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A. K. Sabat & Co.
Chartered Accountants
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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 2026, 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, 2026, 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, 2026. These matters were addressed in the context of our audit of the financial statements as



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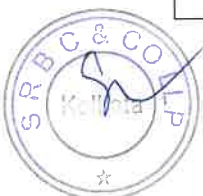
a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of 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 matters	How our audit addressed the key audit matter
(a) <u>Expected credit loss on trade receivables (as described in Note 10 of the financial statements)</u>	
<p>The Company has outstanding gross trade receivables of Rs. 563.67 crore as at March 31, 2026, 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.</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, their most recent payment behaviour as well as the fact that electricity is an essential commodity and regulations</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. • 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



Key audit matters	How our audit addressed the key audit matter
<p>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. 257.76 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>amount due from customers for estimating the amount of ECL allowance.</p> <ul style="list-style-type: none"> • Evaluated management's continuous assessment of the assumptions used in the credit loss provision computation. These considerations include whether there are regular receipts from the customers and the Company's past collection history. • Verified mathematical accuracy of provision computation based on credit loss estimation model used and other factors considered by the management. • Assessed the disclosures in the financial statements. • Obtained necessary management representation.
<p>(b) <u>Accrual of regulatory assets/liabilities for items which are subject matter of true up in tariff/true-up 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



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Key audit matters	How our audit addressed the key audit matter
<p>regulatory asset of Rs. 1,571.87 crore as at March 31, 2026.</p> <p>Accruals are determined based on tariff regulations and past tariff/true-up 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 and tariff/true-up orders.</p> <p>During the current year, in the true-up order for FY 2023-24 and FY 2024-25, the regulator allowed certain claims / expenses on provisional basis which are lower than the claim submitted by the Company under ARR for FY 2023-24 and FY 2024-25. The regulator further decided to verify these additional expenditures through a Special Audit. Consequently, the regulator has decided to issue suitable orders in accordance with the findings of the Special Audit.</p> <p>The Company is taking steps considered appropriate by the management to claim lower allowances 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 tariff</p>	<p>management's explanation with the underlying documentation, rules, and regulations.</p> <ul style="list-style-type: none"> • Assessed management's evaluation for the likely outcome in respect of material disallowances in the true-up order made by the regulator. • Assessed impact, if any, recognized by the Company in respect of tariff/true-up orders received. • Re-calculated workings obtained from the management to check arithmetical accuracy of the calculations. • Assessed disclosures made by the Company in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts." • Obtained necessary management representation.



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Key audit matters	How our audit addressed the key audit matter
regulations and tariff/true-up orders and resulting regulatory deferral account balance, we have determined this to be a key audit matter.	

Other Information

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

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

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

Responsibilities 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,



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whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2026 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:



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- (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 [also refer to paragraph (h) (vi) below];
- (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, specified under section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 and 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, as disclosed in note 45 (vii) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 45 (viii) to the financial statement, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - 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.



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- v. As stated in Note 15.02 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, the Company has used accounting software(s) 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 software 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 accounting software(s). Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 46 to the financial statements.

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: 26067077BVYVTZ4149
Place of Signature: Kolkata
Date: April 22, 2026



Per A. K. Sabat
Partner
Membership Number: 030310
UDIN: 26030310IXUOZV9546
Place of Signature: Bhubaneswar
Date: April 22, 2026



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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, 2026.
- (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) Physical verification of inventory has been conducted at reasonable intervals during the year by management. In our opinion, the coverage and procedure of such verification by the management is appropriate. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.



(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 bank 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 bank 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	8.44
Balancing outstanding as at balance sheet date in respect above cases (post-acquisition of business)	
Employees	5.02

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

- (b) During the year the investments made and 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 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.



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- (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security 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.



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- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service 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.
- (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.



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- (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.
- (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.



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- (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 one CIC which is not required to be registered with the Reserve Bank of India.
- (xvii) The Company has not incurred cash losses in the current 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.
- (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 30.03 to the financial statements.



