How our audit addressed the key audit matter
<b>(a) Expected credit loss on trade receivables (as described in Note 12 to the financial statements)</b>	
<p>The Company has outstanding gross trade receivables of Rs 328.70 crore as at March 31, 2024, including overdue / aged receivables.</p> <p>The Company supplies electricity to various types of customers including individual customers with wide ranging characteristics in the Northern Odisha. There exists inherent exposure to credit risk for these customers. The Company has acquired this business with effect from April 01, 2021 and limited past experiences are available to estimate credit loss allowance.</p> <p>The Company has recognised Expected Credit Loss (ECL) allowance on trade receivables using its best estimate considering various factors such as segregation between government and non-government consumers, security deposit available, outcome of the Company's effort to reach consumers, their most recent payment behaviour as well as the fact that electricity is an essential commodity and regulations require consumers to clear old dues to get continuous electricity etc.</p> <p>Based on the above mechanism and using its best estimate, the Company has accounted ECL provision of Rs 151.32 crore as on the balance sheet date.</p> <p>The appropriateness of the provision for expected credit loss is subjective due to the high degree of judgment applied by management. Due to the significance of trade receivables and the related estimation uncertainty this is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's process and tested internal controls associated with the management's assessment of determining ECL allowance for trade receivables.</li> <li>• Obtained an understanding of the management plan and steps being taken to collect all receivables including 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 receivables.</li> <li>• Evaluated management's assumption and judgement relating to collection considering business environment in which the Company operates and rights available with the Company to recover amount due from customers for estimating the amount of ECL allowance.</li> <li>• Evaluated management's continuous assessment of the assumptions used in the credit loss provision computation. These considerations include whether there are regular receipts from the customers and the Company's past collection history.</li> <li>• Verified mathematical accuracy of provision computation based on credit loss estimation model used and other factors considered by the management.</li> <li>• Assessed the disclosures in the financial statements.</li> <li>• Obtained necessary management representation.</li> </ul>



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

Key audit matter	How our audit addressed the key audit matter
<p><b>(b) <u>Accrual of regulatory assets/liabilities for items which are subject matter of true up in tariff orders (as described in Note 25 to the financial statements)</u></b></p>	
<p>Being regulated distribution business, tariff of the Company is determined by the regulator on cost plus return on equity basis wherein the cost is subject to prudential norms. The Company invoices its customers on the basis of pre-approved tariff which is subject to true up.</p> <p>The Company recognizes revenue at the amount invoiced to customers based on pre-approved tariff rates. As the Company is entitled to a fixed return on equity and applicable incentives, the difference between the revenue recognised and entitlement as per the regulation is recognised as regulatory assets/liabilities. The Company has recognised regulatory assets of Rs 82.16 crore as at March 31, 2024.</p> <p>Accruals are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. Further the costs incurred are subject to prudential checks and prescribed norms.</p> <p>Judgements are made in determining the accruals including interpretation of tariff regulations. Further, in the true-up order, the regulator has observed that certain expenses booked in the audited accounts are higher than the approved costs and disallowed certain expenses. The regulator has also stated that currently expenses have been allowed on the basis of pragmatic approach. The Company is taking steps considered appropriate by the management to claim allowance for disallowed expenses and has treated these expenses as recoverable/ pass-through to the customer through subsequent regulatory orders.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's process and tested internal controls associated with the estimation and recoverability of such regulatory deferral balances.</li> <li>• Read the tariff regulations and tariff orders and evaluated relevant clauses to understand management's assessment on allowability of various income and expenses and consequent recognition/ measurement of regulatory deferral account balances.</li> <li>• Discussed with the management to understand their assessment on each qualitative and quantitative factor and reviewed consistency of the management's explanation with the underlying documentation, rules, and regulations.</li> <li>• Assessed management's evaluation and true up review petition and correspondences filed with regulators for the likely outcome in respect of material disallowances made by the regulators.</li> <li>• Assessed impact, if any, recognised by the Company in respect of tariff orders received.</li> <li>• Re-calculated workings obtained from the management to check arithmetical accuracy of the calculations.</li> <li>• Assessed disclosures made by the Company in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts."</li> <li>• Obtained necessary management representation.</li> </ul>



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

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

### Other Information

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

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

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

### Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

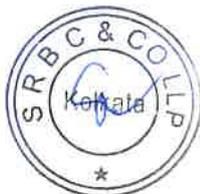


S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i) vi below on reporting under Rule 11(g);
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) vi below on reporting under Rule 11(g);
  - (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 46 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting softwares.

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

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



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





Per R S Sahoo  
Partner  
Membership Number: 053960  
UDIN: 24053960BKGFE8559  
Place of Signature: Bhubaneswar  
Date: April 19, 2024



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

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

**Re: TP Northern Odisha Distribution Limited (“the Company”)**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the planned programme, a portion of the Property, Plant and Equipment was verified during the year. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any land in its name. As regard the buildings, thereon, the Company retains operational rights over the buildings used for the purpose of carrying out distribution business under a license granted by the Odisha Electricity Regulatory Commission. Thus, verification of title deeds is not applicable for such buildings.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory during the year. In our opinion, the frequency of verification is reasonable and the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

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

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

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

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

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

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

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

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

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

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



SRBC & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

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

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the service of distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. During the year, the Company did not have any undisputed dues towards sales-tax, service tax, duty of excise, duty of customs and value added tax.
- (b) The dues of provident fund and services tax have not been deposited on account of any dispute, are as follows:

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

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

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



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

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

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 (as amended) where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata - 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar - 751 022

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31.2 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 31.2 to the financial statements.
- (xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(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

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



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

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



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata – 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar – 751 022

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata – 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar – 751 022

of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

### **Meaning of Internal Financial Controls with Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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



S R B C & CO LLP  
Chartered Accountants  
22, Camac Street, 3<sup>rd</sup> Floor  
Block 'B', Kolkata – 700 016  
India  
Tel - +91 33 6134 4000

SRB & Associates  
Chartered Accountants  
5<sup>th</sup> Floor, IDCO Tower, Janpath  
Bhubaneswar – 751 022

### Opinion

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

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

*Shivam Chowdhary*

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



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

*R S Sahoo*

**per R S Sahoo**  
Partner  
Membership Number: 053960  
UDIN: 24053960BKGFE8559  
Bhubaneswar  
April 19, 2024



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

**BALANCE SHEET AS AT MARCH 31, 2024**

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI FRN: 324982E/E300003  
per *Shivam Chowdhary*  
Shivam Chowdhary  
Partner  
Membership Number: 067077  
Place: Bhubaneswar  
Date: April 19, 2024



For **SRB & Associates**  
Chartered Accountants  
ICAI FRN: 310009E  
per *R S Sahoo*  
R S Sahoo  
Partner  
Membership Number: 053960  
Place: Bhubaneswar  
Date: April 19, 2024



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

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

*Dwijadas Basak*  
Dwijadas Basak  
Chief Executive Officer (CEO)  
Place: Bhubaneswar

*Siladitya Sengupta*  
Siladitya Sengupta  
Chief Financial Officer (CFO)  
Place: Bhubaneswar

*Sanjay Kumar Banga*  
Sanjay Kumar Banga  
Director  
DIN: 07785948  
Place: Bhubaneswar  
*Devendra Prasad*  
Devendra Prasad  
Company Secretary  
Membership Number: A39789  
Place: Bhubaneswar



Date: April 19, 2024

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

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

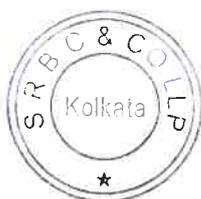
Particulars	Notes	₹ in crores	
		Year Ended March 31, 2024	Year Ended March 31, 2023
I. Revenue from operations	26	3,757.41	3,340.18
II. Other income	27	127.37	112.47
<b>III. Total income (I+II)</b>		<b>3,884.78</b>	<b>3,452.65</b>
<b>IV. Expenses</b>			
Cost of power purchased and transmission charges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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI FRN: 324982E/ E300003

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



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

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



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

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

*Dwijadas Basak*  
**Dwijadas Basak**  
Chief Executive Officer (CEO)  
Place: **Bhubaneswar**

*Siladitya Sengupta*  
**Siladitya Sengupta**  
Chief Financial Officer (CFO)  
Place: **Bhubaneswar**

*Sanjay Kumar Banga*  
**Sanjay Kumar Banga**  
Director  
DIN: 07785948  
Place: **Bhubaneswar**

*Devendra Prasad*  
**Devendra Prasad**  
Company Secretary  
Membership Number: A39789  
Place: **Bhubaneswar**



Date: **April 19, 2024**

TP NORTHERN ODISHA DISTRIBUTION LIMITED

CIN:U40109OR2021PLC035951

Januganj, Balasore, Odisha, India, 756019

Website: www.tpnodl.com

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

**Accounting Policy**

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

₹ in crores

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



TP NORTHERN ODISHA DISTRIBUTION LIMITED

CIN:U40109OR2021PLC035951

Januganj, Balasore, Odisha, India, 756019

Website: www.tpnodl.com

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

₹ in crores

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

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

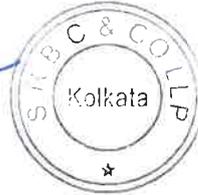
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI FRN: 324982E/ E300003

*Shivam Chowdhary*

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



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

*RS Sahoo*

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



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

*Praveer Sinha*

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

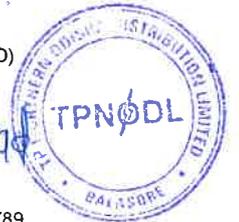
*Dwijadas Basak*  
**Dwijadas Basak**  
Chief Executive Officer (CEO)  
Place: Bhubaneswar

Date: April 19, 2024

*Sanjay Kumar Banga*  
**Sanjay Kumar Banga**  
Director  
DIN: 07785948  
Place: Bhubaneswar

*Siladitya Sengupta*  
**Siladitya Sengupta**  
Chief Financial Officer (CFO)  
Place: Bhubaneswar

*Devendra Prasad*  
**Devendra Prasad**  
Company Secretary  
Membership Number: A39789  
Place: Bhubaneswar



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

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

**A. Equity Share Capital**

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

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

**B. Other Equity**

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

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

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



For SRB & Associates  
Chartered Accountants  
ICAI FRN: 310009E

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



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

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

*Dwijadas Basak*  
Dwijadas Basak  
Chief Executive Officer (CEO)  
Place: Bhubaneswar

Date: April 19, 2024

*Sanjay Kumar Banga*  
Sanjay Kumar Banga  
Director  
DIN:07785948  
Place: Bhubaneswar

*Siladitya Sengupta*  
Siladitya Sengupta  
Chief Financial Officer (CFO)  
Place: Bhubaneswar

*Devendra Prasad*  
Devendra Prasad  
Company Secretary  
Membership Number: A39789  
Place: Bhubaneswar



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

**NOTE 1 Corporate Information**

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

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

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

**NOTE 2 Material Accounting Policies**

**2.1 Statement of compliance**

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

**2.2 Basis of preparation and presentation**

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

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

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

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

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

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

**3.1 Foreign currencies**

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

**Transactions and balances**

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

**3.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

**3.3 Financial instruments**

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

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

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

**Effective interest method**

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



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

**3.4 Financial assets**

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

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

**3.4.1 Financial assets at amortised cost**

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

- (i) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

**3.4.4 Impairment of financial asset**

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

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

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

**3.4.5 Derecognition of financial asset**

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

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

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

**3.4.6 Offsetting of financial asset**

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

**3.5 Financial liabilities and equity instruments**

**3.5.1 Initial recognition and measurement**

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposit from electricity consumers, consumer contributions for work under progress, capital creditors etc.

