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INDEPENDENT AUDITOR'S REPORT

To the Members of TP Southern Odisha Distribution Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of TP Southern 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



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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 our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
(a) <u>Expected credit loss on trade receivables</u> (as described in Note 10 of the financial statements)	
<p>The Company has outstanding gross trade receivables of Rs 605.53 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 Southern Odisha. There exists inherent exposure to credit risk for these customers. The Company has acquired this business w.e.f. January 1, 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</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process and tested internal controls associated with the management's assessment of determining ECL allowance for trade receivables. • Obtained an understanding of the management plan and steps being taken to collect all receivables including overdue / aged receivables. • Evaluated management's assessment of recoverability of the outstanding receivables including recoverability of overdue/ aged receivables through inquiry with management, and analysis of recent collection trends in respect of receivables particularly aged receivables. • Evaluated management's assumption and judgement relating to collection considering business environment in which the Company operates and rights available with the Company to recover amount due from customers for estimating the amount of ECL allowance. • Evaluated management's continuous assessment of the assumptions used in the



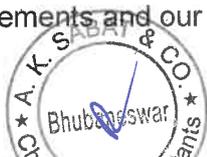
Key audit matter	How our audit addressed the key audit matter
<p>recent payment behaviour as well as the fact that electricity is an essential commodity and regulations require consumers to clear old dues to get continuous electricity etc.</p> <p>Based on the above mechanism and using its best estimate, the Company has accounted ECL provision of Rs 122.22 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>credit loss provision computation. These considerations include whether there are regular receipts from the customers and the Company's past collection history.</p> <ul style="list-style-type: none"> • Verified mathematical accuracy of provision computation based on credit loss estimation model used and other factors considered by the management. • Assessed the disclosures in the financial statements. • Obtained necessary management representation.
<p>(b) <u>Accrual of regulatory assets/liabilities for items which are subject matter of true up in tariff orders (as described in Note 33 of the financial statements)</u></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 recognized and entitlement as per the regulation is recognized as regulatory assets/liabilities. The Company has</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process and tested internal controls associated with the estimation and recoverability of such regulatory deferral balances. • Read the tariff regulations and tariff orders and evaluated relevant clauses to understand management's assessment on allowability of various income and expenses and consequent recognition/ measurement of regulatory deferral account balances. • Discussed with the management to understand their assessment on each qualitative and quantitative factor and reviewed consistency of the management's explanation with the underlying documentation, rules, and regulations.



Key audit matter	How our audit addressed the key audit matter
<p>recognized regulatory assets of Rs 622.42 crore as at March 31, 2024. Accruals are determined based on tariff regulations and past tariff orders and are subject to verification and approval by the regulators. Further the costs incurred are subject to prudential checks and prescribed norms.</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>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.</p>	<ul style="list-style-type: none"> • Assessed management’s evaluation and true up review petition and correspondences filed with regulators for the likely outcome in respect of material disallowances made by the regulators. • Assessed impact, if any, recognized by the Company in respect of tariff orders received. • Re-calculated workings obtained from the management to check arithmetical accuracy of the calculations. • Assessed disclosures made by the Company in accordance with the requirements of Ind AS 114 “Regulatory Deferral Accounts.” • Obtained necessary management representation.

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.



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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



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

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

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

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



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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.

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;
 - 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;



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- 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 A. K. Sabat & Co.

Chartered Accountants

ICAI Firm registration number: 321012E

per Shivam Chowdhary

Partner

Membership Number: 067077

UDIN: 24067077BKFFSEW8052

Place of Signature: Bhubaneswar

Date: April 19, 2024



Per B. R. Mohanty

Partner

Membership Number: 057266

UDIN: 24057266BKGPYZ1334

Place of Signature: Bhubaneswar

Date: April 19, 2024



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

Re: TP Southern 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.



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(b) As disclosed in note 20 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 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	18.37
Balancing outstanding as at balance sheet date in respect above cases (post-acquisition of business)	
Employees	2.59

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 any 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



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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 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 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	16.33	FY 2014-15 to FY 2017-18	CESTAT, Kolkata

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

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared 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.



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- (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.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 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.



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



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Sahid Nagar
Bhubaneswar – 751 007

- (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 30.3 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 30.3 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: 24067077BKFSEW8052

Place of Signature: Bhubaneswar

Date: April 19, 2024



For **A. K. Sabat & Co.**
Chartered Accountants

ICAI Firm registration number: 321012E

Per B. R. Mohanty
Partner

Membership Number: 057266

UDIN: 24057266BKGPYZ1334

Place of Signature: Bhubaneswar

Date: April 19, 2024



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TP SOUTHERN 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 Southern 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



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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to



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Bhubaneswar – 751 007

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

For **A. K. Sabat & Co.**

Chartered Accountants

ICAI Firm registration number: 321012E

per Shivam Chowdhary

Partner

Membership Number: 067077

UDIN: 24067077BKFSEW8052

Place of Signature: Bhubaneswar

Date: April 19, 2024



Per B. R. Mohanty

Partner

Membership Number: 057266

UDIN: 24057266BKGYPY1334

Place of Signature: Bhubaneswar

Date: April 19, 2024



BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Notes	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	4	1,496.35	1,119.95
(b) Capital work in progress	5	379.97	129.62
(c) Intangible assets	4	106.33	69.78
(d) Financial assets			
(i) Other financial assets	6	32.04	25.97
(e) Deferred tax assets (net)	7	72.95	54.07
(f) Non-current tax assets (net)		3.20	2.99
(g) Other non-current assets	8	20.21	14.77
Total non-current assets (A)		2,111.05	1,417.15
(B) Current assets			
(a) Inventories	9	53.87	45.22
(b) Financial assets			
(i) Trade receivables	10	483.31	509.50
(ii) Unbilled revenue		155.50	130.03
(iii) Cash and cash equivalents	11	140.77	174.00
(iv) Bank balances other than (iii) above	11	1,075.88	849.46
(v) Other financial assets	12	44.11	42.31
(c) Other current assets	13	9.75	11.21
Total current assets (B)		1,963.19	1,761.73
(C) Total assets before regulatory deferral account (A+B)		4,074.24	3,178.88
(D) Regulatory deferral account- Assets	33	522.42	298.04
(E) Total assets (C+D)		4,696.66	3,476.92
EQUITY AND LIABILITIES			
(A) Equity			
(a) Equity share capital	14	510.94	368.94
(b) Other equity	15	160.77	124.20
Total equity (A)		671.71	493.14
Liabilities			
(B) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	492.13	210.60
(ii) Other financial liabilities	17	128.16	75.90
(b) Provisions	18	382.87	262.52
(c) Other non-current liabilities	19	1,212.19	769.34
Total non-current liabilities (B)		2,215.35	1,318.36
(C) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	589.25	647.91
(ii) Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		45.01	33.26
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		153.41	74.60
(iii) Other financial liabilities	22	851.33	759.22
(b) Other current liabilities	23	137.18	111.94
(c) Provisions	18	33.42	30.56
(d) Current tax liabilities (net)	24	-	7.93
Total current liabilities (C)		1,809.60	1,665.42
(D) Total liabilities (B+C)		4,024.95	2,983.78
(E) Total equity and liabilities (A+D)		4,696.66	3,476.92

The accompanying notes forms an integral part of the financial statements

As per our report of even date

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

For **A.K. Sabat & Co.**
Chartered Accountants
ICAI FRN: 321012E

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


per **Shivam Chowdhary**
Partner
Membership No. 067077
Place: Bhubaneswar


per **B.R. Mohanty**
Partner
Membership No. 057266
Place: Bhubaneswar


Praveer Sinha
Director
DIN: 01785164
Place: Bhubaneswar


Sanjay Kumar Banga
Director
DIN: 07785948
Place: Bhubaneswar




Amit Kumar Garg
Chief Executive Officer
Place: Bhubaneswar


Bijay Kumar Mohanty
Chief Financial Officer
Place: Bhubaneswar


Jeevanivoti Nayak
Company Secretary
Place: Bhubaneswar

Date: April 19, 2024

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
CIN : U40109OR2020PLC035195
Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha-760004
Website: www.tpsouthernodisha.com; Email: tpsodl@tpsouthernodisha.com

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

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
		₹ crore	₹ crore
I. Revenue from operations	25	1,828.73	1,853.12
II. Other income	26	62.12	63.63
III. Total income (I+II)		1,890.85	1,916.75
IV. Expenses			
Cost of power purchased and transmission charges	27	1,007.69	1,057.82
Employee benefits expense (net)	28	428.11	386.22
Finance costs	29	102.07	58.62
Depreciation and amortisation expenses	4	112.06	58.32
Other expenses	30	458.13	515.04
Total expenses (IV)		2,108.06	2,076.02
V. (Loss) before movement in regulatory deferral balance and tax (III-IV)		(217.21)	(159.27)
Add: Movement in regulatory deferral balances (net)	33	267.44	217.52
Add/(Less): Deferred tax recoverable/(payable)	33	0.20	(11.43)
		267.64	206.09
VI. Profit before tax		50.43	46.82
VII. Tax expense			
(1) Current tax	31	12.36	19.41
(2) Current tax in respect of earlier year	31	1.30	6.09
(3) Deferred tax (credit)/expense	31	0.20	(11.43)
VIII. Profit for the period (VI-VII)		36.57	32.75
IX. Other comprehensive income			
Items that will not be reclassified to profit or loss (net)	32	-	-
Total other comprehensive income		-	-
X. Total comprehensive income for the period (VIII+IX)		36.57	32.75
XI. Earnings per equity share (face value of ₹ 10/- each)			
Earnings per equity share {excluding regulatory income (net)} Basic and Diluted (in ₹)		(4.43)	(4.89)
Earnings per equity share {including regulatory income (net)} Basic and Diluted (in ₹)		0.99	1.32

The accompanying notes forms an integral part of the financial statements

As per our report of even date

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

For **A.K. Sabat & Co.**
Chartered Accountants
ICAI FRN: 321012E

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



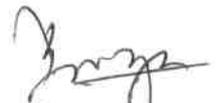
per **Shivam Chowdhary**
Partner
Membership No. 067077
Place: **Bhubaneswar**



per **B.R. Mohanty**
Partner
Membership No. 057266
Place: **Bhubaneswar**



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



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




Amit Kumar Garg
Chief Executive Officer
Place: **Bhubaneswar**


Bijay Kumar Mohanty
Chief Financial Officer
Place: **Bhubaneswar**


Jeevanjyoti Nayak
Company Secretary
Place: **Bhubaneswar**

Date: April 19, 2024

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

A. Equity Share Capital

Particulars	No. of Shares	Amount (₹ crore)
Balance as at April 1, 2023	36,89,40,000	368.94
Issued during the year	14,20,00,000	142.00
Balance as at March 31, 2024	51,09,40,000	510.94

Particulars	No. of Shares	Amount (₹ crore)
Balance as at April 1, 2022	24,79,40,000	247.94
Issued during the year	12,10,00,000	121.00
Balance as at March 31, 2023	36,89,40,000	368.94

B. Other Equity

Particulars	Retained Earnings	Total
	₹ crore	₹ crore
Balance as at April 1, 2023	124.20	124.20
Profit for the year	36.57	36.57
Other comprehensive income for the year	-	-
Total comprehensive income	36.57	36.57
Balance as at March 31, 2024	160.77	160.77

Particulars	Retained Earnings	Total
	₹ crore	₹ crore
Balance as at April 1, 2022	91.45	91.45
Profit for the year	32.75	32.75
Other comprehensive income for the year	-	-
Total Comprehensive Income	32.75	32.75
Balance as at March 31, 2023	124.20	124.20

The accompanying notes forms an integral part of the financial statements

As per our report of even date

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

For **A.K. Sabat & Co.**
Chartered Accountants
ICAI FRN: 321012E

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



per **Shivam Chowdhary**
Partner
Membership No. 067077
Place: Bhubaneswar



per **B.R. Mohanty**
Partner
Membership No. 057266
Place: Bhubaneswar



Praveer Sinha
Director
DIN:01785164
Place: Bhubaneswar

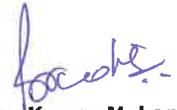


Sanjay Kumar Banga
Director
DIN:07785948
Place: Bhubaneswar





Amit Kumar Garg
Chief Executive Officer
Place: Bhubaneswar



Bijay Kumar Mohanty
Chief Financial Officer
Place: Bhubaneswar



Jeevanjyoti Nayak
Company Secretary
Place: Bhubaneswar

Date: April 19, 2024

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.