S R B C & CO LLP
Chartered Accountants
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Kolkata – 700016, India

A. K. Sabat & Co.
Chartered Accountants
A-348, Sahid Nagar,
Bhubaneswar – 751007

- (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 30.03 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: 26067077BVYVTZ4149

Place: Kolkata

Date: April 22, 2026



For **A. K. Sabat & Co.**
Chartered Accountants
ICAI Firm Registration Number: 321012E



per A. K. Sabat

Partner

Membership Number: 030310

UDIN: 26030310IXUOZV9546

Place: Bhubaneswar

Date: April 22, 2026



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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, 2026 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



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included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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



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Chartered Accountants
A-348, Sahid Nagar,
Bhubaneswar – 751007

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



per Shivam Chowdhary
Partner
Membership Number: 067077
UDIN: 26067077BVYVTZ4149
Place: Kolkata
Date: April 22, 2026



For **A. K. Sabat & Co.**
Chartered Accountants
ICAI Firm Registration Number: 321012E



per A. K. Sabat
Partner
Membership Number: 030310
UDIN: 26030310IXUOZV9546
Place: Bhubaneswar
Date: April 22, 2026



BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Notes	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	4	2,582.62	2,052.49
(b) Capital work in progress	5	397.81	351.39
(c) Intangible assets	4	42.18	75.29
(d) Financial assets			
(i) Loans	6	2.48	-
(ii) Other financial assets	6	32.94	82.40
(e) Deferred tax assets (net)	7	123.06	115.45
(f) Non-current tax assets (net)		4.60	5.34
(g) Other non-current assets	8	20.07	20.19
Total non-current assets (A)		3,205.76	2,702.55
(B) Current assets			
(a) Inventories	9	54.50	48.07
(b) Financial assets			
(i) Trade receivables	10	305.91	343.27
(ii) Unbilled revenue		173.23	158.38
(iii) Cash and cash equivalents	11	192.16	244.75
(iv) Bank balances other than (iii) above	11	1,017.85	1,019.67
(v) Loans	12	0.41	-
(vi) Other financial assets	12	60.13	58.92
(c) Other current assets	13	83.63	82.74
Total current assets (B)		1,887.82	1,955.80
(C) Total assets before regulatory deferral account (A+B)		5,093.58	4,658.35
(D) Regulatory deferral account- Assets	33	1,571.87	1,138.01
(E) Total assets (C+D)		6,665.45	5,796.36
EQUITY AND LIABILITIES			
(A) Equity			
(a) Equity share capital	14	791.17	677.94
(b) Other equity	15	384.48	219.46
Total equity (A)		1,175.65	897.40
Liabilities			
(B) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	1,171.20	970.31
(ii) Other financial liabilities	17	262.97	237.41
(b) Provisions	18	657.72	542.80
(c) Other non-current liabilities	19	1,557.16	1,296.79
Total non-current liabilities (B)		3,649.05	3,047.31
(C) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	502.98	527.87
(ii) Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		40.66	35.48
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		180.30	186.38
(iii) Other financial liabilities	22	866.79	851.03
(b) Other current liabilities	23	197.10	191.56
(c) Provisions	18	33.21	43.04
(d) Current tax liabilities (net)	24	19.71	16.29
Total current liabilities (C)		1,840.75	1,851.65
(D) Total liabilities (B+C)		5,489.80	4,898.96
(E) Total equity and liabilities (A+D)		6,665.45	5,796.36

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

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

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

A.K. Sabat
per **A.K. Sabat**
Partner
Membership No. 030310
Place: Bhubaneswar

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

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

Sanjeev Gupta
Sanjeev Gupta
Director
DIN: 09180029
Place: Bhubaneswar

Amit Kumar Garg
Amit Kumar Garg
Chief Executive Officer
PAN: ACKPG3341A
Place: Bhubaneswar

Bijay Kumar Mohanty
Bijay Kumar Mohanty
Chief Financial Officer
PAN: ABKPM8073A
Place: Bhubaneswar



Date: April 22, 2026

Geervanjyoti Nayak
Geervanjyoti Nayak
Company Secretary
ACS 39658
Place: Bhubaneswar