**Subsequent measurement**

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

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

**3.5.2 Financial Liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

**3.5.3 Financial Liabilities at amortised cost (Loans and borrowings)**

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

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

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

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



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

**3.5.4 Equity instruments**

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

**3.5.5 Derecognition of financial liabilities**

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

**3.6 Fair value measurement**

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as properties and other assets/ liabilities acquired as part of business combination. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.7 Lease Accounting**

At inception of contract, the Company assesses whether the Contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

**As a Lessee**

**Right-of-use Assets**

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

**Lease Liabilities**

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

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

**Short term leases and leases of low value of assets**

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

**3.8 Dividend**

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

**3.9 Government grants**

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



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

3.10 Business combinations and goodwill

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

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

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

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

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

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

3.11 New and amended standards

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

Definition of Accounting Estimates - Amendments to Ind AS 8

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

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

Disclosure of Accounting Policies - Amendments to Ind AS 1

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

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

3.12 Critical accounting estimates and judgements

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

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

The areas involving critical estimates or judgements are:

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

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



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

**NOTE 4 Property, plant and equipment :**  
**4.01 Accounting Policy :**

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

**Depreciation on regulated assets**

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

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

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

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

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

**Depreciation on meters**

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

**Derecognition**

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

**Impairment of property, plant and equipment and intangible assets**

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

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

In assessing value in use, the estimated future post tax cash flows are discounted to their present value using a appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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



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

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 01, 2023	Additions	Deletions	As at March 31, 2024	For the year	Elimination on deletions	As at March 31, 2024	As at March 31, 2023
(a) Buildings	67.93	67.31	-	135.24	3.02	-	4.27	130.97
(b) Plant and equipment including transmission lines and cable network	2,121.29	905.91	(4.12)	3,023.08	137.76	(3.56)	313.68	2,709.40
(c) Motor Vehicles	1.65	0.77	(0.05)	2.37	0.22	(0.02)	0.34	2.03
(d) Furniture and fixtures	6.20	3.93	(0.01)	10.12	1.08	(0.01)	2.50	7.62
(e) Office equipments	49.58	21.91	(0.06)	71.41	7.91	(0.02)	13.59	57.82
<b>Total</b>	<b>2,246.55</b>	<b>999.83</b>	<b>(4.26)</b>	<b>3,242.22</b>	<b>149.99</b>	<b>(3.61)</b>	<b>334.38</b>	<b>2,907.84</b>
Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 01, 2022	Additions	Deletions	As at March 31, 2023	For the year	Elimination on deletions	As at March 31, 2023	As at March 31, 2023
(a) Buildings	7.49	60.44	-	67.93	1.12	-	1.25	66.68
(b) Plant and equipment including transmission lines and cable network	1,608.95	512.40	(0.06)	2,121.29	93.11	(0.01)	179.48	1,941.81
(c) Motor Vehicles #	0.47	1.18	(0.00)	1.65	0.09	(0.00)	0.14	1.51
(d) Furniture and fixtures	1.11	5.22	(0.13)	6.20	1.18	(0.11)	1.43	4.77
(e) Office equipment	16.58	33.07	(0.07)	49.58	4.45	(0.01)	5.70	43.88
<b>Total</b>	<b>1,634.60</b>	<b>612.31</b>	<b>(0.26)</b>	<b>2,246.65</b>	<b>99.95</b>	<b>(0.13)</b>	<b>188.00</b>	<b>2,058.65</b>

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

NOTE 4.93 Additional information regarding assets acquired from NESCO as on 01 April, 2021

Particulars	As at April 01, 2021			Upto March 31, 2023			Year ended March 31, 2024			As at March 31, 2024
	Gross Block	Accumulated Depreciation	Net carrying amount/Fair value at acquisition date	Deletion Gross Block	Accumulated Depreciation	Deletions Gross block	Additions	Accumulated depreciation		
(a) Buildings	5.59	2.12	3.47	-	-	-	-	-	3.47	
(b) Plant and equipment including transmission lines and cable network	2,184.88	716.58	1,468.10	0.06	0.01	4.12	-	3.34	1,467.27	
(c) Motor Vehicles #	0.55	0.39	0.16	0.00	0.00	-	-	0.15	0.15	
(d) Furniture and fixtures	2.26	1.97	0.29	0.12	0.11	0.01	-	0.01	0.27	
(e) Office Equipment #	6.33	4.92	1.41	-	-	0.00	-	0.00	1.41	
<b>Total</b>	<b>2,199.41</b>	<b>725.98</b>	<b>1,473.43</b>	<b>0.18</b>	<b>0.12</b>	<b>4.13</b>	<b>-</b>	<b>3.35</b>	<b>1,472.57</b>	

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



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

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

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment	148.99	99.95
Amortisation of Intangible assets	19.97	5.14
	<b>168.96</b>	<b>105.09</b>

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

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

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

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

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

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

**NOTE 4.07 Physical verification of PPE**

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

**NOTE 4.08 Property Plant and Equipment created out of consumer funds**

Considering the provisions of the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019, the management believes that it has legal right and ownership over the property, plant and equipment (PPE) which are directly funded by the consumers and are being used to supply electricity to the consumers. Accordingly, during the year, the Company has capitalized PPE amounting to ₹ 231.69 Crores (March 31, 2023: ₹ 169.20 Crores) and recognised the corresponding liability under the head consumer contribution. Depreciation on PPE as well as amortisation of ₹ 66.07 Crores (March 31, 2023: ₹ 56.98 Crores) are being recognised in the Statement of Profit and Loss, having no net impact on profit or loss of the Company.

The management believes that the accounting adopted by the Company reflects substance of the arrangement and is also in compliance with the applicable requirements. Based on physical verification policy adopted by the Company, physical verification of these assets is being carried out along with other assets of the Company.

**NOTE 4.09 Property Plant and Equipment received in lieu of shares**

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

**NOTE 4.10 Refer note 21 for charge created against borrowings.**



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

NOTE 5 Capital work-in-progress

Accounting Policy

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

Particulars	₹ in crores		
	As at April 01, 2023	Additions	As at March 31, 2024
Capital Work in Progress (majority pertains to Plant & Machinery and transmission lines & cable network)	415.66	1,080.12	453.77
<b>Total</b>	<b>415.66</b>	<b>1,080.12</b>	<b>453.77</b>

Particulars	₹ in crores		
	As At April 01, 2022	Additions	As at March 31, 2023
Capital Work in Progress (majority pertains to Plant & Machinery and transmission lines & cable network)	164.67	900.77	415.66
<b>Total</b>	<b>164.67</b>	<b>900.77</b>	<b>415.66</b>

Project in progress includes setting up substations, installations of transformer and cable networks at various locations in northern part of Odisha.

CWIP includes closing capital inventory of ₹ 226.23 Crores as at March 31, 2024 (March 31, 2023 : ₹ 215.33 Crore).

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

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

As at March 31, 2024	₹ in crores		
	Less than 1 year	1-2 years	More than 2 years
Capex-Government Funded	203.51	66.56	272.37
Capex-Consumer Funded	29.23	3.19	32.97
Capex-Meter	34.77	4.10	40.04
Capex-Own	98.82	8.79	108.39
<b>Total</b>	<b>366.33</b>	<b>82.64</b>	<b>453.77</b>

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

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

NOTE 5.02

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

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

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



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

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

**NOTE 6 Intangible assets**

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

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

**Derecognition**

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

Impairment of Intangible assets (refer note 4.01)

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



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

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
<b>NOTE 7 Financial assets - non current</b>		
(Unsecured and considered good, at amortised cost)		
Deposits with banks- earmarked balances*	386.85	367.28
Other receivables	6.64	6.59
Security Deposit-to various authorities	7.68	7.29
	<u>401.17</u>	<u>381.16</u>
* Earmarked balances against government grants/consumer contribution for work under progress		
<b>NOTE 8 Deferred tax liabilities (net) (refer note no 32)</b>		
Deferred tax liabilities (net)	19.54	20.29
	<u>19.54</u>	<u>20.29</u>
<b>NOTE 9 Tax assets / (liabilities)</b>		
<b>9.1 Non-current tax assets</b>		
Advance income tax/ tax deducted at source (net of provision)	27.74	28.21
<b>Total non-current tax assets</b>	<u>27.74</u>	<u>28.21</u>
<b>9.2 Current tax liabilities (net)</b>		
Income Tax Payable	19.25	4.69
<b>Total current tax liabilities (net)</b>	<u>19.25</u>	<u>4.69</u>
<b>NOTE 10 Other non-current assets</b>		
(Unsecured and considered good at amortised cost)		
(a) Receivable From State Government	2.10	2.03
(b) Capital advances	4.46	34.54
(c) Others*	12.85	12.85
	<u>19.41</u>	<u>49.42</u>
* Includes amount recoverable from suppliers etc.		
<b>NOTE 11 Inventories (At lower of cost and net realisable value)</b>		
<b>Accounting policy</b>		
Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on moving weighted average basis. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.		
	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Stores and spares	57.04	53.97
<b>Total inventories</b>	<u>57.04</u>	<u>53.97</u>
Note: Refer note 21 for charge created against borrowings		
<b>NOTE 12 Trade receivables-Current (At amortised cost)</b>		
Unsecured, Considered good	160.17	219.37
Significant increase in credit risk	168.53	131.03
	328.70	350.40
Less: Allowance for doubtful debts (expected credit loss)	151.32	90.54
<b>Total Trade receivables (net)</b>	<u>177.38</u>	<u>259.86</u>



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

Note

- i The Company holds security deposits from consumers amounting to ₹ 853.47 crores (March 31, 2023: ₹ 795.82 crores)
- ii Refer Note 21 for charge created against borrowings
- iii The management has formulated a mechanism for receiving and addressing customer complaints including those related to billing and receivables outstanding. The management has identified disputed receivables basis information available with the Company
- iv Trade receivables include amount of ₹ 168.53 crores (March 31, 2023: ₹ 131.03 crores) from consumers who are inactive/ permanently disconnected, temporarily disconnected/ were non-government/ low-paying or non-paying and/or disputed

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

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

v Trade receivables ageing schedule as at March 31, 2024

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

vi Trade receivables ageing schedule as at March 31, 2023

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

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

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

vii Movement in the allowance for doubtful trade receivables

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

NOTE 13 Cash and Bank balances

Accounting policy

- 13.1 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

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

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



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

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
13.3 Other balances with banks (At amortised cost)		
(i) Deposits with banks*	1,089.28	953.93
	<u>1,089.28</u>	<u>953.93</u>

\*Includes earmarked balances against consumer security deposits amounting to ₹ 928.02 crores (March 31, 2023 ₹ 330.88 crores)

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

As at March 31, 2024, the Company had available ₹ 515.16 crores (March 31, 2023 ₹ 565.23 crores) of undrawn committed borrowing facilities. The Company has pledged a part of its short-term deposits to fulfill collateral requirements. Refer to Note 21 for further details.