Particulars	₹ crore	
	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash Flow from operating activities		
Profit before tax	50.43	46.82
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expenses	112.06	58.32
Provision for contingencies	0.24	5.79
Amortisation of Consumer Contribution & Grant for capital work	(15.90)	(11.58)
Finance costs (net of capitalisation)	102.07	58.62
Interest income on term deposits	(29.10)	(19.65)
Income from delayed payment charges	(10.44)	(13.64)
Loss on disposal / write off of property, plant and equipment #	0.06	0.00
Allowances for doubtful receivables	42.89	59.25
Operating profit before working capital changes	252.31	183.93
Adjustments for (increase)/decrease in operating assets:		
Inventories	(8.66)	(16.91)
Trade receivables	(16.70)	(153.69)
Other financial assets - current	1.35	18.79
Other financial assets - non current	(1.20)	(1.49)
Unbilled revenue	(25.47)	(8.92)
Other current assets	1.46	(1.19)
Regulatory deferral account- Assets	(267.64)	(206.09)
Movement in operating assets	(316.86)	(369.50)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	90.56	(80.58)
Other financial liabilities - current	(15.60)	0.69
Other financial liabilities - non current	52.26	48.91
Other current liabilities	24.44	99.08
Provisions - current	2.62	5.03
Provisions -non current	44.54	45.83
Movement in operating liabilities	198.82	118.96
Cash Flow generated from/(used in) operations	134.27	(66.61)
Income tax paid (Net of refund received)	(21.80)	(22.47)
Net cash flow generated from/ (used) in operating activities* (A)	112.47	(89.08)
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.04	0.08
Capital expenditure on property, plant and equipment and intangible assets (including capital work in progress, capital advances and net of capital creditors)	(648.58)	(429.95)
Delayed payment charges received	10.44	13.54
Interest income on fixed deposits	25.95	15.12
Deposits made with banks not considered as cash and cash equivalents	(3,313.87)	(1,379.57)
Deposits matured with banks not considered as cash and cash equivalents	3,082.58	968.88
Net cash flow used in investing activities (B)	(843.44)	(811.80)
C. Cash flow from financing activities		
Proceeds from issuance of equity shares	72.42	61.71
Finance costs paid	(80.12)	(40.73)
Proceeds from subsidies towards cost of capital assets	496.07	362.35
Refund of Consumer Contribution/Government Grant	(44.78)	(0.85)
Proceeds/Adjustment/Refund of Security deposit from electricity consumers(net)	51.08	8.17
Interest paid on Security Deposit from Consumer	(19.79)	(11.12)
Proceeds from short-term borrowings	2,542.28	1,915.80
Repayments of short-term borrowings (net)	(2,623.84)	(1,585.96)
Proceeds from long-term borrowing	322.28	194.14
Repayment of long-term borrowings	(17.86)	(2.68)
Net cash flow generated from financing activities (C)	697.74	897.83
D. Net (decrease) /Increase in cash and cash equivalents (A+B+C)	(33.23)	(3.05)
E. Cash and cash equivalents at the beginning of the year	174.00	177.05
F. Cash and cash equivalents at the end of the year	140.77	174.00
G. Non-cash financing and investing activities		
Issue of right shares for consideration other than cash	69.58	59.29

1 # 0.00 represents amount below the rounding off norm adopted by the Company
 2 *Net cash flow from operating activities includes an amount of ₹1.55 crore (March 31, 2023: ₹ 1.26 crore) towards Corporate social responsibility.

Cash and cash equivalents include:	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
(a) Balances with banks - in current accounts	44.68	82.17
(b) Cheques on hand	6.09	12.32
(c) Cash on hand	9.45	13.16
(d) Deposit having original maturity of less than 3 months	80.55	66.35
Total cash and cash equivalents	140.77	174.00

The accompanying notes forms an integral part of the financial statements

As per our report of even date

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

For **A.K. Sabat & Co.**
 Chartered Accountants
 ICAI FRN: 331612E

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

Shivam Chowdhary
 per **Shivam Chowdhary**
 Partner
 Membership No. 067077
 Place: Bhubaneswar

B. Mohanty
 per **B. Mohanty**
 Partner
 Membership No. 057265
 Place: Bhubaneswar

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

Sanjay Kumar Munga
 per **Sanjay Kumar Munga**
 Director
 DIN: 07785948
 Place: Bhubaneswar



Amil Kumar Garq
 per **Amil Kumar Garq**
 Chief Executive Officer
 Place: Bhubaneswar

Bijay Kumar Mohanty
 per **Bijay Kumar Mohanty**
 Chief Financial Officer
 Place: Bhubaneswar

Jeevanjyoti Nayak
 per **Jeevanjyoti Nayak**
 Company Secretary
 Place: Bhubaneswar

Date: April 19, 2024

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 1

Corporate Information

TP Southern Odisha Distribution Limited (TPSODL or the Company) is a public limited company, domiciled and incorporated in India and is engaged in the business of distribution of electricity in Southern Odisha. The Company has been incorporated on December 25, 2020 under the Companies Act, 2013 (as amended). Pursuant to Vesting Order issued by the Odisha Electricity Regulatory Commission ('OERC') dated December 28, 2020, the Company acquired the business of distributing power in Southern Odisha ('business') from SOUTHCO Utility with effect from January 1, 2021 (Vesting Date). Accordingly, the Company is a licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles of Southern state of Odisha for a period of 25 years effective from January 1, 2021, which also marked the commencement of commercial operations for the Company.

The registered office of the Company is located at Kamapalli, Courtpeta, Berhampur -760 004, Ganjam, Odisha.

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

NOTE 2

Material accounting policies

2.01 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.

2.02 Basis of preparation and presentation

(a) Carrying amount of security deposits as per the general ledger is lower by ₹0.61 crore as compared to balance as per consumer ledger .

- 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 crore (₹'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:

3.01 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.

3.02 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

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.



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

3.03 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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.

3.04 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.

3.04.1 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.

3.04.2 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.

3.04.3 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 asset's contractual cash flows represent SPPI

3.04.4 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.

3.04.5 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:

- the rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a)

- the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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.

3.04.6 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.



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3.05 Financial liabilities and equity instruments

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:

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

3.05.1 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.

3.05.2 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 16 & 20.

3.05.3 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.

3.05.4 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.

3.06 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



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For assets and liabilities that are recognised 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.

3.07 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 a 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.

3.07.1 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.

3.08 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.

3.09 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.

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.



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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 Company 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 recognised 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 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Management 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 33 and 25)
- 2 Estimation of expected credit loss (refer note 10)
- 3 Estimation of defined benefit obligation (refer note 18)
- 4 Estimations used for determination of tax expenses and tax balances (refer note 31)
- 5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and 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.

3.12 New and amended standards

Amendment in Schedule III to Companies Act 2013:

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

(i) 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.

(ii) 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.



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NOTE 4 Property, plant and equipment (PPE) and Intangible assets:

4.01 Accounting Policy :

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs 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 as prescribed by the Regulator is 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 and cable network	3.80%	4.67%
Office Equipments	9.00%	5.28% to 15%
Office Equipments (others)	9.50%	6.33%
Furniture and Fixtures	4.55%	6.33%
Motor 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 is considered at 10% of the Original Cost.

Depreciation on Non-regulated assets

Depreciation is recognised on the cost of assets less their residual values (Nil) over their estimated useful lives, using the straight-line method.

Rate of depreciation of the property, plant and equipment of non-regulated assets is as follows:

Type of asset	Rate (New assets acquired post acquisition)
Smart Meter-Single Phase	12.50%
Others	20.00%

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses if any. Amortisation is recognised on a straight-line basis over their estimated useful lives as below. 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.

Estimated useful lives of the Intangible assets is as follows:

Type of Intangible Asset	Rate (New assets acquired post acquisition)
Softwares	30.00%

Derecognition

An item of property, plant and equipment or intangible assets 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 equipment's or intangible assets 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 equipments and intangible assets

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

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

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

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

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



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4.02 Property, plant and equipment (PPE) (Contd.)
a. Property, plant and equipment

Description							₹ crore
	Buildings	Plant and equipment including transmission lines and cable network	Motor vehicles	Furniture and Fixtures	Office Equipments	Meter	Total
Cost							
Balance as at April 1, 2023	83.49	997.47	3.33	10.91	70.48	51.90	1217.58
Additions	71.50	289.01	1.24	1.52	27.02	71.70	461.99
Disposals/Adjustment	-	-	(0.05)	-	(0.09)	-	(0.14)
Balance as at March 31, 2024	154.99	1,286.48	4.52	12.43	97.41	123.60	1,679.43
Accumulated depreciation and impairment							
Balance as at April 1, 2023	1.69	80.15	0.29	0.63	9.00	5.88	97.64
Depreciation expense	3.51	51.54	0.37	0.74	11.17	18.14	85.47
Disposals/Adjustment	-	-	(0.01)	-	(0.02)	-	(0.03)
Balance as at March 31, 2024	5.20	131.69	0.65	1.37	20.15	24.02	183.08
Net carrying amount							
Balance as at March 31, 2024	149.79	1,154.79	3.87	11.06	77.26	99.58	1,496.35

Description							₹ crore
	Buildings	Plant and equipment including transmission lines and cable network	Motor vehicles	Furniture and Fixtures	Office Equipments	Meter	Total
Cost							
Balance as at April 01, 2022	26.94	727.76	1.00	5.78	35.51	-	796.99
Additions	56.55	269.71	2.39	5.13	35.02	51.90	420.70
Disposals/Adjustment	-	-	(0.06)	-	(0.05)	-	(0.11)
Balance as at March 31, 2023	83.49	997.47	3.33	10.91	70.48	51.90	1,217.58
Accumulated depreciation and impairment							
Balance as at April 01, 2022	0.31	44.32	0.19	0.13	1.78	-	46.73
Depreciation expense	1.38	35.83	0.10	0.50	7.22	5.88	50.91
Disposals/Adjustment	-	-	(0.00)	-	(0.01)	-	(0.01)
Balance as at March 31, 2023	1.69	80.15	0.29	0.63	9.00	5.88	97.64
Net carrying amount							
Balance as at March 31, 2023	81.80	917.32	3.04	10.28	61.49	46.02	1,119.95

b. Intangible assets

Description	₹ crore
	Software
Cost	
As at April 01, 2023	77.98
Additions	63.14
Disposals	-
Balance as at March 31, 2024	141.12
Accumulated amortisation and impairment	
As at April 01, 2023	8.20
Amortisation expense	26.59
Disposals	-
Balance as at March 31, 2024	34.79
Net carrying amount	
Balance as at March 31, 2024	106.33



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Description	₹ crore
Software	
Cost	
Balance as at April 01, 2022	34.82
Additions	43.16
Disposals	-
Balance as at March 31, 2023	77.98
Accumulated amortisation and impairment	
Balance as at April 01, 2022	0.80
Amortisation expense	7.40
Disposals	-
Balance as at March 31, 2023	8.20
Net carrying amount	
Balance as at March 31, 2023	69.78

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

4.03 Depreciation and amortisation charged to Statement of Profit & Loss ₹ crore

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment	85.47	50.91
Add: Amortisation of intangible assets	26.59	7.40
Total	112.06	58.32

- 4.04** The Company does not own any land in its name. As per terms of the Vesting Order, lands has been given on lease to the Company for a 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 have been transferred to the Company with effect from acquisition date. As per terms of the Vesting Order, title for the said immovable properties continues to be in the name of erstwhile administration and Companies.
- 4.05** The Property, plant and equipments include assets created out of government grants. As per the terms of the Vesting Order and the Carve Out Order, these assets have been transferred to the Company. However, the corresponding 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. The Company has charged depreciation on these assets as per the accounting policy followed by the Company for other assets not created out of grants. As per the Vesting Order and the Carve Out Order, the Company is required to utilise any amount realised through depreciation toward meeting certain opening liabilities transferred ("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.
- 4.06** In accordance with the 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 the reconciliation prepared by the management, there are no material shortages which have been identified during the process of physical verification of PPE.
- 4.07** Refer note 16 & 20 for charge created against borrowing
- 4.08** Considering the provisions of the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019, the management believes that it has legal right and ownership over the property, plant and equipment (PPE) which were directly funded by the consumers and are being used to supply electricity to the consumers. Accordingly, during the year, the company has capitalised PPE amounting to ₹ 51.87 crore (March 31, 2023: Nil) and recognised the corresponding liability under the head consumer contribution. Depreciation on PPE as well as amortisation of ₹ 14.69 crore (March 31, 2023: ₹ 9.88 crore) 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.
- 4.09** Refer note 44 for assets created with Government Fund and used by the Company.