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
CIN : U40109OR2020PLC035195
Kamapalli, Courtpetta, Berhampur, Ganjam, Odisha-760004
Website: www.tpsouthernodisha.com; Email: tpsodi@tpsouthernodisha.com
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Notes	Year ended	Year ended
		March 31, 2026	March 31, 2025
		₹ crore	₹ crore
I. Revenue from operations	25	2,126.13	1,993.99
II. Other income	26	49.78	44.93
III. Total income (I+II)		2,175.91	2,038.92
IV. Expenses			
Cost of power purchased and transmission charges	27	976.24	1,014.28
Employee benefits expense (net)	28	495.09	466.65
Finance costs	29	155.02	132.38
Depreciation and amortisation expenses	4	209.88	164.54
Other expenses	30	534.24	620.02
Total expenses (IV)		2,370.47	2,397.87
V. (Loss) before movement in regulatory deferral balance and tax (III-IV)		(194.56)	(358.95)
VI. Movement in Regulatory deferral balances (net)			
Add: Movement in regulatory deferral balances		418.09	450.59
Add/(Less): Deferred tax recoverable/(payable)		(1.73)	(15.44)
Total Movement in regulatory deferral balances (net)	33	416.36	435.15
VII. Profit before tax (V+VI)		221.80	76.20
VIII. Tax expense			
(1) Current tax	31	60.31	35.09
(2) Current tax in respect of earlier period	31	(1.80)	(2.14)
(3) Deferred tax (credit)/expense	31	(3.54)	(19.10)
(4) Deferred tax (credit)/expense in respect of earlier period	31	1.81	3.66
Total Tax Expenses		56.78	17.51
IX. Profit for the year (VII-VIII)		165.02	58.69
X. Other comprehensive income			
Total other comprehensive income	32	-	-
XI. Total comprehensive Income for the year (IX+X)		165.02	58.69
XII. Earnings/ (loss) per equity share (face value of ₹ 10/- each)			
Earnings/ (loss) per equity share {excluding regulatory income (net)}			
Basic and Diluted (in ₹)		(2.16)	(5.21)
Earnings per equity share {including regulatory income (net)}			
Basic and Diluted (in ₹)		2.43	1.14

The accompanying notes form 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: Kolkata



per **A.K. Sabat**
Partner
Membership No. 030310
Place: Bhubaneswar



Sanjay Kumar Banga
Director
DIN: 07785948
Place: Bhubaneswar



Sanjeev Gupta
Director
DIN: 09180029
Place: Bhubaneswar



Amit Kumar Garg
Chief Executive Officer
PAN: ACKPG3341A
Place: Bhubaneswar



Bijay Kumar Mohanty
Chief Financial Officer
PAN: ABKPM8073A
Place: Bhubaneswar




Jeevanjyoti Nayak
Company Secretary
ACS 39658
Place: Bhubaneswar

Date: April 22, 2026

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
CIN : U40109OR2020PLC035195

Website: www.tpsouthernodisha.com; Email: tpsodl@tpsouthernodisha.com

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

A. Equity Share Capital

Particulars	No. of Shares	Amount (₹ crore)
Balance as at April 1, 2025	67,79,40,000	677.94
Issued during the year	11,32,30,000	113.23
Balance as at March 31, 2026	79,11,70,000	791.17

Particulars	No. of Shares	Amount (₹ crore)
Balance as at April 1, 2024	51,09,40,000	510.94
Issued during the year	16,70,00,000	167.00
Balance as at March 31, 2025	67,79,40,000	677.94

B. Other Equity

Particulars	Retained Earnings	Total
	₹ crore	₹ crore
Balance as at April 1, 2025	219.46	219.46
Profit for the year	165.02	165.02
Other comprehensive income for the year	-	-
Total comprehensive income	165.02	165.02
Balance as at March 31, 2026	384.48	384.48

Particulars	Retained Earnings	Total
	₹ crore	₹ crore
Balance as at April 1, 2024	160.77	160.77
Profit for the year	58.69	58.69
Other comprehensive income for the year	-	-
Total Comprehensive Income	58.69	58.69
Balance as at March 31, 2025	219.46	219.46

The accompanying notes form 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: Kolkata