13.4 Changes in liability arising from financing activities and non-cash financing and investing activities

Particulars	As at April 1, 2023	Cash Flows		Other transactions*	As at March 31, 2024
		Proceeds	Payment		
		₹ in crores			
Security deposits from electricity consumers	795.82	87.85	-	-	883.67
Contribution for capital works	1,245.33	92.21	-	155.15	1,492.69
Subsidies towards cost of capital asset	517.29	204.92	-	(15.21)	707.00
Bank overdraft (net payment during the year)	193.95	-	(100.84)	-	93.30
Long term borrowings	237.47	320.88	(11.38)	-	546.77
<b>Total</b>	<b>2,989.86</b>	<b>705.46</b>	<b>(112.02)</b>	<b>139.94</b>	<b>3,723.23</b>

Particulars	As at April 1, 2022	Cash Flows		Other transactions*	As at March 31, 2023
		Proceeds	Payment		
		₹ in crores			
Security deposits from electricity consumers #	807.82	188.01	-	(0.01)	795.82
Contribution for capital works	1,085.92	54.16	-	105.25	1,245.33
Subsidies towards cost of capital asset	352.42	186.21	-	(21.34)	517.29
Bank overdraft (net payment during the year)	226.72	-	(39.02)	6.25	193.95
Long term borrowings	-	237.47	-	-	237.47
<b>Total</b>	<b>2,272.86</b>	<b>665.85</b>	<b>(39.02)</b>	<b>90.15</b>	<b>2,989.86</b>

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

NOTE 14 Other financial assets - current

(Unsecured and considered good, at amortised cost)

- (a) Advance to staff  
(b) Income accrued but not due  
(c) Other receivables (includes receivable from Collection Agencies)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Advance to staff	2.76	3.50
(b) Income accrued but not due	2.30	1.76
(c) Other receivables (includes receivable from Collection Agencies)	40.11	22.82
	<u>45.17</u>	<u>28.08</u>

NOTE 15 Other current assets

(Unsecured and considered good, at amortised cost)

- (a) Advances to others (includes advance to vendors and prepaid expenses)

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Advances to others (includes advance to vendors and prepaid expenses)	23.72	23.76
	<u>23.72</u>	<u>23.76</u>



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

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

**NOTE 16 Share capital**

	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in crores	No.	₹ in crores
<b>Authorised Share Capital</b>				
Equity shares of ₹ 10/- each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	<b>1,00,00,00,000</b>	<b>1,000.00</b>	<b>1,00,00,00,000</b>	<b>1,000.00</b>

**Issued, subscribed capital:**

Equity shares of ₹ 10/- each (fully paid up)	56,40,48,300	564.05	39,81,48,300	398.15
<b>Total issued, subscribed and paid-up share capital</b>	<b>56,40,48,300</b>	<b>564.05</b>	<b>39,81,48,300</b>	<b>398.15</b>

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

	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in crores	No.	₹ in crores
<b>Equity shares</b>				
At the beginning of the year	39,81,48,300	398.15	29,49,43,600	294.94
Issued during the year	16,59,00,000	165.90	10,32,04,700	103.20
<b>Outstanding at the end of the year</b>	<b>56,40,48,300</b>	<b>564.05</b>	<b>39,81,48,300</b>	<b>398.15</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 ₹ 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 March 31, 2024		As at March 31, 2023		% change in holding during the year
	No of Shares	% of Holding	No of Shares	% of Holding	
A. The Tata Power Company Ltd (Holding company)	28,76,64,633	51.00%	20,30,55,633	51.00%	0%
B. GRIDCO Ltd (Company having significant influence)	27,63,83,667	49.00%	19,50,92,667	49.00%	0%
<b>Total</b>	<b>56,40,48,300</b>	<b>100.00%</b>	<b>39,81,48,300</b>	<b>100.00%</b>	<b>0%</b>

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

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

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

**e. Shareholding of Promoters**

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

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

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

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

**NOTE 17 Other equity**

**Retained earnings**

	As at March 31, 2024	As at March 31, 2023
	₹ in crores	₹ in crores
Balance at beginning of year		189.59
Add: Profit for the year		132.96
Other Comprehensive Income for the year (net)		-
<b>Balance as at the end of the year</b>	<b>322.55</b>	<b>189.59</b>

**Nature and purpose of reserves:**

**Retained earnings**

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



NOTE 18 Provisions

18.1 Accounting Policy

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

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

Defined contribution plans

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

Defined Benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit and loss on the earlier of

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

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

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

Other current and other non-current employee benefits

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

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

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

Pre acquisition liabilities of employees transferred from erstwhile NESCO :-

The terms of the Vesting Order as modified by the Carve Out Order provide that for entire liabilities toward pension, gratuity and compensated absences of employees 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 will be allowed to be recovered from consumers for disbursement to the beneficiaries covered under the Trusts. The Company has recognized amount payable to the Trusts for the current year for onward payment of the said liabilities are charged as an expense as they fall due.

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

18.2 Defined contribution plans

Erstwhile NESCO Employees

Provident Fund Plan

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

Other than Erstwhile NESCO utility Employees

Provident Fund Plan

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

Employee State Insurance

The Company makes Employee State Insurance ('ESI') scheme contributions to defined contribution plans for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified are paid to the Employee State Insurance Corporation ('ESIC') set under the ESI Act 1948. The Company is generally liable for annual contributions, if the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. 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.

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



18.3 Defined Benefits plans

Erstwhile NESCO Employees

i) Gratuity

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

ii) Pension

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

The terms of the vesting order as modified by the Carve Out order provide that for entire liabilities toward pension, gratuity and leave encashment of employees 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 will be allowed to be recovered from consumers for disbursement to the beneficiaries covered under the Trusts. Based on specific clarifications provided in the carve out and the vesting order, the Company has recognized amount payable to the Trusts for the current year for onward payment of the said liabilities in the statement of profit and loss as they fall due.

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

Refer note 18.6 for further details.

Other than Erstwhile NESCO Employees (Unfunded)

i) Gratuity

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

ii) Pension

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

iii) Post Employment Medical Benefit

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

iv) Ex-Gratia Death Benefits

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

v) Retirement Gift

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

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

18.4 Pre-acquisition liabilities of employees transferred from erstwhile NESCO

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

Liabilities for past employees and acquisition date liabilities of existing employees

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

As at March 31, 2024				₹ in crores
Particulars	Pension	Gratuity	Leave	Total
Total liability of all employees	1,190.25	52.90	101.78	1,344.93
Total liabilities in respect of obligation not transferred to the company				
Total liabilities of past employees	864.65	-	-	864.65
Acquisition date liabilities of existing employees	180.52	19.30	71.56	271.37
<b>Total</b>	<b>1,045.17</b>	<b>19.30</b>	<b>71.56</b>	<b>1,136.02</b>

As at March 31, 2023				₹ in crores
Particulars	Pension	Gratuity	Leave	Total
Total liability of all employees	1,138.65	51.42	93.34	1,283.41
Total liabilities in respect of obligation not transferred to the company				
Total liabilities of past employees	878.14	-	-	878.14
Acquisition date liabilities of existing employees	188.74	22.46	75.44	286.64
<b>Total</b>	<b>1,066.88</b>	<b>22.46</b>	<b>75.44</b>	<b>1,164.78</b>

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

March 31, 2024				₹ in crores
Particulars	Pension	Gratuity	Leave	Total
Amount paid/payable towards liabilities in respect of obligation not transferred to the Company	109.79	4.08	3.86	117.73
Amount paid/payable towards liabilities in respect of obligation transferred to the Company	0.56	3.16	0.98	4.70
<b>Total</b>	<b>110.35</b>	<b>7.24</b>	<b>4.84</b>	<b>122.43</b>



AS

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

March 31, 2023	Particulars	Pension	Gratuity	Leave	₹ in crores Total
	Amount paid/payable towards liabilities in respect of obligation not transferred to the Company	96.84	-	-	96.84
	Amount paid/payable towards liabilities in respect of obligation transferred to the Company	6.89	8.83	8.85	24.56
	<b>Total</b>	<b>103.72</b>	<b>8.83</b>	<b>8.85</b>	<b>121.40</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, along with other defined benefit plans of the Company.

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

Interest risk

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

Longevity risk

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

Salary Escalation risk

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

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

a. Present Value of obligations					₹ in crores
Particulars	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)	
<b>j. Present Value of obligations as at April 01, 2022 as per Actuarial Valuation (including obligation not transferred to the company) (Refer Note 18.3)</b>	<b>6.78</b>	<b>125.08</b>	<b>81.04</b>	<b>286.59</b>	
k. Interest Cost	0.47	8.58	5.36	19.94	
l. Current Service Cost	0.84	2.13	3.86	16.61	
m. Past Service Cost	-	0.01	-	-	
n. Acquisition (Credit)/Cost	0.48	0.39	-	-	
o. Actuarial loss / (gain)-Demographic	-	-	-	-	
p. Actuarial loss / (gain)-Financial	(0.13)	(2.97)	(1.96)	(9.60)	
q. Actuarial loss / (gain)-Experience	(0.85)	6.27	5.60	(0.76)	
r. Benefits Paid	(0.35)	(8.52)	(11.10)	(11.36)	
s. Immediate recognition of (gains)/Losses-other long term employee benefit plans	-	-	-	-	
<b>k. Present Value of obligations as at March 31, 2023 as per Actuarial Valuation (including obligation not transferred to the company) (Refer Note 18.3)</b>	<b>7.24</b>	<b>130.97</b>	<b>82.80</b>	<b>301.43</b>	
l. Interest Cost	0.51	3.18	5.69	21.50	
m. Current Service Cost	1.51	10.90	3.61	12.47	
n. Past Service Cost	-	-	-	-	
o. Acquisition (Credit)/Cost	(0.39)	(0.17)	-	0.02	
p. Actuarial loss / (gain)-Demographic	-	0.36	(1.35)	5.98	
q. Actuarial loss / (gain)-Financial	0.26	5.04	3.15	16.49	
r. Actuarial loss / (gain)-Experience	0.44	2.14	0.68	20.60	
s. Benefits Paid	(0.64)	(5.70)	(9.58)	(13.94)	
t. Immediate recognition of (gains)/Losses-other long term employee benefit plans	-	-	-	-	
<b>u. Present value of obligation at the end of the March 31, 2024 (including obligation not transferred to the company) (Refer Note 18.3)</b>	<b>8.92</b>	<b>146.71</b>	<b>85.01</b>	<b>364.55</b>	