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NOTE 5 Capital work in progress (CWIP)

5.01 Accounting Policy

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

5.02 CWIP Movement

Description	₹ crore	
	Amount	
Balance as at April 1, 2023	129.62	
Additions	705.91	
Capitalised	(455.56)	
Balance as at March 31, 2024	379.97	
Balance as at April 01, 2022	78.93	
Additions	455.27	
Capitalised	(404.58)	
Balance as at March 31, 2023	129.62	

*Project in progress includes setting up substations, installations of transformers and cable networks at various locations in southern part of Odisha. CWIP includes closing capital inventory of ₹ 170.27 crore as at March 31,2024 (March 31,2023 : ₹ 92.73 crore).

5.03 Capital work in progress (CWIP) Ageing Schedule*

Particulars	Amount in CWIP for a period of *				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
CWIP ageing Schedule as at March 31, 2024					
Projects Stock	143.20	17.72	3.12	5.98	170.02
Capex-Government Funded	172.14	1.08	1.60	-	174.82
Capex-Consumer Funded	7.34	0.32	-	-	7.66
Capex-Meter	6.53	6.26	-	-	12.79
Capex-Own	12.54	1.84	0.30	-	14.68
Total	341.75	27.22	5.02	5.98	379.97
CWIP ageing Schedule as at March 31, 2023					
Projects in progress	81.14	3.88	7.71	-	92.73
Capex-Government Funded	0.64	2.21	-	-	2.85
Capex-Consumer Funded	0.69	-	-	-	0.69
Capex-Meter	15.65	-	-	-	15.65
Capex-Own	16.68	1.02	-	-	17.70
Total	114.80	7.11	7.71	-	129.62

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

5.04 Refer note 16 & 20 for charge created against borrowings

5.05 CWIP Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31,2024 :-

Capital Work in Progress	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Government funded Projects	7.26	-	-	-
Projects temporarily suspended	-	-	-	-
Total	7.26	-	-	-

Post acquisition of business, there are no projects with costs overrun or exceeding the planned timelines for completion as on March 31,2023.



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	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
NOTE 6 Other financial assets - non current		
(Unsecured and considered good, at amortised cost)		
(a) Deposits with banks -earmarked balances*	18.16	13.29
(b) Other receivable #	13.88	12.68
Total other financial assets - non current	32.04	25.97

*Earmarked balances against Consumer Security deposits and Earnest money deposit.
Other receivable includes deposits with various authorities , receivable from contractors, etc.

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
NOTE 7 Deferred tax assets		
Deferred tax asset (Refer Note 31.02)	72.95	54.07
Total deferred tax asset	72.95	54.07

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
NOTE 8 Other non-current assets		
(Unsecured and considered good)		
(a) Capital advances	20.21	14.77
Total Other non-current assets	20.21	14.77

NOTE 9 Inventories (At lower of cost and net realisable value)

9.01 Accounting policy

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on moving weighted average basis. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

Stores and spares
Total inventories

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Stores and spares	53.87	45.22
Total inventories	53.87	45.22

9.02 Refer note 16 & 20 for charge created against borrowings

NOTE 10 Trade receivables-current (at amortised cost)

Unsecured, considered good (Refer note no. 41.02)
Significant increase in the credit risk

Less: Allowance for doubtful receivables (expected credit loss)
Total trade receivables

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Unsecured, considered good	363.59	435.37
Significant increase in the credit risk	241.94	153.46
Less: Allowance for doubtful receivables	(605.53)	(588.83)
Total trade receivables	(122.22)	(79.33)
	483.31	509.50

10.01 The Company holds security deposits from consumers amounting to ₹ 366.26 crore (March 31,2023: ₹ 315.19 crore)

10.02 Refer note 16 & 20 for charge created against borrowings

10.03 Trade receivables include amount of ₹ 241.94 crore (March 31, 2023: ₹ 153.46 crore) net of security deposit from consumers who are inactive/permanently disconnected, temporarily disconnected and/ or were non-paying/low-paying for one year or more as at March 31, 2024 and/or disputed.

The Company has acquired power distribution business of SOUTHCO Utility w.e.f. January 01, 2021. The management believes that collection data related to pre-acquisition year is not relevant to assess expected credit loss (ECL) allowance on receivables in the post-acquisition year. 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 SOUTHCO Utility, 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 (M&C) 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. As at 31 March 2024, the Company has outstanding receivables amounting to ₹ 605.53 crore and has accumulated ECL allowance of ₹ 122.22 crores against trade receivables. 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".

10.04 Trade receivables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment *						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivables							
a) Considered good	-	66.00	25.78	21.98	23.06	226.77	363.59
b) Significant increase in credit risk	-	24.89	39.21	103.10	38.01	36.73	241.94
(ii) Disputed trade receivables	-	-	-	-	-	-	-
Total	-	90.89	64.99	125.08	61.07	263.50	605.53

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

Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment *						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed trade receivables							
a) Considered good	-	119.30	111.49	63.88	140.70	-	435.37
b) Significant increase in credit risk	-	-	-	30.66	122.80	-	153.46
(ii) Disputed trade receivables	-	-	-	-	-	-	-
Total	-	119.30	111.49	94.54	263.50	-	588.83

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

* The ageing has been prepared after adjusting the collections in accordance with the Odisha Electricity Regulatory Commission Distribution (Conditions of Supply) Code, 2019.



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

10.06 Movement in the allowance for doubtful trade receivables

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Balance at the beginning of the year	79.33	20.08
Add: Expected credit loss for the year (Refer note 30)	42.89	59.25
Balance at the end of the year	122.22	79.33

10.07 The concentration of credit risk is limited due to the fact that the large customer are either industrial/corporate or government entities and remaining customer base is large and widely dispersed. The Company also holds security deposits from consumers.

NOTE 11 Cash and bank balances

Accounting policy

11.01 Cash and cash equivalents comprise of cash at banks, cash / cheques 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	As at March 31, 2023
	₹ crore	₹ crore
11.02 Cash and cash equivalents (At amortised cost)		
(a) Balances with banks - on current accounts	44.68	82.17
(b) Deposit having original maturity of less than 3 months	80.55	66.35
(c) Cheques on hand	6.09	12.32
(d) Cash on hand	9.45	13.16
Total cash and cash equivalents	140.77	174.00

11.03 Other balances with banks (At amortised cost)

(a) Deposits with banks with original maturity more than 3 months upto 12 months - Earmarked balances*
(b) Balances with banks - Earmarked balances*
(c) Deposits with banks

Total other balances with banks

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
(a) Deposits with banks with original maturity more than 3 months upto 12 months - Earmarked balances*	1,002.86	780.03
(b) Balances with banks - Earmarked balances*	65.62	62.24
(c) Deposits with banks	7.40	7.19
Total other balances with banks	1,075.88	849.46

* Earmarked balances against consumer security deposits, consumer contribution for work under progress and short term borrowings.

Cash at banks earns interest at floating rates based on daily bank deposit rates. 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.

The Company has pledged a part of its short term deposits to fulfill collateral requirements. Refer note 16 & 20 for further details.

11.04 Changes in liabilities arising from financing activities and non-cash financing activity:-

Particular	As at April 1, 2023	₹ crore			As at March 31, 2024
		Cash Inflows	Cash Outflows	Non-cash Adjustments	
		Net Proceeds	Payment	*	
Consumer Contribution/Government Grant	855.16	496.07	(44.78)	(15.90)	1,290.55
Share Capital	368.94	72.42	-	69.58	510.94
Proceeds of Security deposit from electricity consumers (net)	315.19	51.08	-	-	366.27
Non Current borrowings (including current maturities)	228.46	322.28	(17.86)	-	532.88
Current borrowings	630.04	2,542.28	(2,623.84)	-	548.48
Total	2,397.79	3,484.13	(2,686.48)	53.68	3,249.12

Particular	As at April 1, 2022	₹ crore			As at March 31, 2023
		Cash Inflows	Cash Outflows	Non-cash Adjustments	
		Net Proceeds	Payment	*	
Consumer Contribution/Government Grant	505.24	362.35	(0.85)	(11.58)	855.16
Share Capital	247.94	61.71	-	59.29	368.94
Proceeds of Security deposit from electricity consumers (net)	307.02	8.17	-	-	315.19
Non Current borrowings (including current maturities)	40.00	191.14	(2.68)	-	228.46
Current borrowings	300.20	1,915.80	(1,585.96)	-	630.04
Total	1,400.40	2,539.17	(1,589.49)	47.71	2,397.80

*Includes non-cash transactions like amortisation of consumer deposit work/grant, interest payable on govt.grants, issue of right shares for consideration other than cash etc.

NOTE 12 Other financial assets

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

(a) Interest accrued but not due on deposits
(b) Government grant receivable
(c) Other receivables (including advance given to employee etc.) (Refer note no. 37)

Total other financial assets

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
(a) Interest accrued but not due on deposits	11.82	8.67
(b) Government grant receivable	27.13	27.13
(c) Other receivables (including advance given to employee etc.) (Refer note no. 37)	5.16	6.51
Total other financial assets	44.11	42.31

NOTE 13 Other current assets

(Unsecured and considered good)

(a) Prepaid expenses
(b) Advance to supplier
(c) Other assets (including Medical advance, puja advance etc.) (Refer note no. 37)

Total other current assets

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
(a) Prepaid expenses	4.48	3.99
(b) Advance to supplier	1.90	1.74
(c) Other assets (including Medical advance, puja advance etc.) (Refer note no. 37)	3.37	5.49
Total other current assets	9.75	11.21



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NOTE 14 Share Capital

Authorised

Equity Shares of ₹ 10/- each with voting rights

At the beginning of the year
Add: Increase during the year
Outstanding at the end of the year

As at March 31, 2024		As at March 31, 2023	
No. of Shares	₹ crore	No. of Shares	₹ crore
1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00

Issued, subscribed and paid up

Equity shares of ₹ 10/- each fully paid up with voting rights
Total issued, subscribed and paid-up share capital

51,09,40,000	510.94	36,89,40,000	368.94
51,09,40,000	510.94	36,89,40,000	368.94

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. of Shares	₹ crore	No. of Shares	₹ crore
36,89,40,000	368.94	24,79,40,000	247.94
14,20,00,000	142.00	12,10,00,000	121.00
51,09,40,000	510.94	36,89,40,000	368.94

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. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the existing Annual General Meeting. 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 shareholders holding more than 5% shares in the Company :

As at March 31, 2024		As at March 31, 2023	
No. of Shares	% Holding	No. of Shares	% Holding
26,05,79,400	51.00	18,81,59,400	51.00
25,03,60,600	49.00	18,07,80,600	49.00
51,09,40,000	100.00	36,89,40,000	100.00

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

The Company allotted 15,23,60,600 equity shares (including 6,95,80,000 equity shares allotted during the year) till March 31, 2024 (March 31, 2023 : 8,27,80,600 (including 5,92,90,000 equity shares allotted during the year)) 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.

e Shareholding of promoter :

Equity shares of ₹ 10 each fully paid

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

Promoter	No. of Shares		% of		% Change During the year
	As at April 1, 2023	Change During the year	As at March 31, 2024	Total Shares	
A. The Tata Power Company Ltd	18,81,59,400	7,24,20,000	26,05,79,400	51.00%	0.00%
B. GRIDCO Ltd	18,07,80,600	6,95,80,000	25,03,60,600	49.00%	0.00%
Total	36,89,40,000	14,20,00,000	51,09,40,000	100%	-

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

Promoter	No of Shares		% of		% Change During the year
	As at April 1, 2022	Change During the year	As at March 31, 2023	Total Shares	
A. The Tata Power Company Ltd	12,64,49,400	6,17,10,000	18,81,59,400	51.00%	0.00%
B. GRIDCO Ltd	12,14,90,600	5,92,90,000	18,07,80,600	49.00%	0.00%
Total	24,79,40,000	12,10,00,000	36,89,40,000	100%	-

NOTE 15 Other equity

15.01 Retained Earnings

Balance at beginning of year
Add : Profit for the year
Add : Other comprehensive income
Balance as at the end of the year

As at March 31, 2024		As at March 31, 2023	
₹ crore		₹ crore	
124.20	91.45	124.20	91.45
36.57	32.75	36.57	32.75
160.77	124.20	160.77	124.20

Total retained earnings

15.02 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, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.