per **A.K. Sabat**
Partner
Membership No. 030310
Place: Bhubaneswar



Sanjay Kumar Banga
Director
DIN: 07785948
Place: Bhubaneswar



Sanjeev Gupta
Director
DIN: 09180029
Place: Bhubaneswar





Amit Kumar Garg
Chief Executive Officer
PAN: ACKPG3341A
Place: Bhubaneswar



Bijay Kumar Mohanty
Chief Financial Officer
PAN: ABKPM8073A
Place: Bhubaneswar





Jeevanjyoti Nayak
Company Secretary
ACS 39658
Place: Bhubaneswar

Date: April 22, 2026

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

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.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	₹ crore	₹ crore
A. Cash Flow from operating activities		
Profit before tax	221.80	76.20
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expenses	209.88	164.54
Employee Stock Option expenses	1.20	-
Amortisation of Consumer Contribution & Grant for capital work	(40.44)	(24.78)
Interest on consumer security deposits	20.45	22.30
Other finance costs	134.57	110.08
Interest income on term deposits	(31.48)	(26.99)
Income from delayed payment charges	(11.21)	(10.25)
Loss on Sale/ discard of Fixed Assets	3.33	11.57
Inventory written off	2.33	-
Allowances for doubtful receivables	20.81	114.74
Operating profit before working capital changes	531.24	437.41
Adjustments for (increase)/decrease in operating assets:		
Inventories	(6.43)	5.81
Trade receivables	16.55	25.31
Other financial assets - current	(2.01)	(16.07)
Other financial assets - non current	(1.64)	(2.44)
Unbilled revenue	(14.86)	(2.87)
Loans	(2.89)	-
Other current assets	(0.90)	(72.98)
Regulatory deferral account - Assets	(416.36)	(435.15)
Movement in operating assets	(428.54)	(498.39)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(0.89)	23.43
Other financial liabilities - current	5.10	33.31
Other financial liabilities - non current	36.34	2.32
Other current liabilities	5.54	35.37
Other non-current liabilities	(80.52)	(18.34)
Provisions - current	(9.83)	9.62
Provisions - non current	91.53	52.44
Movement in operating liabilities	47.27	138.15
Cash Flow generated from operations	149.97	77.17
Income tax paid (Net of refund received)	(54.36)	(18.80)
Net cash flow generated from operating activities*	95.61	58.37
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.68	0.17
Capital expenditure on property, plant and equipment and intangible assets (Including capital work in progress, capital advances and net of capital creditors)	(611.27)	(460.85)
Delayed payment charges received	11.21	10.25
Interest income on fixed deposits	32.28	28.24
Deposits made with banks not considered as cash and cash equivalents	(3,065.74)	(2,979.44)
Deposits matured with banks not considered as cash and cash equivalents	3,118.66	2,987.72
Net cash flow used in investing activities	(514.18)	(413.91)
C. Cash flow from financing activities		
Proceeds from issuance of equity shares	57.75	85.17
Finance costs paid	(134.23)	(109.46)
Proceeds from Government Grant	194.98	57.82
Proceeds from Consumer contribution	65.08	-
Proceeds /Adjustment / (Refund) of Security deposit from electricity consumers (net)	28.42	30.84
Interest paid on Security Deposit from Consumer	(22.01)	(21.67)
Proceeds from short-term borrowings	3,414.01	3,700.96
Repayments of short-term borrowings	(3,450.09)	(3,788.74)
Proceeds from long-term borrowing	377.10	541.79
Repayment of long-term borrowings	(165.03)	(37.19)
Net cash flow generated from financing activities	365.98	459.52
D. Net Increase/ (decrease) in cash and cash equivalents	(52.59)	103.98
E. Cash and cash equivalents at the beginning of the year	244.75	140.77
F. Cash and cash equivalents at the end of the year	192.16	244.75
G. Non-cash financing and investing activities		
Issue of right shares for consideration other than cash	55.48	81.83

* Net cash flow from operating activities includes an amount of ₹2.68 crore (March 31, 2025: ₹ 2.05 crore) towards Corporate social responsibility.

Cash and cash equivalents include:	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Balances with banks - in current accounts	85.93	200.58
(b) Cheques on hand	3.97	3.30
(c) Cash on hand	9.53	9.13
(d) Deposit having original maturity of less than 3 months	92.73	31.74
Total cash and cash equivalents	192.16	244.75

The accompanying notes form an integral part of the financial statements

As per our report of even date

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


per **Shivam Chowdhary**

Partner
Membership No. 067077
Place: **Kolkata**

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


per **A.K. Sabat**

Partner
Membership No. 030310
Place: **Bhubaneswar**

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


per **Sanjay Kumar Banga**

Director
DIN: 07785948
Place: **Bhubaneswar**


per **Sanjeev Gupta**

Director
DIN: 09180029
Place: **Bhubaneswar**


per **Amit Kumar Garg**
Chief Executive Officer
PAN: ACKPG3311A
Place: **Bhubaneswar**


per **Bijay Kumar Mohanty**
Chief Financial Officer
PAN: ABKPM8073A
Place: **Bhubaneswar**


per **Jeevanjyoti Nayak**
Company Secretary
ACS 39658
Place: **Bhubaneswar**



Date: April 22, 2026

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

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) including the relevant provisions of the Electricity Act, 2003 and rules made there under. The Company also applies requirement of Division II to Schedule III of the Companies Act 2013, while presenting financial statements.