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

b. Fair value of plan assets

Particulars	₹ in crores			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
a Fair value of plan asset as at April 1, 2022 (including plan assets not transferred to the Company)	-	3.18	31.21	41.93
b Acquisition (Credit)/Cost	-	-	-	-
c Estimated return on plan asset	-	0.22	2.14	2.92
d Employer contribution	-	0.35	8.83	2.56
e Benefits Paid	-	(0.58)	(11.10)	(7.04)
f Excess of actual over estimated return	-	(0.42)	0.31	0.65
g Others	-	-	-	-
h Fair value of plan asset as at March 31, 2023 (including plan assets not transferred to the Company)	-	2.75	31.38	40.91
i Acquisition (Credit)/Cost	-	-	-	0.02
j Estimated return on plan asset	-	0.19	2.21	2.80
k Employer contribution	-	0.30	7.25	1.76
l Benefits Paid	-	(0.50)	(9.58)	(6.79)
m Excess of actual over estimated return	-	0.15	0.87	0.25
n Others	-	-	-	-
o Fair value of plan asset as at March 31, 2024 (including plan assets not transferred to the Company)	-	2.88	32.12	38.95

c. Amount to be recognized in the balance sheet

Particulars	₹ in crores			
	As at March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1 Present Value of obligations as at the end of the year as per Actuarial Valuation (including obligation not transferred to the company)	8.92	146.71	85.01	364.55
2 Fair value of Assets at the end of the year (including obligation not transferred to the company)	-	2.88	32.12	38.95
3 Net liability	8.92	143.82	52.90	325.60
4 Liability not transferred to the Company as per vesting order	-	70.20	19.30	190.52
5 Net Liability recognized in balance sheet	8.92	73.63	33.60	145.08
6 Net Current Liability recognized in balance sheet	0.21	5.05	-	-
7 Net Non Current Liability recognized in balance sheet	8.71	68.57	33.60	145.08

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

d. Expenses Recognised in the Statement of Profit & Loss

Particulars	₹ in crores			
	For the Year Ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1 Current Service Cost	1.51	9.91	3.61	12.47
2 Past Service Cost	-	-	-	-
3 Interest Cost	0.51	3.18	5.69	21.50
4 Expected return on Plan Assets	-	(0.19)	(2.21)	(2.80)
5 Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	7.55	-	-
6 Net Actuarial (Gain)/Loss recognized in the year	-	-	-	-
7 Others	-	-	4.08	109.79
8 Others (payment to trust)	-	-	-	-
9 Expenses recognized in statement of Profit & Loss	2.01	20.45	11.16	140.95

Particulars	₹ in crores			
	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Funded and Unfunded)	Gratuity (Funded)	Pension (Funded)
1 Current Service costs	0.84	2.13	3.66	16.61
2 Past Service costs	-	0.01	-	-
3 Interest costs	0.47	8.58	5.36	19.94
4 Expected return on Plan Assets	-	(0.22)	(2.14)	(2.82)
5 Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	3.75	-	-
6 Net Actuarial (Gain)/Loss recognized in the year	-	-	-	-
7 Others	-	-	-	96.84
8 Others (payment to trust)	-	-	-	-
9 Expenses recognized in statement of Profit & Loss	1.31	14.25	7.06	130.58



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

e. Amount recognised in other comprehensive income (remeasurements)

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

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

f. Principal assumptions

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

g. Category wise plan assets

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

h. Sensitivity analysis

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

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

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

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

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

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

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

Expected Future cashflows	For the Year Ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
Year-1	0.20	9.35	6.88	13.18
Year-2	0.23	8.56	5.57	15.40
Year-3	0.62	7.92	4.22	11.12
Year-4	1.09	8.25	4.29	8.80
Year-5	1.53	7.67	3.75	9.35
Year 6-10	6.63	43.49	25.22	44.09

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



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

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
<b>NOTE 19 Capital grant and consumer contribution towards Capital Assets</b>		
<b>Non Current (At cost less amortisation)</b>		
Consumer Contribution towards cost of capital assets	1,266.67	1,063.51
Deferred Government Grants towards cost of capital assets	107.50	16.25
<b>Total Capital Grant and Consumer Contribution towards Capital Assets</b>	<b>1,374.17</b>	<b>1,079.76</b>
<b>19.01 Movement in consumer contribution towards cost of capital assets</b>		
<b>Opening balance</b>	1,063.51	944.40
Add: Additions during the year	279.70	183.06
Less: Released to the statement of profit and loss (Refer note 26)	(76.54)	(63.95)
<b>Closing Balance</b>	<b>1,266.67</b>	<b>1,063.51</b>
Note: Consumer contribution towards capital cost is amortized to the Statement of Profit and Loss to match with depreciation charged on assets created out of such contribution.		
<b>19.02 Movement in Deferred Government Grants towards cost of capital assets</b>		
Opening balance	16.25	9.56
Add: Additions during the year	106.23	17.21
Less: Released to the statement of profit and loss (Refer note 26)	(14.98)	(10.52)
<b>Closing Balance</b>	<b>107.50</b>	<b>16.25</b>
Government grants have been received for the purchase of certain items of Property, Plant & Equipment. There are no unfulfilled conditions or contingencies attached to these grants.		
<b>NOTE 20 Other non current liabilities (At amortised cost)</b>		
	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Government subsidies towards cost of capital asset	588.61	471.59
Consumers' deposits for works under progress	120.31	76.10
Deposit from suppliers/vendors	27.21	32.29
	<b>736.13</b>	<b>579.98</b>
<b>NOTE 21 Financial Liabilities</b>		
<b>A. Non Current Financial Liabilities</b>		
<b>Long Term Borrowings</b>		
<b>Secured - at amortised cost</b>		
Term Loan from banks		
(i) Union Bank of India (UBI)	434.64	226.09
(ii) Indian Bank	72.96	-
<b>Total Long Term Borrowings</b>	<b>507.60</b>	<b>226.09</b>
a	The Company has not defaulted on any loans payable. The Company has utilised the loan for the sanctioned purpose.	
b	Instalments for the term loan from UBI are payable on quarterly basis and repayment has started from July 2023. Instalments for the term loan-2 from UBI are payable on quarterly basis and repayment will start from June 2024. Instalments for the term loan from Indian Bank are payable on quarterly basis and repayment will start from December 2024.	
c	The rate of interest for term loan from UBI is at 6 months MCLR plus spread of 0% per annum with annual reset i.e. presently at 8.45% (March 31, 2023: 7.05%). The rate of interest for term loan-2 from UBI is at 6 months MCLR per annum + 0% with bi-annual reset, i.e. presently at 8.80% (March 31, 2023: 8.45%). The rate of interest for term loan from Indian Bank is at 3 months MCLR per annum + 0% with quarterly reset i.e. presently at 8.45% (March 31, 2023: NA)	
d	Term Loans from Union Bank of India is repayable over 56 equal quarterly instalments. Term Loans from Indian Bank is repayable over 32 equal quarterly instalments.	
e	Term loans from UBI and Indian Bank are secured against first pari passu charge on all the entire movable and immovable PPE of the Company, both present and future; excluding assets transferred to the Company from NESCO as per terms of the vesting order. 2nd pari passu charge on entire current assets, both present and future excluding restricted assets as per vesting order.	
f	The Company has satisfied all the debt covenants prescribed in the terms of bank loans.	



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

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

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

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

**(b) Secured credit facilities**

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

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

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

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

**(c) Current borrowings secured against current assets**

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

**NOTE 22 Trade payables**

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

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

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

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



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

22.3 Trade Payables Ageing schedule  
As at March 31, 2024

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

As at March 31, 2023

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

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

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

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

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

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

NOTE 24 Other current liabilities

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



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

**NOTE 25 Regulatory Deferral Account**

**Accounting Policy**

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

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

The Company presents separate line items in the balance sheet for:

- i. the total of all regulatory deferral account debit balances and related deferred tax balances; and
- ii. the total of all regulatory deferral account credit balances and related deferred tax balances.

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

**Rate Regulated Activities**

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

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

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

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

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

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

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

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



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

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

**True-up order**

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

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

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

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

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

Operation and Maintenance expenses - ₹ 29.00 crores

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



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

NOTE 26 Revenue recognition

Accounting policy

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

Description of performance obligations are as follows:

26.1 Sale of Power - Distribution

Revenue from the supply of power is recognised net of any cash rebates over time for each unit of electricity delivered at the pre-determined rate as per the tariff order.  
Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenue accrued upto the end of the reporting year.

Revenue from power supply is recognised net of the applicable taxes and other amounts which the Company collects from the customer on behalf of the government/state authorities.

The Company, as per the prevalent Regulations (referred as "Tariff Regulations") for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations and maintenance expenses, financing cost and taxation, as per the said Tariff Regulations and an assured return on equity. As per the said Tariff Regulations, the Company determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance".

Revenue in respect of invoice raised for dishonest abstraction of power is recognised when the certainty of its collection is probable i.e. generally as and when recovered.

26.2 Contribution for capital works

Consumer's contribution towards property, plant and equipment which require an obligation to provide electricity connectivity to the consumers is treated as capital receipt and credited in other liabilities under the head 'consumer's deposit for work' until transferred to a separate account on commissioning of the assets. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the Statement of Profit and Loss.

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
<b>26.4 Revenue from operations</b>		
Gross revenue as per tariff	3,622.82	3,206.73
Less: Cash discount	50.23	34.26
<b>Revenue from contract with customers</b>	<b>3,572.59</b>	<b>3,172.47</b>
<b>26.4.1 Other operating revenue</b>		
Amortisation of consumer contribution	76.54	63.95
Amortisation of government grants in capital nature	14.98	10.52
Amortisation of government grants in revenue nature	0.23	10.81
Recovery of meter rent	44.61	27.60
Over drawal payment recovered	8.42	9.06
Open access cross subsidy income	22.55	34.21
Supervision charges	16.16	9.92
Miscellaneous operating income	1.33	1.64
<b>Total other operating revenue</b>	<b>184.82</b>	<b>167.71</b>
<b>Revenue from operations</b>	<b>3,757.41</b>	<b>3,340.18</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.

26.5 Contract Balances

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	₹ in crores	₹ in crores
<b>Contract liabilities</b>		
Advance from consumers *	48.75	43.50
<b>Total contract liabilities</b>	<b>48.75</b>	<b>43.50</b>
<b>Receivables</b>		
Trade receivables	328.70	350.40
Unbilled revenue depending only on passage of time	305.29	295.72
Less : Allowances for doubtful debts	(151.32)	(90.54)
<b>Net receivables</b>	<b>482.67</b>	<b>555.58</b>

\*Includes revenue recognised during the year from opening balance of ₹ 20.06 crores and advance received during the year not recognised as revenue of ₹ 25.31 crores.