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	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
NOTE 16 Non-current borrowings (at amortised cost)		
16.01 Secured		
(A) Term Loans from Banks		
(a) Union Bank of India	340.03	134.18
(b) IDBI Bank Limited	192.86	94.28
	532.89	228.46
Less Current maturities of long-term debt	(40.76)	(17.86)
Total non-current borrowings	492.13	210.60

- 16.02** The Company has not defaulted on any loans payable. The Company has utilized the loan for the sanctioned purpose.
- 16.03** Term Loans (other than meter capex loan) from Union Bank of India and IDBI Bank Limited are repayable over 56 equal quarterly instalments and repayment has started from March 23 and December 23 respectively.
- 16.04** Term Loans (meter capex loan) from Union Bank of India amounting to Rs. 42.5 Cr and Rs. 75 Cr are repayable over 20 and 28 equal quarterly instalments respectively.
- 16.05** The rate of interest for term loans is in the range of 8.33% to 8.56%(March 31, 2023: 8.25%).
- 16.06** All the above term loans from Union Bank of India and IDBI Bank Limited contain certain debt covenants relating to limitation on indebtedness, total debt to EBIDTA, interest coverage ratio, FACR and debt service coverage ratio. The Company has satisfied all the debt covenants prescribed in the terms of bank loan.
- 16.07** Term Loan from Union Bank of India (other than meter capex loan) is Secured against first pari passu charge on entire movable and immovable fixed assets of the Company, both present and future; excluding meters and assets transferred from Southco Utility vide vesting order of OERC.
Term Loan from IDBI is secured against first pari passu charge on entire movable fixed asset of the Company, both present and future, excluding meters and assets transferred to the company from Southco Utility vide vesting order or any other securities offered to the existing term lenders and second pari passu charge on all current assets (other than restricted as per the vesting order which includes consumer security deposit and govt deposits received in the form of grant, subsidy, relief fund etc.) both present and future with other term lenders of the Company.
- 16.08** Meter capex Term Loan from Union Bank of India is Secured against first charge on meters both present and future, excluding meters transferred from Southco Utility vide vesting order of OERC.

	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
NOTE 17 Other financial liabilities - non current (at amortised cost)		
(a) Retention money payable	128.05	75.50
(b) Security deposits/ Earnest money deposit from supplier	0.11	0.40
Total other financial liabilities - non current	128.16	75.90

NOTE 18 Provisions

18.01 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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



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Defined benefits plans

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

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

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

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

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

Other current and other non-current employee benefits

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

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

The Company operates a scheme for Compensated absences wherein the employee is entitled to avail leave benefits as per the policy of the Company. The leave benefits are linked to the salary of the employee and the employee is entitled to either avail paid leave or encash 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. Remeasurements/ Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Pre acquisition liabilities of employees transferred from erstwhile SOUTHCO Utility:-

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.

18.02 Defined contribution plans

Erstwhile SOUTHCO Utility 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 SOUTHCO Utility Employees

(i) 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.

(ii) Employee State Insurance :-

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

(iii) The Company has recognised a total of ₹ 11.81 crore (March 31, 2023 is ₹ 14.12 crore) as contribution towards the defined contribution plan in the Statement of Profit or Loss.



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18.03 Defined Benefits plans

Erstwhile SOUTHCO Utility 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 SOUTHCO Utility 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.

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.

Other than Erstwhile SOUTHCO Utility Employees

i) Gratuity

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

ii) Pension

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

iii) Post Employment Medical Benefit

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

iv) Ex-Gratia Death Benefits

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

v) Retirement Gift

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

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Provision -Non Current		
Provision for Employee Benefits		
(a) Compensated absences	52.24	39.29
(b) Defined benefit plans	326.07	221.36
(c) Other employee benefits	4.57	1.87
Total non-current provision	382.88	262.52
	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
Provision -Current		
Provision for Employee Benefits:-		
(a) Compensated absences	3.29	3.55
(b) Defined benefit plans	14.83	11.77
(c) Other employee benefits	0.23	0.20
Total current provision for employee benefit-(A)	18.35	15.52



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Other Provisions		
Provision for contingencies-(B)*	15.07	15.04
Total current provisions- (A+B)	33.42	30.56

Provision for contingencies movement:-		₹ crore
Particular		Amount
As at April 01, 2022		9.71
Additions		6.12
Utilized		(0.79)
As at March 31, 2023		15.04
Additions		2.49
Utilized		(2.46)
As at March 31, 2024		15.07

* It includes provision for claim and compensation



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18.04 Pre-acquisition liabilities of employees transferred from erstwhile SOUTHCO Utility:

The Company has acquired the electricity distribution business of SOUTHCO Utility with effect from January 1, 2021. As a part of Business transfer, all the employees of the undertaking were transferred to the Company effective January 1, 2021, on a continuity of service conditions. Previously retired employees as well as continuing employees of SOUTHCO Utility 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 of ligations not transferred to the Company at this stage.

Given below are details of Trusts' total accrued liabilities in respect of these benefits not transferred to the Company:

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Total liabilities of all employees	1273.89	80.28	94.28
Total liabilities of in respect of obligation not transferred to the company			
Total liability of past employees	840.71	-	-
Acquisition date liabilities of existing employees	156.52	30.23	59.54
Total	997.23	30.23	59.54

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Total liabilities of all employees	1186.78	74.69	87.42
Total liabilities of in respect of obligation not transferred to the company			
Total liability of past employees	841.54	-	-
Acquisition date liabilities of existing employees	168.45	33.79	64.72
Total	1,009.98	33.79	64.72

As per the Vesting and Carved out order, total amount 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 the Company and have been recognised in liability:

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Amount paid/ payable toward liabilities in respect of obligation not transferred to the Company	101.38	3.70	5.17
Amount paid/ payable toward liabilities in respect of obligation transferred to the Company	2.09	4.41	-
Total	103.47	8.11	5.17

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Amount paid/ payable toward liabilities in respect of obligation not transferred to the Company	88.01	6.26	6.68
Amount paid/ payable toward liabilities in respect of obligation transferred to the Company	10.56	5.07	-
Total	98.57	11.33	6.68

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 recognised 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 benefits plan of the Company.

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

Interest risk

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

Longevity risk

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

Salary Escalation risk

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

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

₹ crore				
Present Value of obligations				
Particulars	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
a. Present Value of obligations as at April 1, 2022 as per Actuarial Valuation (including obligation not transferred to the Company) (Refer note 18.04)	7.02	3.21	79.01	340.29
b. Interest Cost	0.50	0.21	5.27	23.79
c. Current Service Cost	0.83	0.44	3.40	8.62
d. Past Service Cost	-	0.01	-	-
e. Acquisition (Credit)/Cost	-	-	-	-
f. Actuarial loss / (gain)-Demographic	-	-	-	-
g. Actuarial loss / (gain)-Financial	(0.14)	(0.08)	(1.76)	(10.82)
h. Actuarial loss / (gain)-Experience	0.54	0.56	6.62	3.24
i. Adjustments related to prior period	(0.02)	(0.12)	(0.13)	-
j. Benefits Paid	-	(0.74)	(11.04)	(10.56)
k. Present value of obligation as at March 31,2023 (including obligation not transferred to the Company) (Refer note 18.04)	8.73	3.49	81.38	354.56
l. Interest Cost	0.59	0.23	5.69	25.35
m. Current Service Cost	1.48	0.74	3.20	8.14
n. Past Service Cost	-	-	-	-
o. Acquisition (Credit)/Cost	-	-	-	-
p. Actuarial loss / (gain)-Demographic	-	0.08	(1.16)	6.03
q. Actuarial loss / (gain)-Financial	0.29	0.16	2.90	18.62
r. Actuarial loss / (gain)-Experience	2.75	0.92	2.76	43.88
s. Adjustments related to prior period	-	0.29	-	-
t. Benefits Paid	(3.23)	(1.23)	(8.71)	(14.52)
u. Present value of obligation at March 31,2024 (including obligation not transferred to the Company) (Refer note 18.04)	10.61	4.68	86.05	442.05



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Fair value of plan assets				₹ crore
Particulars	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
a. Fair value of plan asset as at April 1, 2022 (including plan assets not transferred to the Company) (Refer note 18.04)	-	1.49	5.96	8.30
b. Acquisition (Credit)/Cost	-	-	-	-
c. Estimated return on plan asset	-	0.14	(0.01)	(0.14)
d. Employer contribution	-	0.02	11.33	10.56
e. Benefits Paid	-	(0.74)	(11.04)	(10.56)
f. Interest Income	-	0.08	0.43	0.59
g. Others	-	0.02	-	-
h. Fair value of plan asset as at March 31, 2023 (including plan assets not transferred to the Company) (Refer note 18.04)	-	1.01	6.69	8.74
i. Acquisition (Credit)/Cost	-	-	-	-
j. Estimated return on plan asset	-	0.09	0.25	0.01
k. Employer contribution	-	1.13	7.98	14.02
l. Benefits Paid	-	(1.23)	(8.71)	(14.52)
m. Interest Income	-	0.07	0.46	0.62
n. Others	-	-	-	-
o. Fair value of plan asset at March 31, 2024 (including plan assets not transferred to the Company) (Refer note 18.04)	-	1.06	6.66	8.87

Amount to be recognised in the balance sheet

Amount to be recognised in the balance sheet				₹ crore
Particulars	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at March 31, 2023 as per Actuarial Valuation (including obligation not transferred to the Company)	8.73	3.49	81.38	354.56
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	1.01	6.69	8.74
3. Net liability (before reducing liability not transferred to Company)	8.73	2.49	74.69	345.81
4. Liability not transferred to the Company as per vesting order	-	(0.47)	33.79	(168.45)
5. Net Liability recognised in balance sheet as at March 31, 2023	8.73	2.96	40.90	177.36
1. Present Value of obligations as at March 31, 2024 as per Actuarial Valuation (including obligation not transferred to the Company)	10.61	4.68	86.05	442.05
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	1.06	6.66	8.87
3. Net liability (before reducing liability not transferred to Company)	10.61	3.63	79.39	433.18
4. Liability not transferred to the Company as per vesting order	-	(0.32)	30.23	(156.52)
5. Net Liability recognised in balance sheet as at March 31, 2024	10.61	3.95	49.17	276.66

Expenses Recognised in the Statement of Profit & Loss

Particulars	For the year ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	1.48	0.74	3.20	8.14
2. Past Service Cost	-	-	-	-
3. Net Interest Cost	0.59	0.16	5.23	24.73
4. Others	-	1.03	-	-
5. Payment directly charged to P/L	-	0.19	3.70	101.38
Expenses recognised in statement of Profit & Loss	2.07	2.11	12.13	134.25

Particulars	For the year ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	1.48	0.44	3.40	8.62
2. Past Service Cost	-	0.01	-	-
3. Interest Cost	0.59	0.13	4.84	23.20
4. Others	-	0.34	-	-
5. Payment directly charged to P/L	-	0.13	7.02	87.44
Expenses recognised in statement of Profit & Loss	2.07	1.05	15.26	119.26

Amount recognised in other comprehensive income (remeasurements)

Particulars	For the year ended March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:	-	-	-	-
- changes in demographic assumptions	-	-	(1.16)	-
- changes in financial assumptions	0.29	0.16	2.90	24.65
- experience adjustments	2.75	(0.07)	2.75	43.88
- Return on Plan assets (greater)/less than Discount rate	-	(0.09)	(0.25)	(0.01)
Total	3.04	0.00	4.25	68.52



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Particulars	For the year ended March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	(0.14)	(0.03)	(1.76)	(10.82)
- experience adjustments	0.54	0.17	6.62	3.24
-Return on Plan assets (greater)/less than Discount rate	-	(0.14)	-	0.14
Total	0.40	(0.00)	4.86	(7.44)

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%	7.30%	7.30%
2. Salary escalation				
- Management	7%	6%	7%	6%
- Non-Management	7%	6%	7%	6%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult

Sensitivity analysis

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

Increase/ (decrease) in defined benefit liability	As at March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.51	0.29	5.16	33.98
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.47)	(0.26)	(4.76)	(30.36)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.47)	(0.16)	(3.13)	13.01
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.51	0.19	3.09	13.84

Increase/ (decrease) in defined benefit liability	As at March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.37	0.19	4.52	28.00
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.34)	(0.17)	(4.16)	(24.99)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.34)	(0.09)	(2.90)	(11.32)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.37	0.10	2.92	12.05

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

Category wise plan assets

Particulars	As at 31.03.2024	
	Pension	Gratuity
Govt. of India Securities (Central and State)	81%	50%
High Quality (Corporate Bonds including PSU Bonds)	16%	27%
Equity shares of Listed Companies	0%	0%
Cash Including Special Deposits	3%	23%
Total	100%	100%