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract including advance received from customer i.e., normally within twelve months from reporting date.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:



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

Particulars	Contract assets	
	As at March 31, 2024	As at March 31, 2023
	₹ in crores	₹ in crores
Unbilled revenue		
Opening balance as at 1 April	295.72	227.52
Add: Revenue recognised during the year	305.29	295.72
Less: Transfer from contract assets to receivables/adjustments	(295.72)	(227.52)
Closing Balance	305.29	295.72

26.6 Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

NOTE 27 Other income

Accounting Policy

- Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

- Delayed Payment Charges (DPC)

DPC is charged at the rate prescribed by the Tariff Regulations on the outstanding balance. Revenue in respect of DPC and interest on DPC leviable as per the Tariff Regulations are recognised on actual realisation or accrued based on an assessment of certainty of realisation supported by an acknowledgement from customers.

- Incentive on Past Arrears Collection

As per terms of OERC vesting order, the Company is eligible for incentive on past area collections pertaining to period prior to March 31, 2021. Income in respect of incentive is recognised as percentage of actual realization of past arrears.

Other income

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Interest income on		
Bank Deposits	84.51	48.46
Other non - operating income		
Delayed payment surcharge	13.15	17.21
Other income*	14.11	8.59
Incentives on arrears collection	15.60	38.21
	<u>127.37</u>	<u>112.47</u>

\* (includes scrap sale, LD charges etc)

NOTE 28 Cost of power purchased and transmission charges

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Power purchased	2,361.70	2,079.75
Transmission charges	168.76	181.29
SLDC charges	1.16	1.08
Gross power purchase and transmission charges	2,531.62	2,262.12
Less: Rebate on power purchased and transmission charges	(26.90)	(21.90)
Net power purchase and transmission charges	<u>2,504.72</u>	<u>2,240.22</u>

NOTE 29 Employee benefits expense (net)

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Salaries, wages and bonus	273.49	244.11
Contribution to provident and other funds (refer note 18.2)	15.27	13.36
Staff welfare expenses	16.99	13.54
Terminal benefit expenses	177.89	137.77
Equity settled options granted by parent (refer note below and note 38)	0.28	-
Gross employee benefit expenses	483.92	408.77
Less: Employee cost capitalization	(16.70)	(12.85)
Net employee benefit expenses	<u>467.22</u>	<u>395.92</u>



TP NORTHERN ODISHA DISTRIBUTION LIMITED

CIN:U40109OR2021PLC035951  
Januganj, Balasore, Odisha, India, 756019  
Website: www.tpnodl.com

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

**Share Based Payments**  
**Accounting policy**

The Tata Power Company Limited ("Holding Company") has granted employee stock options to the eligible employees of the Company. As per the scheme, on fulfilling of the vesting condition the Holding Company will issue its equity shares to the eligible employees of the Company.

The cost of equity-settled transactions is determined by the fair value of holding company's share at the date when the grant is made using an appropriate valuation model. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the companies best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the companies best estimate of the number of equity instruments that will ultimately vest. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

**Equity-settled share option plan**

**The Tata Power Company Limited – Employee Stock Option Plan 2023**

During the year, the shareholders of the Holding Company approved The Tata Power Company Limited – Employee Stock Option Plan 2023 ('ESOP 2023/ Plan'). During this year, the Holding Company has granted employee stock options to the eligible employees of the Holding and its subsidiaries, including employees of the Company at an exercise price of Rs. 249.80 (Rupees Two Hundred Forty Nine and Eighty Paise) per option exercisable into equivalent equity shares of ₹ 1 each subject to fulfilment of vesting conditions.

The expense recognised for employee services received during the year is shown in the following table:

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Expense arising from equity-settled share-based payment transactions	0.28	-
<b>Total expense arising from share-based payment transactions</b>	<b>0.28</b>	<b>-</b>

**Movements during the year**

Option exercisable at the beginning of the year	-	-
Granted during the year	2,04,690	-
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Option exercisable at the end of the year	2,04,690	-
Share price for options exercised during the year	Not applicable	-
Remaining contractual life	2.58 Years	-

The holding company has estimated fair value of options using Black Scholes model. The following assumptions were used for calculation of fair value of options granted.

Assumption factor	Year Ended March 31, 2024	Year Ended March 31, 2023
Dividend Yield (%)	0.70%	-
Risk free interest rate (%)	7.21%	-
Expected life of share option (Years)	3 - 5 Years	-
Expected volatility (%)	39.81%	-
Weighted Average Share price	249.80	-
Weighted Average Fair Value at the measurement date	97.75	-

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.



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

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

NOTE 30 Finance costs

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Interest on consumer security deposits at amortised cost	50.46	41.96
Interest on cash credit carried at amortised cost - banks	15.53	14.52
Interest on long term borrowing at amortised cost - banks	32.28	7.86
Other borrowing cost (commitment charges, processing fees etc)	4.26	3.91
	<b>102.53</b>	<b>68.25</b>

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the qualifying asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTE 31 Other expenses

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Repairs and maintenance:		
(i) Building	1.32	4.13
(ii) Plant and equipment	238.81	248.17
(iii) Vehicles and Office equipment	0.56	0.47
(iv) Furniture and Fixtures	0.66	0.71
Rent	2.45	1.67
Consultancy fees (refer note 31.1)	7.55	8.85
Legal charges	3.47	3.18
Advertisement and marketing expenses	2.78	1.89
Tariff balancing reserve	3.28	-
Electricity consumption expenses	6.00	3.53
Telephone expenses	2.12	1.52
Insurance premium	3.86	2.88
Travelling and conveyance	2.66	4.19
Office expenses	5.20	4.94
Allowance for doubtful debts	60.78	64.98
Outsourced employee expenses	19.43	13.92
Watch and ward expenses	2.10	5.27
Billing and collection expenses	135.23	93.96
Provisions for claims and compensation	1.04	1.59
Directors sitting fees	0.45	0.45
CSR expenditure (refer note: 31.2)	3.87	1.89
Miscellaneous expenses	1.13	1.96
Loss on retirement of property, plant and equipment	0.70	0.12
<b>Total other expenses</b>	<b>505.45</b>	<b>470.27</b>

31.1 Payments to auditors

Consultancy fees include auditor's remuneration as follows:

Particulars

As auditors:

Audit fee (including Goods and Services Tax)

Tax audit fee

Limited Review

In other capacity:

Other services (certification fees)

Reimbursement of expenses

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Audit fee (including Goods and Services Tax)	0.51	0.49
Tax audit fee	0.03	0.02
Limited Review	0.24	0.23
<u>In other capacity:</u>		
Other services (certification fees)	0.02	0.02
Reimbursement of expenses	0.02	0.04
	<b>0.82</b>	<b>0.80</b>



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

**31.2 Details of CSR expenditure**

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
	₹ in crores		₹ in crores	
(a) Gross amount required to be spent by the Company during the year	3.29		2.40	
(b) Amount approved by the Board to be spent during the year	3.29		2.40	
(c) <b>Amount spent during the year ended on March 31, 2024:</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>	
i) Construction/acquisition of any asset	-	-	-	
ii) On purposes other than (i) above	3.54	0.33	<b>3.87</b>	
<b>Amount spent during the year ended on March 31, 2023:</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>	
i) Construction/acquisition of any asset	-	-	-	
ii) On purposes other than (i) above	1.57	0.32	<b>1.89</b>	
(d) <b>Details related to spent/unspent obligations:</b>				
Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
	₹ in crores		₹ in crores	
a. Employability and Employment (Skilling for livelihoods)	0.54		0.73	
b. Education (Including Financial and Digital Literacy)	0.99		0.42	
c. Essential Services (Health and Environment)	1.41		0.55	
d. Entrepreneurship	0.93		0.19	
Unspent amount in relation to				
- On-going project	-		0.51	
<b>Total</b>	<b>3.87</b>		<b>2.40</b>	

**NOTE 32 Tax expenses**

**Accounting policy**

Tax expenses comprises current tax expense and deferred tax.

**32.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**32.2 Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

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



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

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

32.3 Tax expense	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Current income tax charge	40.31	29.03
Adjustment of tax relating to earlier year	7.94	(3.41)
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences for current year	6.48	9.37
Relating to origination and reversal of temporary differences in respect of earlier years	(7.23)	-
<b>Total income tax expense reported in the Statement of Profit and Loss</b>	<b>47.50</b>	<b>34.99</b>
<b>32.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023</b>		
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
Profit from continuing operations before income tax expense	180.46	150.66
<b>Tax at the India's statutory tax rate of 25.17%</b>	<b>45.42</b>	<b>37.92</b>
Computed expected tax expenses		
-CSR expenses	0.97	0.47
-Others	0.40	-
<b>Income tax expense</b>	<b>46.79</b>	<b>38.40</b>
Tax expenses in respect of earlier year	0.71	(3.41)
<b>Total income tax expense</b>	<b>47.50</b>	<b>34.99</b>
The Company has made provision for income tax at the rate of 25.17% ( Tax rate 22% Plus Surcharge 10% Plus cess 4% on tax & surcharge ) in accordance with normal provisions of the Income Tax Act, 1961 for the year ended March 31, 2024 and March 31, 2023.		
<b>32.5 Deferred tax liability</b>	<b>As at</b>	<b>As at</b>
<b>Deferred tax liability on account of :</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	₹ in crores	₹ in crores
Accelerated depreciation for tax purposes	(77.57)	(43.08)
Provision for doubtful debts	38.09	22.79
Post employment employee benefits	19.94	-
<b>Total</b>	<b>(19.54)</b>	<b>(20.29)</b>
<b>NOTE 33 Other comprehensive income/(expenses)</b>		
	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ in crores	₹ in crores
<u>Items that will not be reclassified to profit or loss</u>		
Remeasurement-gains/(losses) on defined benefit plans	(44.96)	8.70
Net Movement in regulatory deferral balances	44.96	(8.70)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>

Post-acquisition of business, the Company has decided to treat pension and gratuity benefits payable to erstwhile NESCO employees as defined benefit plan under Ind AS 19 "Employee Benefits". Consequently, the cost and liability of providing such benefits is determined using the projected unit credit method (PUCM). Among other matters, the application of PUCM results in recognition of remeasurement gain/ loss, comprising items such as actuarial gains and losses and effect of the asset ceiling, in the Other Comprehensive Income (OCI). The amount of remeasurement gain/ loss fluctuates period on period based on changes in actuarial assumptions including discount rate and mortality rate.

To ensure offsetting impact in the OCI and the Balance Sheet, the Company recognises equivalent amount as Regulatory Deferral Account –Income/ expense in the OCI. The amount of Regulatory Deferral Account – Income/ expense recognised in the OCI in this manner fluctuates in line with and in contrary to the Remeasurement gain/ loss. Based on the Vesting Order, the Company will be allowed to include and recover this amount as revenue from customers only when the amount is paid to the trust for onward payment to employees.



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

Note 34 Commitments:

	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
Estimated amount of Contracts remaining to be executed on capital account and not provided for	539.58	366.53
<b>Total</b>	<b>539.58</b>	<b>366.53</b>

As per terms of vesting order, cumulative capital expenditure of ₹ 1,270 crores (FY 2022-26) has been committed. Further commitment in respect of AT&C losses reduction and past arrears collection have also been stated in the vesting order.