Particulars	As at 31.03.2023	
	Pension	Gratuity
Govt. of India Securities (Central and State)	81%	51%
High Quality (Corporate Bonds including PSU Bonds)	16%	28%
Equity shares of Listed Companies	0%	0%
Cash Including Special Deposits	3%	21%
Total	100%	100%

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

Expected Future cashflows	As at March 31, 2024			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Year-1	0.25	0.49	4.68	18.94
Year-2	1.01	0.53	4.55	18.18
Year-3	0.48	0.52	4.57	18.39
Year-4	0.84	0.53	4.67	18.00
Year-5	1.05	0.54	5.48	18.68
Year-6 to 10	11.50	3.30	24.47	89.78

Expected Future cashflows	As at March 31, 2023			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Year-1	0.25	0.46	6.37	14.04
Year-2	1.21	0.45	6.49	14.17
Year-3	0.81	0.46	5.20	12.02
Year-4	0.44	0.47	5.04	11.88
Year-5	0.95	0.47	5.18	11.64
Year-6 to 10	10.29	2.73	27.52	59.28



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	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
NOTE 19 Other non-current liabilities		
(a) Consumer contribution for work under progress	44.36	33.87
(b) Government grants	903.94	509.63
(c) Deferred Government grants towards cost of capital asset (Refer note below)*	20.20	19.34
(d) Consumer contribution towards capital cost (Refer note below)*	243.69	206.51
Total capital grant and consumer contribution towards capital assets	1,212.19	769.34
Movement in Deferred Government grants towards cost of capital asset		
Opening Balance	19.34	-
Add: Addition during the year	2.07	21.04
Less: Released to the statement of Profit and Loss (Refer note 25)	(1.21)	(1.70)
Closing Balance	20.20	19.34
Movement in Consumer contribution towards capital cost		
Opening Balance	206.51	216.39
Add: Addition during the year	51.87	-
Less: Released to the statement of Profit and Loss (Refer note 25)	(14.69)	(9.88)
Closing Balance	243.69	206.51

* At cost less amortisation

Note: Deferred Government grants towards cost of capital asset/ Consumer contribution towards capital cost is amortised to the statement of profit and loss to match with the depreciation charged on assets created out of such grants/ contribution.

Government grants have been received for the purchase and creation of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
NOTE 20 Borrowings		
(at amortised cost)		
(i) Secured		
From Banks		
(a) Short term loans		
(i) Kotak Mahindra Bank Limited*	138.00	170.00
(ii) Indusind Bank Limited*	129.47	143.91
(b) Working capital demand loan		
(i) IDBI Bank Limited*	45.00	40.00
(c) Bank overdraft		
(i) Union Bank of India**	23.30	30.42
(i) State Bank of India **	62.62	60.62
(ii) Unsecured		
(a) From Banks		
(i) ICICI Bank	150.00	185.00
(b) From Others		
(i) GOO Loan#	0.10	0.10
(iii) Current maturities of non-current borrowings	40.76	17.86
Total short-term borrowings	589.25	647.91

20.01 *The above loans has been secured on first pari passu charge on entire current assets of the Company, both present and future excluding regulatory deposits and second pari passu charge over entire movable assets of the Company, both present and future, excluding assets transferred through Vesting Order issued by OERC.

20.02 The rate of interest from banks ranges from 6.49% to 8.14% (March 31, 2023 - 4.03% to 9.70%).

20.03 **The Company has availed short term borrowings by earmarking term deposits.

20.04 The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts and there are no discrepancies

20.05 The Company has not used any of the borrowings from banks apart for the purpose for which it was taken .

20.06 # Except for this loan, others are repayable on demand

	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
NOTE 21 Trade payables (at amortised cost)		
(a) Outstanding dues of micro enterprises and small enterprises (refer note 21.01)	45.01	33.26
(b) Outstanding dues other than micro enterprises and small enterprises #	153.41	74.60
Total trade payables	198.42	107.86



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Trade payables ageing schedule as at March 31, 2024**						₹ crore
Particular	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables						
a) Micro enterprises and small enterprises	23.59	14.94	3.58	-	2.90	45.01
b) Others	8.67	142.87	1.36	0.51	-	153.41
(ii) Disputed Trade Payables	-	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2023**						₹ crore
Particular	Outstanding for following periods from due date of payment*					Total
	Not Due	Less than 1Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Payables						
a) Micro enterprises and small enterprises	16.59	14.31	0.93	1.43	-	33.26
b) Others	6.07	44.21	24.32	-	-	74.60
(ii) Disputed Trade Payables	-	-	-	-	-	-

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

** where due date of payment is not available, date of transaction has been considered.

Refer note 37 for the related disclosures

Note 21.01 Post acquisition the company has started process of identifying micro and small enterprises separately. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(a) Principal amount remaining unpaid*	125.60	140.74
(b) Interest due	0.37	0.46
(c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the year 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	0.37	0.46
(e) The amount of interest accrued	0.37	0.46
(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	0.17	0.00

*It includes amount payable in the nature of retention money payable and capital creditors amounting to ₹ 80.59 crores (as at March 31, 2023: ₹ 107.48 crores) as disclosed under note 17 & 22 .

	As at	As at
	March 31, 2024	March 31, 2023
NOTE 22 Other financial liabilities - current (At amortised cost)		
(a) Payable to employees	25.06	24.88
(b) Security deposit from consumer (Refer note below)	366.26	315.19
(c) Deposit - others	2.02	2.40
(d) Interest on security deposits	20.37	19.02
(e) Government grants payable	4.15	35.05
(f) Consumer contribution for work under progress	48.24	50.77
(g) Payable towards purchase of capital goods (Refer note 21.01)	189.42	126.68
(h) Other liabilities (Refer note 41)	145.04	145.04
(i) Interest accrued on Government Grant Fund	25.97	-
(j) Other payables	24.80	40.19
Total other financial liabilities - current	851.33	759.22

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 consumers as per Tariff Regulations. The amount is refundable on surrender of electricity connection by the consumer.

	As at	As at
	March 31, 2024	March 31, 2023
NOTE 23 Other current liabilities		
(a) Statutory liabilities	33.10	27.46
(b) Advance from consumers	102.39	82.55
(c) Other liabilities	1.69	1.93
Total other current liabilities	137.18	111.94

	As at	As at
	March 31, 2024	March 31, 2023
NOTE 24 Current tax liabilities (net)		
Provision for taxes {net of advance tax paid ₹ 12.83 crore (March 31, 2023 : ₹ 11.48 crore)}	-	7.93
Total current tax liabilities (net)	-	7.93



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 25 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 transaction price to which the Company expects to be entitled in exchange for those goods or services.

Description of performance obligations are as follows:

25.01 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 revenues accrued up to the end of the reporting year. Revenue from power supply is recognised net of the applicable taxes which the Company collects from the customer on behalf of the government/state authorities.

The Company, as per the prevalent Regulations (referred as "Tariff Regulations") for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations and maintenance expenses, financing cost 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.

25.02 Contribution for capital works

Consumer's contribution towards property, plant and equipment which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment. 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.

25.03 Revenue from operations

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
(a) Revenue from power supply		
Sale of power as per tariff	1,788.51	1,814.05
Less: Cash discount	(29.49)	(21.09)
Total revenue from contract with customer	1,759.02	1,792.96
(b) Other operating revenue		
Recovery of meter rent	31.60	21.36
Amortisation of Consumer Contribution & Grant for capital work	15.90	11.58
Miscellaneous revenue	22.21	27.22
Total other operating revenue	69.71	60.16
Total revenue from operations - (a+b)	1,828.73	1,853.12

25.04 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.

25.05 Contract balances

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

Contract liabilities

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

Particulars

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Contract liabilities		
Advance from consumers	102.39	82.55
Total contract liabilities	102.39	82.55

	As at March 31, 2024 ₹ crore
Significant change in the contract liabilities balances during the year as follows :	

Opening balance as at April 1, 2023	82.55
Less: Revenue recognised /adjusted during the year	(55.00)
Add: Advance received during the year	74.84
Closing balance as at March 31, 2024	102.39



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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.

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Receivables		
Trade receivables	605.53	588.83
Unbilled revenue depending only on passage of time	155.50	130.03
Less : Allowances for doubtful receivables	(122.22)	(79.33)
Net receivables	638.81	639.53

Significant change in the contract assets balances during the year as follows :

Particulars	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Unbilled Revenue		
Opening balance as at April 1, 2023	130.03	121.11
Add: Revenue recognised during the year	155.50	130.03
Less: Transfer from contract assets to receivable	(130.03)	(121.11)
Closing balance as at March 31, 2024	155.50	130.03

25.06 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 26 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

As per terms of OERC vesting order, the Company is eligible for incentive on past area collections pertaining to period prior to March 31, 2020. Income in respect of incentive is recognised as percentage of actual realization of past arrears.

26.01 Other income

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Interest income		
Term deposits carried at amortised cost	29.10	19.65
Other non-operating income		
Delayed payment charges	10.44	13.64
Incentive on past arrears collection	6.58	16.63
Other income	16.00	13.71
Total other income	62.12	63.63

NOTE 27 Cost of power purchased and transmission charges

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
(a) Power Purchase Cost	912.51	951.17
(b) Transmission Charges	104.45	118.09
Less: Rebate	(9.27)	(11.44)
Total cost of power purchased and transmission charges (a+b)	1,007.69	1,057.82



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 28 Employee benefits expense (Net)	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Salaries, wages and bonus	260.90	224.27
Contribution to gratuity fund (Refer Note 18)	14.17	15.84
Contribution to provident and other funds (Refer Note 18)	163.33	146.96
Staff welfare expenses	24.11	27.52
Gross employee benefit expenses	462.51	414.59
Less: Employee cost capitalised / transfer to CWIP	(34.40)	(28.37)
Net employee benefits expense	428.11	386.22

Note:- Net employee benefits expense are excluding expenses related to outsource and contractual employees expenses which are shown under note no.30 .

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:

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Expense arising from equity-settled share-based payment transactions*	0.22	-
Total expense arising from share-based payment transactions	0.22	-

Movements during the year

Option exercisable at the beginning of the year	-	-
Granted during the year	1,63,750	-
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Option exercisable at the end of the year	1,63,750	-
Share price for options exercised during the year	N.A	-
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	As at March 31, 2024	As at 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.

* Refer note 37 for the related disclosures



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 29 Finance cost

Accounting Policy

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.

	As at March 31,2024	As at March 31,2023
	₹ crore	₹ crore
Interest on loans carried at amortised cost	79.85	39.29
Interest on consumer security deposits carried at amortised cost	21.14	18.68
Other borrowing costs (includes processing charges etc.)	1.74	1.43
Gross finance costs	102.73	59.40
Less: Interest capitalised	(0.66)	(0.78)
Net finance costs	102.07	58.62

NOTE 30 Other expenses

	As at March 31,2024	As at March 31,2023
	₹ crore	₹ crore
Rental of land, buildings, plant and equipment, etc	2.86	2.13
Repair and maintenance-		
-Buildings and civil Works	0.12	0.19
-Plant and machinery	176.21	187.36
-Furniture, vehicles, etc	0.53	1.52
Outsource and contractual employees expenses (Refer note 30.01)	89.25	86.24
Travelling	10.95	19.57
Metering, billing and collection	73.14	88.39
Legal and professional charges (Refer note 30.02)	9.69	8.17
Allowance for doubtful receivables	42.89	59.25
Telephone expenses	4.62	2.24
Fooding and Conveyance expenses	7.75	11.93
License fees	2.52	1.92
Insurance	1.32	2.13
Printing and stationery	2.19	3.01
Provision for contingencies	0.24	5.79
CSR expenditure (Refer note 30.03)	1.55	1.26
Rebate on OTS Collection	0.38	1.97
Miscellaneous expenses	31.93	31.97
Total other expenses	458.13	515.04

30.01 Regulation 3.9.14 of OERC (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply tariff) Regulations,2022 provided that The Commission shall take into consideration various lawful resources taken by distribution licensees e.g. distribution franchisees, outsourcing and engaging contractual employees to undertake customer care, billing, collection and network maintenance activities, while finalising the employee cost for ARR. However expenses relating to this items are shown as a part of Outsource and contractual employees expenses under the head other expenses in note no. 30. (Refer note 28) in accordance with disclosure requirements of Schedule III .