Note 35 Contingent liabilities

Contingent liability is:  
(a) a possible obligation arising from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or  
(b) a present obligation that arises from past events but is not recognised because:  
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or  
- the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37

Contingent Asset  
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company discloses a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognises such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
35.1 Claims against the Company not acknowledged as debts: Legal cases filed by consumers, employees and others under litigation	10.08	4.42
35.2 Direct tax matters related to FY 2016-17 and FY 2017-18 pending with CIT Appeals	44.73	44.73
35.3 Indirect tax matters Assessment order for FY 2014-15 to 2016-17 (up to June 30, 2017) was made by Principal Commissioner GST and Central Excise, Bhubaneswar imposing Service Tax penalty of ₹ 25.34 crores on NESCO Utility U/s 78(i) of Finance Act 1994 after dropping the demand of ₹ 1.26 crores out of total demand ₹ 26.60 crores. Company contested the same by filing an appeal to CESTAT Kolkata.	25.34	25.34

No provision is considered necessary since the Company expects favourable decisions as well as past liabilities are pass through in lariff

- 35.4 Before acquisition, NESCO Utility was not identifying and tracking dues payable to MSME vendors separately. Consequently, it was not tracking whether timely payments are being made to such vendors and/or interest/penalty, if any, payable for delay in making payment. Post acquisition, the Company has initiated a process and identified MSME vendors based on confirmations received. In the absence of adequate data, the Company is unable to determine whether any interest or penalty is payable for past default. The management will be able to identify and recognise such obligation, if any, based on claims received.
- 35.5 As per terms of vesting order all litigations pertaining to NESCO have been transferred to the Company. In case of any unfavourable outcome the Company will be able to recover the liability through Aggregate Revenue Requirement.
- 35.6 Also refer note no. 25

Note 36 Earnings per Equity share (EPS)

Accounting policy

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for dividend, interest and other charges to expense or income (net of any attributable taxes)) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The Company also presents Basic EPS in accordance with Ind AS 114, 'Regulatory Deferral Accounts' which is computed by dividing the profit for the year before and after net movement in regulatory deferral account balance attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit for the year before and after net movement in regulatory deferral account balance attributable to equity holders as (after adjusting for dividend, interest and other charges to expense or income (net of any attributable taxes)) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

36.1 EPS - Continuing operations (excluding regulatory income/expense)

Particulars

	Units	March 31, 2024	March 31, 2023
a) Profit for the year	₹ in crores	132.96	115.67
b) Net movement in regulatory deferral account balance	₹ in crores	45.56	22.24
c) Income-tax attributable to regulatory deferral account balance	₹ in crores	11.47	5.60
d) Net movement in regulatory deferral account balance (net of tax) (b-c)	₹ in crores	34.09	16.64
e) Profit for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance (a+d)	₹ in crores	167.06	132.31
f) Weighted average number of equity shares	Nos./crores	39.91	29.55
g) Basic and diluted earnings per equity share of ₹ 10 each (e/f)	₹	4.19	4.48
h) Face value of equity shares	₹	10.00	10.00

36.2 EPS - Continuing operations (including regulatory income/expense)

Particulars

	Units	March 31, 2024	March 31, 2023
a) Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹ crores	132.96	115.67
b) Weighted average number of equity shares	Nos./crores	39.91	29.55
c) Basic and diluted earnings per equity share of ₹ 10 each (a/b)	₹	3.33	3.91
d) Face value of equity shares	₹	10.00	10.00

There has been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.



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

Note 37 Financial Instruments : Accounting classifications, Fair value measurements, Financial Risk management and offsetting of financial assets and liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

(i) Accounting classifications

The fair values of the financial assets and liabilities are the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and others are considered to be the same as their fair values, due to their short-term nature. Most financial assets and liabilities of the Company as at the balance sheet date are short term having fair value equal to amortised cost.

(ii) Fair Value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Significant unobservable inputs from assets and liability

-Fair Value

The following table summarizes the fair value hierarchy for financial assets and financial liabilities that are either measured at fair value on a recurring basis or are not measured at fair value (but fair value disclosures are required) and the carrying value of financial instruments by categories:

As at March 31, 2024:								₹ in crores
Particulars	Carrying Value	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
(a) Trade receivables	177.38	-	-	177.38	-	-	-	
(b) Unbilled revenue	305.29	-	-	305.29	-	-	-	
(c) Other financial assets (current and non-current)	446.34	-	-	446.34	-	-	401.17	
(d) Cash and cash equivalents	376.94	-	-	376.94	-	-	-	
(e) Bank balances other than (d) above	1,089.28	-	-	1,089.28	-	-	-	
	<b>2,395.23</b>	-	-	<b>2,395.23</b>	-	-	<b>401.17</b>	
<b>Financial Liabilities</b>								
(a) Borrowings (Current and Non Current)	640.06	-	-	640.06	-	546.77	-	
(b) Trade payables	591.64	-	-	591.64	-	-	-	
(c) Other financial liabilities	1,378.96	-	-	1,378.96	-	-	-	
	<b>2,610.66</b>	-	-	<b>2,610.66</b>	-	<b>546.77</b>	-	

As at March 31, 2023:								₹ in crores
Particulars	Carrying Value	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
(a) Trade receivables	259.86	-	-	259.86	-	-	-	
(b) Unbilled revenue	295.72	-	-	295.72	-	-	-	
(c) Other financial assets (current and non-current)	409.24	-	-	409.24	-	-	381.16	
(d) Cash and cash equivalents	248.82	-	-	248.82	-	-	-	
(e) Bank balances other than (d) above	953.93	-	-	953.93	-	-	-	
	<b>2,167.57</b>	-	-	<b>2,167.56</b>	-	-	<b>381.16</b>	
<b>Financial Liabilities</b>								
(a) Borrowings (Current and Non Current)	431.40	-	-	431.40	-	237.47	-	
(b) Trade payables	602.78	-	-	602.78	-	-	-	
(c) Other financial liabilities	1,237.51	-	-	1,237.51	-	-	-	
	<b>2,271.69</b>	-	-	<b>2,271.69</b>	-	<b>237.47</b>	-	

There have been no transfers between Level 1 and Level 2 during year ended March 31, 2024 and March 31, 2023.

(iii) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

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

Particulars	March 31, 2024 ₹ in crores	March 31, 2023 ₹ in crores
Long-term borrowings including current maturities of long term borrowings (refer note 21)	546.77	237.47
Short-term borrowings (refer note 21)	93.29	193.93
Interest accrued but not due on borrowings (refer note 23)	0.11	-
<b>Total Debt (a)</b>	<b>640.17</b>	<b>431.40</b>
Less: Cash and cash equivalents (b) (refer note 13)	376.94	248.82
<b>Net debt ((c)=(a-b))</b>	<b>263.23</b>	<b>182.58</b>
Total equity (d) (refer note 16 and note 17)	886.60	587.74
Total equity and net debt ((e)=(c+d))	1,149.84	770.32
<b>Gearing ratio (%) ((f)=(c)/e))</b>	<b>22.89%</b>	<b>23.70%</b>

i. Debt is defined as long-term borrowings (including current maturities) and short-term borrowings and interest accrued on long-term and short-term borrowings

ii. Equity is defined as equity share capital and other equity

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.



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

(iv) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks, unbilled revenue and other financial assets that are derived directly from its operations.

The senior management of the Company oversees these risks and are managed in accordance with the Companies policies and risk objectives.

(v) Market Risk

Market risk is the risk that changes in market prices will affect the Company's income or value of 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 or financial liabilities exposing it to significant market risk comprising foreign currency risk, interest rate risk and price risk.

The variable rate of borrowing will not have any impact on profit & loss of the Company as interest cost is pass-through to consumers through ARR.

(vi) Interest rate risk

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

Interest rates on floating rate loans are linked with different benchmarks (e.g. MCLR/T-Bills etc) to distribute the risk wherever possible. Further, senior management of the Company monitors its interest rate risk regularly and may take appropriate action if needed to mitigate risk.

Any fluctuation in the floating interest rate will be allowed as pass through to the Company as part of the Annual Revenue Requirement (ARR). Hence, the Company is of the view that the interest rate sensitivity on account of interest rate fluctuation will not have any material impact of its financial position or financial performance as reflected in the financial statements.

(vii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

Particulars	As at March 31, 2024 ₹ in crores	As at March 31, 2023 ₹ in crores
(a) Trade receivables	177.38	259.86
(b) Unbilled revenue	305.29	295.72
(c) Other financial assets (current and non-current)	446.34	409.24
(d) Cash and cash equivalents	376.94	248.82
(e) Bank balances other than above	1,089.28	953.93
<b>Total</b>	<b>2,395.23</b>	<b>2,167.57</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. Refer note 12 for further details of credit risk/ loss allowance on trade receivables. Most of the cash and bank balances of the Company are with scheduled commercial banks where risk of default is low.

(viii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Particulars	₹ in crores			
	Up to 1 year	1 to 5 years	5+ years	Total
<b>As at March 31, 2024</b>				
(a) Trade payables	591.64	-	-	591.64
(b) Short term borrowings	93.29	-	-	93.29
(c) Long term borrowings (including future interest)	84.80	321.90	450.08	856.78
(d) Interest accrued but not due on borrowings	0.11	-	-	0.11
(e) Other financial liabilities	1,378.98	-	-	1,378.98
<b>Total</b>	<b>2,148.80</b>	<b>321.90</b>	<b>450.08</b>	<b>2,920.78</b>

Particulars	₹ in crores			
	Up to 1 year	1 to 5 years	5+ years	Total
<b>As at March 31, 2023</b>				
(a) Trade payables	602.78	-	-	602.78
(b) Short term borrowings	193.93	-	-	193.93
(c) Long term borrowings (including future interest)	30.81	132.69	220.39	383.89
(d) Interest accrued but not due on borrowings	-	-	-	-
(e) Other financial liabilities	1,237.51	-	-	1,237.51
<b>Total</b>	<b>2,065.03</b>	<b>132.69</b>	<b>220.39</b>	<b>2,418.11</b>

As at the balance sheet date, the Company has cash and bank balances (including deposits classified under non-current financial assets) of ₹ 1,853.07 crores (March 31, 2023: ₹ 1,570.03 crores) which can be used to meet its obligation. In case of requirement, the management is confident of raising further finance as required to meet its obligations. The Company has access to financing facilities as described in note below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

Financing facilities (short term)	₹ in crores		
	Fund based	Non-fund based	Total
<b>As at March 31, 2024</b>			
Secured credit facilities, reviewed annually and payable at call	93.29	449.98	543.27
Amount used and outstanding	515.03	-	515.03
Amount unused	-	-	-
<b>Total</b>	<b>608.32</b>	<b>449.98</b>	<b>1,058.30</b>

Financing facilities (short term)	₹ in crores		
	Fund based	Non-fund based	Total
<b>As at March 31, 2023</b>			
Secured credit facilities, reviewed annually and payable at call	193.93	350.52	544.45
Amount used and outstanding	565.23	49.48	614.71
Amount unused	-	-	-
<b>Total</b>	<b>759.16</b>	<b>400.00</b>	<b>1,159.16</b>