30.02 Auditor's remuneration

Auditor's remunerations include as follows:

Particulars	As at March 31,2024	As at March 31,2023
	₹ crore	₹ crore
(a) For statutory audit	0.57	0.53
(b) For tax audit	0.02	0.02
(c) For other matters (certification fees etc.)	0.05	0.04
(d) For reimbursement of expenses	0.05	0.04
Total (including goods and service tax)	0.69	0.63

30.03 Details of CSR expenditures :-

Particulars	As at March 31,2024	As at March 31,2023
	₹ crore	₹ crore
a) Gross amount required to be spent by the Company during the year	1.55	1.26
b) Amount approved by the board to be spent during the year	1.54	1.25
c) Amount spent during the year in cash:		
(i) Construction/acquisition of asset	-	-
(ii) On purposes other than (i) above	1.55	1.26
d) Details related to spent / unspent obligations :		
i) Employability and Employment (Skilling for Livelihoods)	0.36	0.26
ii) Education (Including Financial and Digital Literacy)	0.30	0.38
iii) Essential Services (Health and Environment)	0.65	0.51
iv) Entrepreneurship	0.18	-
v) Voluntering Programs	0.06	0.11
(vi) Unspent Amounts	1.55	1.26
	-	-

30.04 Short Term Leases

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



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 31 Tax expenses

Accounting policy

Tax expense comprises current tax expense and deferred tax.

31.01 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable 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.

31.02 Deferred Tax

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

Deferred tax 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.

(a) Income tax expenses recognised in the profit and loss :

Current Income tax

Current income tax charge
In respect of earlier year

Deferred tax

Relating to origination and reversal of temporary differences

Total income tax expense reported in the statement of profit & loss

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Current income tax charge	12.36	19.41
In respect of earlier year	1.30	6.09
Deferred tax		
Relating to origination and reversal of temporary differences	0.20	(11.43)
Total income tax expense reported in the statement of profit & loss	13.86	14.07

(b) Income tax expenses recognised in the OCI:

Deferred tax

Relating to origination and reversal of temporary differences

Total income tax expense/(income) recognised in the current year

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Deferred tax		
Relating to origination and reversal of temporary differences	19.08	0.53
Total income tax expense/(income) recognised in the current year	19.08	0.53

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

Profit before income tax expense

Tax at the India's statutory tax rate of 25.17% *

Adjustments under Income Tax Act

(i) Corporate social responsibilities

(ii) Others

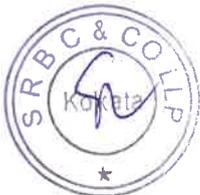
Net tax expense

	As at March 31, 2024 ₹ crore	As at March 31, 2023 ₹ crore
Profit before income tax expense	50.43	46.82
Tax at the India's statutory tax rate of 25.17% *	12.69	11.78
Adjustments under Income Tax Act		
(i) Corporate social responsibilities	0.39	0.32
(ii) Others	0.78	1.97
Net tax expense	13.86	14.07

*The rate used for calculation of Deferred Tax is 25.17% being statutory enacted rates as per Section 115BAA of the Income Tax Act, 1961, for the year ended March 31, 2024.

The Company has made provision for income tax at the rate of 25.17% (Tax rate 22% Plus Surcharge 10% Plus cess 4% on tax & surcharge) in accordance with normal provisions of Income Tax Act, 1961 for the year ended March 31, 2024 and March 31, 2023.

Deferred Tax Asset / Liabilities on account of :	As at March 31, 2023	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2024
	₹ crore			
Accelerated depreciation for tax purposes	(35.87)	(27.05)	-	(62.92)
Provision for doubtful receivables	19.97	10.79	-	30.76
Payment to MSME	-	0.34	-	0.34
Provision for Contingencies	-	3.79	-	3.79
Post-employment employee benefits	69.97	11.93	19.08	100.98
Total	54.07	(9.20)	19.08	72.95



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 32 Other comprehensive income/(expenses) - OCI

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Items that will not be reclassified to profit and loss		
Remeasurements gains (losses) on the defined benefit plans (net of tax amounting to ₹ 19.08 crore (as at March 31, 2023: ₹ (0.53 crore)))	(56.74)	1.63
Net Movement in regulatory deferral balances	56.74	(1.63)
Total other comprehensive income	-	-

Past-acquisition of business, the Company has decided to treat pension and gratuity benefits payable to erstwhile SOUTHCO Utility 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.

NOTE 33 Regulatory Deferral Account
33.01 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.

33.02 Rate Regulated Activities

- (i) As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein the 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, 2022, are applicable to the Company. These regulations require the 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 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.

- (iii) The balance of Regulatory Assets of distribution business at the reporting date is as follows:

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
Regulatory Deferral Account- Non current		
Regulatory Assets	622.42	298.04
Total Regulatory Deferral Account- Non current	622.42	298.04

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

	As at March 31, 2024	As at March 31, 2023
	₹ crore	₹ crore
(a) Opening Regulatory Assets (Net of liabilities)	298.04	93.58
(b) Regulatory Income/(Expenses) during the year		
(i) Power Purchase Cost including Transmission (net of rebate)	989.86	1,061.75
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity	1,218.94	1,071.45
(iii) Available revenue net of cash discount including non-tariff income etc.	(1,875.57)	(1,914.23)
(iv) Deferred Tax on Regulatory Assets	(18.88)	(10.91)
(v) True Up Impact of earlier years	10.03	(3.60)
Total	324.38	204.46
Regulatory Income/(Expenses) recognised in Statement of Profit and Loss	267.64	206.09
Regulatory Income/(Expenses) recognised in OCI	56.74	(1.63)
(c) Closing Regulatory Assets (Net of liabilities)	622.42	298.04

- (v) **Trueing Up Order**

The Company determines revenue gaps (i.e. surplus/ deficit 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, requires 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 petitions for FY 2022-23 along with ARR petition for FY 2024-25 as per the Regulations. After going through due process of tariff finalization, the OERC has issued true up order up to FY 23 and ARR for FY 24-25. 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 true up revenue gap/surplus up to March 31, 2023, resulting in a lower revenue entitlement of ₹ 262.03 crores amount vis-a-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 - ₹ 60.78 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.

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 Rs. 12.19 crores (including Rs. 10.03 crores pertaining to earlier years).



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

NOTE 34 Commitments:	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
Estimated amount of contracts remaining to be executed on capital account and not provided for	127.42	159.35
	127.42	159.35

As per the terms of Vesting Order, minimum cumulative capital expenditure of ₹783 crore has been committed for the first three years of operation to meet out the commitment in respect of AT&C losses and past arrears collection which has been stated in the Vesting Order. Against the above commitment OERC has approved cumulative capital expenditure of ₹ 817.80 crore upto FY-2023-24. In addition to above an amount of 69.05 crore has been approved vide order dtd. 15.11.2023.

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.

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 disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognise such assets. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

	As at	As at
	March 31, 2024	March 31, 2023
	₹ crore	₹ crore
35.01 Claims against the Company not acknowledged as debts: Legal cases filed by consumers, employees and others under litigation	28.82	26.27
35.02 Indirect taxation matters relating to Service Tax/GST where demand is under contest before judicial/appellate authorities *No provision is considered necessary since the Company expects favourable decisions.	16.33	15.16
35.03 Before acquisition, SOUTHCO Utility was not identifying and tracking dues payable to MSME vendors separately. Consequently, it was not tracking whether timely payments are being made to such vendors and/ or interest/ penalty, if any, payable for delay in making payment. Post acquisition, the Company has initiated a process and identified MSME vendors based on confirmations received. In the absence of adequate data, the Company is unable to determine whether any interest of penalty is payable for past default. The management will be able to identify and recognize such obligation, if any, based on claims received.		
35.04 As per terms of Vesting Order, all litigations pertaining to SOUTHCO and SOUTHCO Utility have been transferred to the Company. In case of any unfavourable outcome related to those litigation, the Company will be able to recover the amount through Aggregate Revenue Requirement.		
35.05 Refer note 33.02(v) for contingent liability on account of truing up order by OERC.		

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.

36.01 EPS (excluding regulatory income/expense)

Particulars	Units	Year ended	Year ended
		March 31, 2024	March 31, 2023
(a) Profit for the year	₹ crore	36.57	32.75
(b) Net movement in regulatory deferral account balance	₹ crore	267.64	206.09
(c) Income-tax attributable to regulatory expenses	₹ crore	(67.36)	(51.87)
(d) Net movement in regulatory deferral account balance (net of tax)	₹ crore	200.28	154.22
(e) (Loss)/Profit for the year attributable to equity shareholders before net movement in regulatory deferral account balance	₹ crore	(163.71)	(121.47)
(f) Weighted average number of equity shares	Nos. in crore	36.97	24.86
(g) Basic and diluted earnings per equity share of ₹10 each - (e/f)	₹	(4.43)	(4.89)
(h) Face value of equity shares	₹	10.00	10.00

36.02 EPS (including regulatory income/expense)

Particulars	Units	Year ended	Year ended
		March 31, 2024	March 31, 2023
(a) Profit for the year after net movement in regulatory deferral balances attributable to equity shareholders	₹ crore	36.57	32.75
(b) Weighted average number of equity shares	Nos. in crore	36.97	24.86
(c) Basic and diluted earnings per equity share of ₹10 each -(a/b)	₹	0.99	1.32
(d) Face value of equity shares	₹	10.00	10.00

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



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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NOTE 37

Related party disclosures

Names of related parties where control exists and other related parties where transactions took place :

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 company has transactions)

Tata Power Delhi Distribution Ltd (TPDDL)

Maithon Power Ltd (MPL)

Tata Power Trading Company Limited (TPTCL)

TP Central Odisha Distribution Limited (TPCODL)

TP Northern Odisha Distribution Limited (TPNODL)

TP Western Odisha Distribution Limited (TPWODL)

Tata Power Solar Systems Limited (TPSSL)

Tata Capital Ltd

E. Subsidiaries and jointly controlled entities of promoters of Holding company-Promoter Group (with whom the Company has transactions)

Tata Steel Limited

Tata Consultancy Services Limited

Tata Capital Financial Services Ltd

Tata AIG General Insurance Company Ltd

Tata Tele Services Limited (TTL)

Tata Advanced Systems Limited (TASL)

Tata AIA Life Insurance Company Limited

F. Joint Venture of Holding Company

Industrial Energy Ltd (IEL)

G. Post retirement employee benefit trust

SOUTHCO Employees Pension Trust

SOUTHCO Employees Gratuity Fund Trust

SOUTHCO Employees Rehabilitation Assistance Fund Trust

H. Key management personnel

Chief Executive Officer

Mr. Arvind Singh (Date of cessation May 31,2023)

Mr. Amit Kumar Garg (w.e.f June 01,2023)

Chief Financial Officer

Mr. Bijay Kumar Mohanty

Company Secretary

Mrs. Suchitra Dash (Date of cessation May 31,2022)

Mr. Jeevanjyoti Nayak (w.e.f July 19,2022)

Non-executive directors

Mr. Suresh Chandra Mahapatra (Date of cessation February 28,2023)

Mr. Narendra Nath Misra (w.e.f April 11,2023)

Mr. Nikunja Bihari Dhal (Date of cessation October 30, 2023)

Dr. Praveer Sinha

Mr. Trilochan Panda

Mr. Sanjay Kumar Banga

Mr. Kesava Menon Chandrasekhar (Date of cessation February 19,2023)

Mr. Pradeep Kumar Jena (w.e.f April 11,2023)

Mr. Arup Ghosh (upto October 6,2023)

Mr. Nipun Aggarwal (Date of cessation April 18, 2022)

Mr. Sanjeev Satyaprakash Gupta (w.e.f April 28, 2022)

Mr. Vishal Kumar Dev (w.e.f November 21,2023)

Mr. Sunil Singh (w.e.f October 20,2023)

Mr. Umakanta Sahoo

Independent directors

Mr. Kailash Nath Shrivastava

Mrs. Aditi Raja

Mr. Arun Kumar Panda

Mr. Ashok Kumar Tripathy



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Related party transactions and balances

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

₹ crore

SI no.	Name of Related Party	Nature of transactions	Year ended March 31,2024	Year ended March 31,2023
1	Receiving of Goods, Services & Reimbursement of Expenses			
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation of employees	1.05	2.68
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of expenses	0.00	0.01
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of mediclaim expenses (payable)	0.00	-
	GRIDCO Limited	Power purchase expenses net of rebate	904.67	940.99
	Tata Consultancy Services Limited (TCS)	Field Survey services	-	3.59
	Tata Consultancy Services Limited (TCS)	AMC for Software	0.13	-
	Tata Sons Private Limited (Tata Sons)	Online Training Fees for Business Excellence	0.02	-
	TP Central Odisha Distribution Limited (TPCODL)	Purchase of goods	-	0.28
	TP Central Odisha Distribution Limited (TPCODL)	Consultancy services	0.37	-
	Tata Tele Services Limited (TTL)	Tender Fees	0.00	-
	Tata Capital Financial Services Ltd	Car Lease charges	0.05	0.06
	Tata Capital Ltd	Car Lease charges	0.02	-
	Tata AIG General Insurance Company Limited	Insurance expenses	5.03	1.59
	Tata AIA Life Insurance Company Limited	Insurance expenses	0.73	-
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of manpower cost	0.06	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of manpower cost	0.01	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of energy charges	0.51	-
	The Tata Power Company Limited(TPCL)	Reimbursement os safety module training	-	0.04
	The Tata Power Company Limited (TPCL)	Deputation of Employees	-	0.43
	The Tata Power Company Limited (TPCL)	AMC for Software	0.18	1.18
	The Tata Power Company Limited (TPCL)	Employee Stock Option Plan (Refer note 28)	0.22	-
2	Reimbursement of Expenses for Mediclaim and Manpower costs			
	The Tata Power Company Limited (TPCL)	Reimbursement of mediclaim expenses (receivable)	0.00	-
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of manpower cost	0.01	-
3	Sale of Energy :-			
	Tata Steel Limited	Sale of energy	85.80	80.78
4	Purchase of property, plant and equipments and intangibles			
	Tata Consultancy Services Limited (TCS)	Purchase of Intangibles	8.16	1.25
	The Tata Power Company Limited (TPCL)	Purchase of Property,plant and equipment	0.17	-
	Tata Power Delhi Distribution Ltd (TPDDL)	Purchase of Property,plant and equipment	0.09	0.01
	Tata Power Trading Company Limited (TPCL)	Purchase of Property,plant and equipment	-	0.04
5	Sale of property, plant and equipments, intangibles and goods			
	Tata Power Delhi Distribution Ltd (TPDDL)	Sale of Property,plant and equipment	-	0.06
	The Tata Power Company Limited (TPCL)	Sale of Property,plant and equipment	0.01	0.01
	TP Central Odisha Distribution Limited (TPCODL)	Sale of Property,plant and equipment	0.02	0.01
6	Gratuity & Compensated Absence-Payable			
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of gratuity for the employees transferred	-	0.19
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of leave salary for the employees transferred	-	0.21
	The Tata Power Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	0.10	0.23
	The Tata Power Company Limited (TPCL)	Reimbursement of leave salary for the employees transferred	0.07	0.13
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of gratuity for the employees transferred	1.64	0.00
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of leave salary for the employees transferred	0.08	0.01
	Maithon Power Limited (MPL)	Reimbursement of gratuity for the employees transferred	0.05	-
	Maithon Power Limited (MPL)	Reimbursement of leave salary for the employees transferred	0.02	-
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of gratuity for the employees transferred	0.07	0.15
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of leave salary for the employees transferred	0.07	0.08
7	Gratuity & Compensated Absence-Receiveable			
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of gratuity for the employees transferred	0.77	0.27
	Tata Power Solar Systems Limited (TPSSL)	Reimbursement of gratuity for the employees transferred	-	0.02
	Industrial Energy Ltd (IEL)	Reimbursement of gratuity for the employees transferred	-	0.05
	TP Ajmer Distribution Limited (TPADL)	Reimbursement of gratuity for the employees transferred	-	0.12
	The Tata Power Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	0.48	2.79
	Tata Power Trading Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	-	0.38
	Tata Tele Services Limited (TTL)	Reimbursement of gratuity for the employees transferred	-	0.02
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of leave salary for the employees transferred	0.49	0.14
	TP Ajmer Distribution Limited (TPADL)	Reimbursement of leave salary for the employees transferred	-	0.04



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SI no.	Name of Related Party	Nature of transactions	Year ended March 31, 2024	Year ended March 31, 2023
	The Tata Power Company Limited (TPCL)	Reimbursement of leave salary for the employees transferred	0.30	1.31
	Tata Power Trading Company Limited (TPTCL)	Reimbursement of leave salary for the employees transferred	-	0.18
	Industrial Energy Ltd (IEL)	Reimbursement of leave salary for the employees transferred	-	0.03
	Tata Power Solar Systems Limited (TPSSL)	Reimbursement of leave salary for the employees transferred	-	0.02
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of leave salary for the employees transferred	-	0.05
8	Transaction with Trust			
	SOUTHCO Employees Pension Trust	Contribution towards pension	103.47	98.57
	SOUTHCO Employees Gratuity Fund Trust	Contribution towards gratuity	8.11	11.33
	SOUTHCO Employees Rehabilitation Assistance Fund Trust	Contribution towards Rehabilitation Assistance	1.03	0.15
9	Other Expenses			
	Directors sitting fees	Directors sitting fees	0.41	0.40
10	Employee benefit expenses			
	Managerial remuneration*	Remuneration to KMP's	3.04	2.28
11	Share Capital			
	The Tata Power Company Limited (TPCL)	Issue of right shares	72.42	61.71
	GRIDCO Limited	Issue of right shares for consideration other than cash	69.58	59.29

Note: 0.00 represents amount below the rounding off norm adopted by the Company.

*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.

b. Particulars of outstanding Payable/Receivable with the related parties :

₹ crore

SI No.	Particulars	Nature of transactions	As at March 31, 2024	As at March 31, 2023
1	Equity			
	The Tata Power Company Limited (TPCL)	Share Capital	260.58	188.16
	GRIDCO Limited	Share Capital	250.36	180.78
2	Other current liabilities			
	Tata Steel Limited (Refer note 23)	Sale of energy-advance received	4.03	3.99
3	Trade Payable			
	GRIDCO Limited (Refer note 21)	Power purchase cost	98.61	15.26
	The Tata Power Company Limited (TPCL) (Refer note 21)	Gratuity, annual leave and other payables	-	0.62
	The Tata Power Company Limited (TPCL) (Refer note 21)	Employee Stock Option Plan	0.22	-
	The Tata Power Company Limited (TPCL) (Refer note 21)	AMC Software Services	0.09	-
	TATA Capital Ltd. (Refer note 21)	Car Lease Charges	0.00	-
	Tata Consultancy Services Limited (Refer note 21)	Purchase of Intangible assets	5.36	-
	Tata Consultancy Services Limited (Refer note 21)	Field survey services	-	2.28
	TP Central Odisha Distribution Limited (TPCODL) (Refer note 21)	Property plant and equipment, Annual Leave and reimbursement of expenses	-	0.00
	Tata Power Delhi Distribution Ltd (TPDDL) (Refer note 21)	Purchase of property, plant and equipment, manpower and reimbursement	0.07	0.76
4	Other Receivables			
	Tata AIG General Insurance Company Limited (Refer note 13)	Insurance expenses	0.09	0.10
	Tata AIA Life Insurance Company Limited (Refer note 13)	Insurance expenses	0.10	-
	The Tata Power Company Limited (TPCL) (Refer note 12)	Gratuity and annual Leave	0.41	-
5	Loans and advances receivable			
	TP Central Odisha Distribution Limited (TPCODL)	Sale of Material	-	0.00
6	Other financial liabilities - current			
	Tata Steel Limited (Refer note 22)	Security deposits	6.26	6.26

Note: 0.00 represents amount below the rounding off norm adopted by the Company.



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Note 38 Financial Instruments

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 material 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 has been disclosed in Note 2 to the financial statements.

(i) Accounting classifications

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

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

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

(ii) Fair Value measurements

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

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

Level 2: Inputs other than quoted price included within Level 1 that are significant 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

(i) 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:

The carrying value of financial instruments by categories as of March 31, 2024 is as follows :

Particulars	Fair Value through Profit and Loss	Classification Fair Value through OCI	Amortised Cost	Total Carrying Value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
(i) Trade receivables	-	-	483.31	483.31	-	-	-
(ii) Unbilled revenue	-	-	155.50	155.50	-	-	-
(iii) Other financial assets (current and non current)	-	-	44.11	44.11	-	-	32.04
(iv) Cash and cash equivalents	-	-	140.77	140.77	-	-	-
(v) Bank Balances other than (iv) above	-	-	1,075.88	1,075.88	-	-	-
	-	-	1,899.57	1,899.57	-	-	32.04
Financial Liabilities							
(i) Borrowings (current and non current)	-	-	548.49	548.49	-	532.89	-
(ii) Trade payables	-	-	198.42	198.42	-	-	-
(iii) Other financial liabilities (current and non current)	-	-	979.50	979.50	-	-	-
	-	-	1,726.40	1,726.40	-	532.89	-

The carrying value of financial instruments by categories as of March 31, 2023 is as follows :

Particulars	Fair Value through Profit and Loss	Classification Fair Value through OCI	Amortised Cost	Total Carrying Value	Fair value		
					Level 1	Level 2	Level 3
Financial assets							
(i) Trade receivables	-	-	509.50	509.50	-	-	-
(ii) Unbilled revenue	-	-	130.03	130.03	-	-	-
(iii) Other financial assets (current and non current)	-	-	42.31	42.31	-	-	25.97
(iv) Cash and cash equivalents	-	-	174.00	174.00	-	-	-
(v) Bank Balances other than (iv) above	-	-	849.46	849.46	-	-	-
	-	-	1,705.30	1,705.30	-	-	25.97
Financial Liabilities							
(i) Borrowings (current and non current)	-	-	630.05	630.05	-	228.46	-
(ii) Trade payables	-	-	107.86	107.86	-	-	-
(iii) Other financial liabilities (current and non current)	-	-	835.12	835.12	-	-	-
	-	-	1,573.02	1,573.02	-	228.46	-

(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 bank balances as detailed below. The position on reporting date is summarised in the following table:

Particulars	As at	
	March 31, 2024 ₹ crore	March 31, 2023 ₹ crore
Non-current borrowings (Note 16)	492.13	210.60
Current maturities of non-current borrowings (Note 20)	40.76	17.86
Short-term borrowings (Note 20)	548.48	630.05
Total debt (a)	1,081.37	858.51
Less: Cash and bank balances (b) (Note 11)	140.77	174.00
Net debt {(c)=(a-b)}	940.60	684.50
Total equity (d) (Note 14 & 15)	671.71	493.14
Total equity and net debt {(e)=(c+d)}	1,612.31	1,177.65
Gearing ratio (%) {(f)=(c)/(e)}	58.34	58.12

i. Debt is defined as Non-current borrowings, current maturities of non-current borrowings and Short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations)



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i. 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 borrowing in the current year.

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

(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 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

(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.

The Company manages its interest rate risk by linking interest rate with different benchmarks (e.g. MCLR/ External benchmarks like Repo, 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 ₹ crore	As at March 31, 2023 ₹ crore
(a) Trade receivables	483.31	509.50
(b) Unbilled revenue	155.50	130.03
(c) Other financial assets	76.15	68.27
(d) Cash and cash equivalents	140.77	174.00
(e) Bank Balances other than above	1,075.88	849.46
Total	1,931.62	1,731.26

In case of trade receivables and unbilled revenue, senior management of the Company monitors overdue amount on regular basis and take appropriate action, including forfeiture of security deposit and/ or disconnection of electricity, to get timely dues. Most of the cash and bank balances of the Company are with scheduled commercial banks where risk of default is low.

(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	₹ crore			
	Upto 1 year	1 to 5 years	5+ years	Total
As at March 31, 2024				
(a) Long Term Borrowing (including current maturities and interest)	85.90	348.53	371.10	805.52
(b) Trade payables	198.42	-	-	198.42
(c) Short term borrowings	548.48	-	-	548.48
(d) Other financial liabilities	851.33	128.16	-	979.50
Total	1,684.14	476.69	371.10	2,531.92
As at March 31, 2023				
(a) Long Term Borrowing (including current maturities and interest)	36.35	154.07	139.39	329.81
(b) Trade payables	107.86	-	-	107.86
(c) Short term borrowings	630.05	-	-	630.05
(d) Other financial liabilities	759.22	75.90	-	835.12
Total	1,533.48	229.97	139.39	1,902.84

Long term borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The borrowings carry a fixed rate of interest, and the fair value is determined using the discounted cash flow method. The future cash flows are based on the terms of the borrowings. These cash flows are discounted at a rate that reflects current market rate and the current credit risk. The management has determined that at the reporting date, fair value of borrowing is not materially different from the carrying amount even after considering any fluctuation in prevailing market interest rates.