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

Note 38 Related party disclosures

Names of related parties and related party relationship-where control exists

- A. Holding company**  
The Tata Power Company Limited (TPCL)
- B. Promoters holding together with its subsidiary more than 20% in holding company**  
Tata Sons Private Limited (Tata Sons)
- C. Company exercising significant influence**  
GRIDCO Limited
- D. Fellow Subsidiaries (with whom the Company has transactions)**  
TP Southern Odisha Distribution Ltd (TPSODL)  
TP Central Odisha Distribution Ltd (TPCODL)  
TP Western Odisha Distribution Ltd (TPWODL)  
Tata Power Delhi Distribution Ltd (TPDDL)  
TP Ajmer Distribution Limited (TPADL)  
South East UP Power Transmission Company Limited (SEUPTCL)  
Powerlinks Transmission Limited (PTL)  
TP Power Plus Limited (TPPL)
- E. Subsidiaries and Jointly Controlled Entities of Promoters of Holding Company - Promoter Group (with whom the Company has transactions)**  
Tata Capital Financial Services Limited (Tata Capital)  
Tata AIG General Insurance (Tata AIG)  
Tata Consultancy Services Limited (TCS)  
Tata Steel Limited (TSL)  
Neelachal Ispat Nigam Limited (NINL)  
Tata Sponge Iron Limited (TSIL)  
Tata Steel Mining Limited (TSML)  
Tata Steel Long Products Limited (TSLPL)
- F. Associates of Holding Company**  
Tata Projects Limited
- G. Post retirement employee benefit trust**  
NESCO Employees Pension Trust  
NESCO Employees Gratuity Trust  
NESCO Employees Provident Fund Trust  
NESCO Employees Rehabilitation Fund Trust
- H. Key management personnel**  
**Chief Executive Officer**  
Dwijadas Basak (Appointed w.e.f. February 24, 2024)  
Bhaskar Sarkar (Appointed w.e.f. April 01, 2021, Date of Cessation : February 23, 2024)  
**Chief Financial Officer**  
Siladitya Sengupta  
**Company Secretary**  
Devendra Prasad
- I. Non-executive directors**  
Mr. Pradeep Kumar Jena (Appointed w.e.f. April 11, 2023)  
Mr. Nikunja Bihari Dhal (Appointed w.e.f. June 19, 2023, Date of Cessation : October 30, 2023)  
Dr. Praveer Sinha  
Mr. Sanjay Kumar Banga  
Mr. Arup Ghosh  
Mr. Trilochan Panda  
Mr. Gagan Bihari Swain  
Mr. Sanjeev Satyaprakash Gupta  
Mr. Narendra Nath Misra (Appointed w.e.f. April 11, 2023)  
Mr. Sanjay Kumar Singh (Appointed w.e.f. April 11, 2023, Date of Cessation : May 26, 2023)  
Mr. Vishal Kumar Dev (Appointed w.e.f. November 21, 2023)  
Mr. Suresh Chandra Mahapatra (Date of cessation : February 28, 2023)  
Mr. Nipun Aggarwal (Date of cessation : April 18, 2022)  
Mr. Kesava Menon Chandrasekhar (Date of cessation : February 19, 2023)
- J. Independent Directors**  
Mr. Kailash Nath Shrivastava, IAS (Retd.)  
Ms. Satya Gupta (Date of Cessation : July 31, 2023)  
Dr. Arun Kumar Panda, IAS (Retd.)  
Mr. Ashok Kumar Tripathy  
Mrs. Shefali Shah (Appointed w.e.f. October 20, 2023)



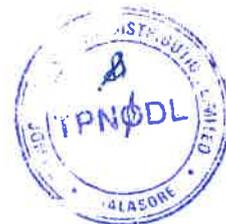
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024**

**Related party transactions and balances**

**a. Particulars of transactions with the related parties**

S No.	Name of Related Party	Nature of transactions	Year ended	
			March 31,2024	March 31,2023
			₹ in crores	₹ in crores
1	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of expense	0.02	-
		Reimbursement of capex expenses and transfer of assets	0.10	0.05
		Deputation of employees, IT and Contract Expenses	2.06	2.00
		Staff related Liability/ Expenses ( Gratuity and EL/UL)	0.95	1.62
		Reimbursement of Expenses(Education Loan & Insurance)	0.01	-
2	TP Central Odisha Distribution Ltd (TPCODL)	Power purchase expenses (net of rebate)	0.95	1.03
		CSA Fees	1.18	-
		Supply of materials	-	0.80
		Staff related Liability/ Expenses ( Gratuity and EL/UL)	1.08	0.10
		Reimbursement of capex expenses and transfer of assets	0.01	-
		Reimbursement of expenses	0.37	-
3	TP Western Odisha Distribution Ltd (TPWODL)	Reimbursement of Expenses,supply of Materials	-	0.31
		Staff related Liability/ Expenses ( Gratuity and EL/UL)	0.01	-
		Reimbursement of capex expenses and transfer of assets	0.01	-
4	TP Southern Odisha Distribution Ltd (TPSODL)	Staff related Liability/ Expenses ( Gratuity and EL/UL)	0.20	0.23
5	GRIDCO Limited	Power purchase expenses net of rebate	2,337.26	2,060.41
6	Tata AIG General Insurance (Tata AIG)	Issue of equity shares	81.29	50.57
		Procurement of services	9.46	5.05
7	TATA Capital Financial Services Limited (Tata capital)	Procurement of goods/services	0.19	0.27
8	NESCO Employees Pension trust	Contribution of Pension	110.35	103.72
9	NESCO Employees Gratuity trust	Contribution of Gratuity	7.24	8.83
10	NESCO Employees Provident Fund trust	Contribution of Provident Fund	6.03	10.59
11	NESCO Employees Rehabilitation Fund trust	Contribution of Rehabilitation Fund	0.30	-
12	Compensation of Key management personnel of the Company	Managerial remuneration and sitting fees*	4.44	3.08
13	Tata Consultancy Services Limited (TCS)	Procurement of Intangible Assets	3.13	6.49
14	Tata Steel Long Products Limited	Staff related Liability/ Expenses ( Gratuity & EL/UL)	0.03	-
15	South East UP Power Transmission Company Limited	Reimbursement of Capex and Transfer of Assets	0.02	-
16	Tata Projects Limited	Sale of power (includes ED)	-	0.20
17	Tata Steel Limited (TSL)	Sale of power (includes ED)	388.54	225.32
18	Neelachal Ispat Nigam Limited (NINL)	Sale of power (includes ED)	137.63	45.65
19	Tata Sponge Iron Limited (TSIL)	Sale of power (includes ED)	0.08	1.15
20	TP Ajmer Distribution Limited (TPADL)	Procurement of goods/PPE/services	0.01	0.01
		Staff related Liability/ Expenses ( Gratuity & EL/UL)	-	0.91
		Reimbursement of expenses	0.03	0.06
		Staff related Liability/ Expenses ( Gratuity & EL/UL)	1.93	2.14
		Procurement of goods/PPE/services	0.87	1.14
21	Tata Power Company Limited (TPCL)	Reimbursement of expenses (against ESOP)	0.28	-
		Issue of equity shares	84.61	52.63
		Procurement of goods/PPE/services	0.02	-
		Procurement of goods/PPE/services	0.01	-
		Procurement of goods/PPE/services	0.01	-
22	Tata Sons Private Limited	Procurement of goods/PPE/services	0.02	-
23	Powerlinks Transmission Limited	Procurement of goods/PPE/services	0.01	-
24	TP Power Plus Limited	Procurement of goods/PPE/services	0.01	-
25	Tata Steel Utilities & infrastructure Services Ltd	Staff related Liability/ Expenses ( Gratuity & EL/UL)	-	0.02
26	Tata Steel Mining Limited	Sale of power (includes ED)	136.01	102.89

\*Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.



**TP NORTHERN ODISHA DISTRIBUTION LIMITED**  
CIN:U40109OR2021PLC035951  
Janaganj, Balasore, Odisha, India, 756019  
Website: www.tpnodl.com; Email: contactus@tpnodl.com

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

b. Particulars of Outstanding Payable/ Receivable with the related parties:			₹ in crores	
Sr No	Name of the Entity	Nature of transactions	As at March 31, 2024	As at March 31, 2023
1	<b>Share Capital</b>			
	The Tata Power Company Limited (TPCL)	Share capital	287.67	203.06
	GRIDCO Limited	Share capital	276.38	195.09
2	<b>Trade Payable</b>			
	GRIDCO Limited	Power Purchase Cost	360.79	348.09
	TP Central Odisha Distribution Ltd (TPCODL)	Power Purchase Cost	0.44	0.85
	Tata Consultancy Services (TCS)	Procurement of Intangible Assets	0.36	1.99
	Tata AIG General Insurance (Tata AIG)	Procurement of services	0.04	0.11
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation, IT and Contract Expenses	0.01	-
	The Tata Power Company Limited (TPCL)	Procurement of goods/services / Reimbursement of expenses	0.79	-
		Reimbursement of expenses (against ESOP)	0.28	-
3	<b>Deposit Received</b>			
	Tata Steel Mining Limited	Security Deposit received for sale of power	22.53	22.53
	Tata Sponge Iron Limited (TSIL)	Security Deposit received for sale of power	0.06	0.06
	Neelachal Ispat Nigam Limited (NINL)	Security Deposit received for sale of power	30.72	30.72
	Tata Projects Limited (TPL)	Security Deposit received for sale of power	-	0.11
	Tata Steel Ltd (TSL)	Security Deposit received for sale of power	103.88	99.61
4	<b>Trade Receivable</b>			
	Tata Steel Mining Limited	Sale of power (includes ED)	2.93	5.18
	Tata Sponge Iron Limited	Sale of power (includes ED)	-	0.01
	Tata Steel Limited	Sale of power (includes ED) *	0.00	-
5	<b>Other Receivable</b>			
	The Tata Power Company Limited (TPCL)	Gratuity and Annual Leave / Procurement	-	1.36
	TP Central Odisha Distribution Ltd (TPCODL)	Procurement of goods/services	-	1.00
	Powerlinks Transmission limited (PTL)	Procurement of goods/services	0.01	-
	Tata Power Delhi Distribution Ltd (TPDDL)	Procurement of goods/services	0.04	-
	TP Power Plus Limited (TPPL)	Procurement of goods/services	0.01	-
	TP Western Odisha Distribution Ltd (TPWODL)	Procurement of goods/services	0.01	-
6	<b>Others</b>			
	NESCO Employees Provident Fund Trust	Contribution of PF	0.49	-

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

**Note - Information about Core Investment Companies**

The Group has five CICs which are registered with the Reserve Bank of India and two CICs which are not required to be registered with the Reserve Bank of India.



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

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

**NOTE 39 Ratio Analysis and its elements**

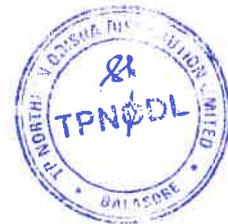
Sl No	Ratios	Numerator	Denominator	Note	March 31, 2024	March 31, 2023	% of Variance	Reason for Variance in excess of 25%
a)	Current Ratio (In times)	Current Assets	Current Liabilities	A	0.92	0.85	8.16%	NA
b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	B	0.72	0.73	-1.64%	NA
c)	Debt Service Coverage Ratio (In Times)	Profit before tax + interest expenses + depreciation & amortisation - current tax expense	Interest expense + scheduled principal repayment of long term debt and lease liabilities during the year	C	4.15	6.92	-40.00%	The ratio has decreased due to avaiement of term loan in the current year
d)	Return on equity ratio (%)	Net Profit after taxes	Average Shareholder's Equity	D	18.04%	24.18%	-25.40%	The ratio has decrease due to infusion of equity during the current year
e)	Trade Receivables Turnover Ratio (in number of days)	Average receivable (including unbilled revenue and regulatory balances wherever applicable) x number of days	Gross Sales		50.57	57.76	-12.46%	NA
f)	Trade Payable Turnover Ratio (in number of days)	Average trade payable x number of days	Net credit purchases	E	74.00	78.66	-5.92%	NA
g)	Net capital turnover Ratio	Revenue from operation including net movement in Regulatory deferral balances	Working capital = Current assets – Current liabilities	F	(26.13)	(10.82)	141.54%	The ratio has increased due to increase in revenue and increase in current asset due to better cash management
h)	Return on Capital Employed	Profit before tax + interest expense excluding interest on consumer security deposit	Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)	G	18.89%	22.44%	-15.84%	NA
i)	Net Profit Ratio (%)	Net Profit After Tax	Revenue (including net movement in regulatory deferral balances)		3.50%	3.43%	2.02%	NA

1. Inventory turnover ratio and return on investment ratio is not applicable to the Company.

2. As explained in note related to financial instruments, the Company has access to sufficient liquidity resources to continue its operations for at least 12 months from the date of approval of financial statements.

**Notes :**

- A. Current Assets and Current Liabilities as per balance sheet
- B. Total Debt: Long term borrowings (including current maturities of long term borrowings), short term borrowings and interest accrued on these debts  
Total Equity : Issued share capital and other equity
- C. For the purpose of computation, scheduled principal repayment of long term borrowings does not include prepayments  
Interest expenses is net of interest on consumer security deposits.
- D. Average Shareholders Equity: Issued share capital and other equity
- E. Net credit purchases comprise of (a) cost of power purchased; (b) transmission charges and (c) Other expenses excluding (i) Bad debts (including provision); (ii) CSR expenses and (iii) Transfer to Tariff Balancing Reserve
- F. Working capital :  
i) Current Assets: as per balance sheet  
ii) Current Liabilities as per balance sheet (excluding current maturities of long term debt and interest accrued on long term debts)



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

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

**Note 40 Disclosure regarding details of assets created with Government Fund and used by NESCO/TPNODL**

As per last details provided by the Odisha Power Transmission Company Limited (OPTCL) vide email dated April 18, 2023, certain assets were created for NESCO through different schemes formed by the government and executed by OPTCL. Based on details shared by OPTCL, the carrying amount of such assets as of March 31, 2024 is ₹ 1473.54 crores (March 31, 2023: ₹ 1554.83 crores) for completed assets and ₹ 232.93 crores (March 31, 2023: ₹ 232.93 crores) for work in progress (WIP). These are subject to detailed verification and reconciliation by various authorities.

As per the Vesting Order, the ownership of these assets has not been transferred to the Company; however, it can continue to use these assets for supply of power to the consumer. Since the Company is not able to charge any depreciation for these assets in the ARR, the fair value of these assets for the Company at the vesting date is Nil. Details are given below:

Name of Scheme	₹ in crores		
	Completed	WIP	Total
Biju Grama Jyoti Yojana(BGJY OPTCL DTR)	34.89	-	34.89
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	446.49	-	446.49
Integrated Power Development Scheme (IPDS)	293.66	-	293.66
Integrated Power Development Scheme (IPDS-IT Phase II)	54.20	-	54.20
Odisha Distribution System Strengthening Project (ODSSP)*	503.42	132.80	636.22
Odisha Distribution System Strengthening Project (ODSSP) (Phase-IV)	-	59.26	59.26
Odisha Dedicated Agricultural Fishery Feeder Project(ODAFFP)	13.10	40.87	53.97
Saubhagya	124.27	-	124.27
Rajiv Gandhi Grameen Vidyutikaran Yojana	3.51	-	3.51
<b>Total</b>	<b>1,473.54</b>	<b>232.93</b>	<b>1,706.47</b>

\*Excluding ₹ 81.29 crore and ₹ 50.57 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2024 and March 31, 2023 .

Name of Scheme	₹ in crores		
	Completed	WIP	Total
Biju Grama Jyoti Yojana(BGJY OPTCL DTR)	34.89	-	34.89
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	446.49	-	446.49
Integrated Power Development Scheme (IPDS)	293.66	-	293.66
Integrated Power Development Scheme (IPDS-IT Phase II)	54.20	-	54.20
Odisha Distribution System Strengthening Project (ODSSP)*	584.71	132.80	717.51
Odisha Dedicated Agricultural Fishery Feeder	-	59.26	59.26
Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya	13.10	40.87	53.97
Saubhagya	124.27	-	124.27
Rajiv Gandhi Grameen Vidyutikaran Yojana	3.51	-	3.51
<b>Total</b>	<b>1,554.83</b>	<b>232.93</b>	<b>1,787.76</b>

\*Excluding ₹ 50.57 crore and ₹ 22.02 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2023 and March 31, 2022 .



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

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

Note 41 Business Combinations

The Company has been incorporated on March 20, 2021 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the OERC dated March 25, 2021 ('Vesting Order'), the Company acquired the business of distributing power in Northern Orissa ('Business') from the NESCO with effect from April 1, 2021 ('Vesting Date'). Accordingly, the Company is a licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles Balasore, Bhadrak, Baripada, Jajpur and Keonjhar in the state of Odisha for a period of 25 years effective from April 1, 2021.

The OERC has issued the Carve Out order dated November 25, 2021 to specify assets and liabilities transferred to the Company. The Carve Out order so issued by the OERC acknowledges that underlying details are not available for certain assets and liabilities. In accordance with the Carve Out Order, these amounts have been transferred to the Company and will continue to be its liabilities, and they cannot be paid without verification. These liabilities need to be verified through an external agency. Once verified, the Company is obliged to discharge the same upon the OERC approval. These liabilities cannot be written off without the Board and the OERC approval. Pending legal release, the Company continues to recognise these liabilities at the stated amount reflecting acquisition date fair values. In accordance with the vesting order, any change in the value of assets and liabilities transferred on account of the reconciliation / resolution of the above matters and / or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order, viz., by way of future tariff adjustment or adjustment to the grant liability. Hence, the Company believes that the reconciliation / resolution of the above matters will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.

(a) Carrying amount of security deposits (classified under note 23 in the Balance Sheet) as per the general ledger is higher by ₹ 27.99 crores as compared to balance as per customer ledger.

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

- (i) Other receivable: ₹ 2.57 crores (Classified under Note 7 in the Balance Sheet)
- (ii) Other receivable: ₹ 0.81 crores (Classified under Note 14 in the Balance Sheet)
- (iii) Other receivable: ₹ 12.85 crores (Classified under Note 10 in the Balance Sheet)
- (iv) Grants receivable: ₹ 2.02 crores (Classified under Note 10 in the Balance Sheet)
- (v) Advance to Others: ₹ 16.89 crores (Classified under Note 15 in the Balance Sheet)
- (vi) Payable to Employees: ₹ 9.87 crores (Classified under Note 23 in the Balance Sheet)
- (vii) Payable to Vendors: ₹ 39.60 crores (Classified under Note 22 in the Balance Sheet)
- (viii) Retention money, Earnest money and Security deposit from others: ₹ 4.40 crores (Classified under Note 23 in the Balance Sheet)
- (ix) Consumers Contribution for work: ₹ 105.72 crores (Classified under Note 23 in the Balance Sheet)

(c) NESCO did not have any process for identification of vendors as micro, small and medium enterprise (MSME) under the MSMED Act. Post-acquisition, the company has initiated the process and rolled out MSME confirmation to all its vendors. Based on the responses received, the Company has identified MSME vendors and in the process of ensuring necessary compliance with the MSMED Act.

The Company, with the NESCO management and the help of the OERC, is in the process of reconciliation/resolving the above matters and adjustments, if any, will be recognised post reconciliation and resolution of the matters. As stated above, the vesting order provides that any change in the value of assets and liabilities transferred on account of reconciliation/resolution of the above matters and/or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order. Hence, the Company believes that the reconciliation/resolution of the above matters will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.



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

**Note 42 Segment Information**

The Company is engaged in the business of distribution of power in Northern part of Odisha. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has a single reportable segment.

There is no consumer from whom the Company has earned more than 10% of revenue.

**Note 43 Relationship with Struck off Companies**

The Company has not entered into any transaction with struck off companies as prescribed under Section 248 of the Companies Act, 2013.

**Note 44 Other Statutory Information**

- (i) No proceedings has been initiated or are pending against the company for holding any Benami Property under the Benami Transactions(Prohibition) Act, 1988 and rules made thereunder.
- (ii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the current and previous year.
- (iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company have not any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
- (vii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (ix) Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of account.
- (x) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (xi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**Note 45 Social Security Code**

The code on Social Security, 2020 ('Code') relating to employee benefits during employment and past employment benefits received Presidential consent in September 2020. The Code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

**Note 46 Audit Trail**

The Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level insofar as it relates to the SAP S/4 HANA and CIS application and/or the underlying HANA and DB2 database respectively. However stringent control procedures were implemented to effectively restrict direct changes to data throughout the financial year. These procedures included thorough reviews of logs and reconciliation of datasets and during the financial year no direct changes were made that impacted financial records. Further no instance of audit trail feature being tampered with was noted in respect of the accounting softwares.

**Note 47 Significant events after the reporting period**

There were no significant adjusting events after end of the reporting period which require any adjustment or disclosure in the financial statements subsequent to the reporting period other than the events disclosed in the relevant notes.

**Note 48 Standards notified but not yet effective**

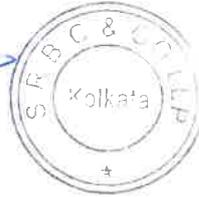
There are no standards that are notified and not yet effective as on the date.

**Note 49 Approval of financial statements**

The financial statements were approved for issue by the board of directors on April 19, 2024.

For SRB & CO LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

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



For SRB & Associates  
Chartered Accountants  
ICAI FRN: 310009E

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



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

Praveer Sinha  
Director  
DIN:01785164  
Place: Bhubaneswar

Dwijadas Basak  
Chief Executive Officer (CEO)  
Place: Bhubaneswar

Date: April 19, 2024

Sanjay Kumar Banga  
Director  
DIN:07785948  
Place: Bhubaneswar

Siladitya Sengupta  
Chief Financial Officer (CFO)  
Place: Bhubaneswar  
Devendra Prasad  
Company Secretary  
Membership Number: A39789  
Place: Bhubaneswar