As at the balance sheet date, the Company has cash and bank balances of ₹ 140.77 crore (as at March 31, 2023 : ₹ 174.00 crore) 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. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

Financing facilities (short term)	₹ crore		
	Fund based	Non Fund based	Total
As at March 31, 2024			
Secured / Unsecured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	548.39	192.05	740.44
Amount unused	255.64	-	255.64
Total	804.03	192.05	996.08
As at March 31, 2023			
Secured / Unsecured credit facilities, reviewed annually and payable at call			
Amount used and outstanding	629.95	186.71	816.66
Amount unused	77.06	-	77.06
Total	707.01	186.71	893.72



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 39 Financial Ratios

Sl No.	Ratios	Numerator	Denominator	Note	As at March 31, 2024	As at March 31, 2023	% of Variance	Reason for Variance
(a)	Current Ratio (in times)	Current assets	Current liabilities	A	1.08	1.06	2.56%	NA
(b)	Debt Equity Ratio (In times)	Total Debt	Total Equity	B	1.61	1.74	7.53%	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 during the year	C	2.61	3.93	33.61%	Decrease is majorly on account of repayment of Long term borrowing during the year and increase in earning for debt service.
(d)	Return on Equity Ratio (ROE) (%)	Net Profit after tax	Average Shareholder's Fund	D	6.28%	7.87%	20.19%	NA
(e)	Trade Receivables Turnover Ratio (in number of days)	Number of days * Average Trade Receivable	Revenue from Operation	E	127.92	115.79	10.48%	NA
(f)	Trade Payables Turnover Ratio (in number of days)	number of days * Average Trade Payable	Purchase during the year+ Other Expense - expenses for non operating activities	F	39.45	35.94	9.77%	NA
(g)	Net Capital Turnover Ratio (in number of days)	Number of days * Working capital = Current assets - Current liabilities	Revenue from operation including net movement in Regulatory deferral balances	G	33.93	20.24	67.67%	Increase is majorly on account of increase in working capital due to increase in deposits with banks and decrease in current borrowings
(h)	Net Profit Ratio (%)	Net Profit after tax	Revenue from operation including net movement in Regulatory deferral balances	H	1.74%	1.59%	9.69%	NA
(i)	Return on Capital Employed (ROCE) (%)	Profit before tax + interest expense excluding interest on consumer security deposit	Average Capital employed (Total equity + Total Debt + Deferred tax liability)	I	9.38%	9.48%	1.11%	NA
(j)	Return on investment (%)	Interest income + Gain on fair value of current investment at Fair Value through Profit & Loss	Average (Investment + Fixed deposit+ Loans Given)	J	2.77%	2.69%	2.68%	NA

1. Inventory turnover 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 as per balance sheet
- 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 consumer security deposits
- D. Average Shareholder's Funds : Average Issued share capital and Other equity
- E. Average Trade Receivables: Trade Receivables and Unbilled Revenue
- F. Net credit purchases comprise of: (a) Cost of power purchased and transmission charges as per Statement of Profit and Loss (b) Other expenses excluding (i) Bad debts (including provision); (ii) Net loss on foreign exchange; (iii) CSR expenses and (iv) Transfer to contingency reserves
- G. Working Capital: i) Current Assets: as per balance sheet i) Current Liabilities as per balance sheet (excluding current maturities of long term debt)
Revenue from Operation including net movement in Regulatory Deferral Balances: (a) Revenue from Operations as per Statement of profit and Loss; (b) Net movement in Regulatory Deferral Balances (including deferred tax)
- H. Revenue from Operation including net movement in Regulatory Deferral Balances: (a) Revenue from Operations as per Statement of profit and Loss; (b) Net movement in Regulatory Deferral Balances (including deferred tax)
- I. Average Capital Employed: (a) Issued share capital; (b) Other equity; (c) Total Debt; less (d) Deferred Tax Assets; (e) Intangible Assets
- J. Interest Income: Interest on bank deposits and Interest on loans given



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

NOTE 40 Relationship with Struck off Companies

The Company has balance with the below mentioned companies struck off under section 248 of the Companies Act, 2013 (as amended) or section 560 of the Companies Act, 1956:

Sl.no.	Name of struck off company	Nature of transactions with struck off company	Transaction during the year ended March 31,2024	Balance outstanding as at March 31,2024	Transaction during the year ended March 31,2023	Balance outstanding as at March 31,2023	Relationship with the Struck off company
(i)	CONE TECHNOLOGIES PRIVATE LIMITED	Other Expenses	0.00	(0.00)	-	(0.00)	Trade Payable

Note: 0.00 represents amount below the rounding off norm adopted by the Company.

NOTE 41 Business Combinations

41.01 Additional explanations to liability assumed

The Company has been incorporated on December 25,2020 under the Companies Act, 2013 (as amended). Pursuant to vesting order issued by the OERC dated December 28, 2020 ('Vesting Order'), the Company acquired the business of distributing power in Southern Odisha ('business') from SOUTHCO Utility with effect from January 1, 2021 (Vesting Date). Accordingly, the Company is a licensee to carry out the function of distribution and retail supply of electricity covering the distribution circles of Southern state of Odisha for a period of 25 years effective from January 1, 2021.

The OERC has issued the Carved Out order dated November 26, 2021 to specify assets and liabilities transferred to the Company. The Carved Out order so issued by the OERC acknowledges that underlying details are not available for certain assets and liabilities. In accordance with the Carved 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 as per the general ledger is lower by ₹0.61 crore as compared to balance as per consumer ledger .

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

- (i) Sundry Creditors for Expenses - ₹4.02 crore (March 31,2023: ₹4.02 crore) (classified under note 22 as other liabilities in the Balance Sheet);
- (ii) Advance payment/deposit from suppliers/contractors/consumers for capital works - ₹98.85 crore (March 31,2023: ₹98.85 crore) (classified under note 22 as other liabilities in the Balance Sheet);
- (iii) Other liabilities - ₹23.58 crore (March 31,2023: ₹ 23.58 crore) (classified under note 22 as other liabilities in the Balance Sheet) ; and
- (iv) Creditors for Capital Account - ₹18.59 crore (March 31,2023: ₹ 18.59 crore) (classified under note 22 as other liabilities in the Balance Sheet) .

During the previous year the Company has appointed external agency to verify aforesaid liabilities whose details are not available. Basis the outcome ₹ 26.93 crore was transferred from serviceable to unserviceable liabilities.

The Company, with the SOUTHCO Utility management and the help of the OERC, is in the process of reconciling/ 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 the reconciliation / resolution of the above matters and/ or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order. Hence, the Company believes that the reconciliation/ resolution of the above matters will not have any impact on the financial position and financial performance of the Company as reflected in the financial statements.

41.02 Trade Receivables

As per Para 16(g) to Vesting Order dated 28.12.2020, an opening Balance Sheet for TPSODL was supposed to be Carved Out from the Balance Sheet of SOUTHCO Utility as on 31.12.2020 to effect the transfer of the utility to TPSODL. The Carved Out Balance Sheet shall be as per the broad principles laid out in Annexure - 1 to the Vesting Order. As per the said Annexure, full amount of Sundry Debtors / Trade Receivables was supposed to be retained by Southco Utility and no Sundry Debtors/ Trade Receivables to be transferred by Southco Utility to TPSODL in its Opening Balance Sheet. However, OERC passed Carved Out Order on 26th November 2021 and as per the Carved Out Order, Sundry Debtors/ Trade Receivables amounting to Rs 266.63 Cr transferred to TPSODL in its Opening Balance Sheet as on 1st January 2021 (Table 2 to Carved Out Order). Above Opening Sundry Debtors/ Trade Receivables of Rs. 266.63 Cr includes Rs.34.50 Cr pertaining to TPSODL period as such revenue/billing were made against input energy purchased by TPSODL in its period (from 1st Jan 21) and hence forming part of revenue/Debtors/ Trade Receivables in TPSODL books. Further it is pertinent to note that similar treatment of Rs. 34.50 Cr was also given in the Southco Utility books in December 2020 i.e. said revenue of Rs. 34.50 Cr has not been accounted by Southco Utility as revenue/Debtors/ Trade Receivables in its books for the month of December 2020. However, while passing Carved Out Order, Hon'ble Commission has considered the same as Debtors/ Trade Receivables of Southco Utility as on 31st December 2020 and transferred to TPSODL in its Opening Balance Sheet. The Company made a representation to the OERC to recast the Opening Balance Sheet and response is awaited. Therefore, there is a difference of Rs. 34.50 Cr between General Ledger and Consumer Ledger of the Company.

NOTE 42 Segment Reporting

The Company is engaged in the business of distribution of power in Southern Odisha. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and allocation of resources. Accordingly, the Company has a single reportable segment and no segment information has been provided.

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

NOTE 43 Social Security Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent 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 into 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 44 Disclosure regarding details of assets created with Government Fund and used by the SOUTHCO Utility/ TPSODL

As per last details provided by the Odisha Power Transmission Company Limited (OPTCL) vide e-mail dated April 18, 2023, certain assets were created for SOUTHCO 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 ₹1,568.95 crore (March 31, 2023: ₹1,638.53 crore) for completed assets and ₹109.64 crore (March 31, 2023: ₹ 109.64 crore) 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:

TP SOUTHERN ODISHA DISTRIBUTION LIMITED			
Name of Scheme	As at March 31, 2024		Total
	Completed	WIP	
Odisha Distribution System Strengthening Project (ODSSP)*	629.29	103.02	732.31
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	395.08	-	395.08
Integrated Power Development Scheme (IPDS)	241.64	-	241.64
Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)	191.44	-	191.44
Rajiv Gandhi Gramteen Vidyutikaran Yojana (RGGVY)	11.59	-	11.59
Odisha Dedicated Agriculture and Fishery Feeder Project	-	6.62	6.62
Biju Gram Jyoti Yojana (BGJY-OPTCL DTR)	45.71	-	45.71
Integrated Power Development Scheme-II (IPDS-II-Phase-II)	54.20	-	54.20
Total	1,568.95	109.64	1,678.59

*Excluding ₹ 69.58 crore as it is a part of equity contribution by GRIDCO during the year ending March 31, 2024.

TP SOUTHERN ODISHA DISTRIBUTION LIMITED			
Name of Scheme	As at March 31, 2023		Total
	Completed	WIP	
Odisha Distribution System Strengthening Project (ODSSP)*	698.87	103.02	801.89
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	395.08	-	395.08
Integrated Power Development Scheme (IPDS)	241.64	-	241.64
Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)	191.44	-	191.44
Rajiv Gandhi Gramteen Vidyutikaran Yojana (RGGVY)	11.59	-	11.59
Odisha Dedicated Agriculture and Fishery Feeder Project	-	6.62	6.62
Biju Gram Jyoti Yojana (BGJY-OPTCL DTR)	45.71	-	45.71
Integrated Power Development Scheme-II (IPDS-II-Phase-II)	54.20	-	54.20
Total	1,638.53	109.64	1,748.17

*Excluding ₹ 59.29 crore as it is a part of equity contribution by GRIDCO during the year ending March 31, 2023.



NOTE 45 Other Statutory Information

- (i) The Company has not given any loans or advances in the nature of loans are granted to promoters, directors, KMPs and/ or related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
- (ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (iii) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period..
- (iv) The Company is in compliance with the number of layers prescribed under clause (B7) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (v) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year.
- (vii) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) 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.
- (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 accounts.
- (x) The Company does not have any such 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.
- (xi) The Group has five Core Investment Companies (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.

NOTE 46 Audit Trail

The Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares, except that audit trail feature is not enabled at the database level in so far 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 that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

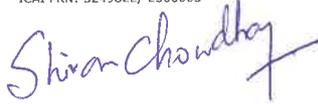
NOTE 48 Standards notified but not yet effective

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

NOTE 49 Approval of Financial Statements

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

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



per **Shivam Chowdhary**
Partner
Membership No. 067077
Place: **Bhubaneswar**



For **A K Sabat & Co.**
Chartered Accountants
ICAI FRN: 321012E



per **B.R. Mohanty**
Partner
Membership No. 057266
Place: **Bhubaneswar**



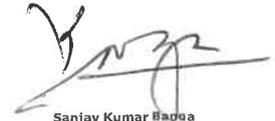
For and on behalf of the Board of
TP Southern Odisha Distribution Limited



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



per **Amit Kumar Gara**
Chief Executive Officer
Place: **Bhubaneswar**



per **Sanjay Kumar Badaa**
Director
DIN: 07785948
Place: **Bhubaneswar**



per **Bijay Kumar Mohanty**
Chief Financial Officer
Place: **Bhubaneswar**



per **Jeevanjyoti Nayak**
Company Secretary
Place: **Bhubaneswar**

Date: April 19, 2024