2.02 Basis of preparation and presentation

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

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- 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 segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

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

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.



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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.

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.

Non-cash equity contributions represent assets or other economic resources contributed to the Company by its shareholder(s) without consideration in cash, in exchange for equity instruments or as a capital contribution.

Such non-cash equity contributions are recognized at fair value on the date of contribution, in accordance with Ind AS 16 Property, Plant and Equipment other relevant Ind AS standards, depending on the nature of the asset received.



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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.

3.05.5 Reclassification of financial assets & liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

3.05.6 Offsetting of financial instruments

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

3.06 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

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.



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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 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)
- 6 Estimation of unbilled revenue (refer note 25)

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 Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments do not have a material impact on the Company's financial statements.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the Company's financial statements.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.



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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%	6.33%
Computers	9.00%	15.00%
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 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)
Software's	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	Buildings	Plant and equipment including transmission lines and cable network	Motor vehicles	Furniture and Fixtures	Office Equipments	Computer	Meter	Total
Cost								
Balance as at April 1, 2025	239.42	1,743.04	6.86	14.43	6.62	107.21	234.99	2352.57
Additions	55.58	509.49	1.27	1.68	2.32	10.68	119.03	700.05
Disposals/Adjustment	-	(5.68)	(1.07)	(0.12)	(0.04)	(0.03)	(0.40)	(7.34)
Balance as at March 31, 2026	295.00	2,246.85	7.06	15.99	8.90	117.86	353.62	3,045.28
Accumulated depreciation and impairment								
Balance as at April 1, 2025	10.97	194.32	1.18	2.21	1.04	33.77	56.59	300.08
Depreciation expense	8.46	91.23	0.68	0.96	0.52	16.32	47.73	165.90
Disposals/Adjustment	-	(2.83)	(0.20)	(0.04)	(0.03)	(0.02)	(0.20)	(3.32)
Balance as at March 31, 2026	19.43	282.72	1.66	3.13	1.53	50.07	104.12	462.66
Net carrying amount								
Balance as at March 31, 2026	275.57	1,964.13	5.40	12.86	7.37	67.79	249.50	2,582.62

Description	Buildings	Plant and equipment including transmission lines and cable network	Motor vehicles	Furniture and Fixtures	Office Equipments	Computer	Meter	Total
Cost								
Balance as at April 01, 2024	154.99	1,286.48	4.52	12.43	4.82	92.59	123.60	1,679.43
Additions	84.43	472.05	2.57	2.00	1.93	14.66	111.39	689.03
Disposals/Adjustment	-	(15.49)	(0.23)	(0.00)	(0.13)	(0.04)	-	(15.89)
Balance as at March 31, 2025	239.42	1,743.04	6.86	14.43	6.62	107.21	234.99	2,352.57
Accumulated depreciation and impairment								
Balance as at April 01, 2024	5.20	131.69	0.65	1.37	0.69	19.46	24.02	183.08
Depreciation expense	5.77	66.71	0.57	0.84	0.41	14.32	32.57	121.19
Disposals/Adjustment	-	(4.08)	(0.04)	(0.00)	(0.03)	(0.01)	-	(4.19)
Balance as at March 31, 2025	10.97	194.32	1.18	2.21	1.04	33.77	56.59	300.08
Net carrying amount								
Balance as at March 31, 2025	228.45	1,548.72	5.68	12.22	5.58	73.44	178.40	2,052.49

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

b. Intangible assets

Description	₹ crore	
	Cost	Software
As at April 01, 2025	153.43	
Additions	10.87	
Disposals	-	
Balance as at March 31, 2026	164.30	
Accumulated amortisation and impairment		
As at April 01, 2025	78.14	
Amortisation expense	43.98	
Disposals	-	
Balance as at March 31, 2026	122.12	
Net carrying amount		
Balance as at March 31, 2026	42.18	



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Description	₹ crore
Cost	
Balance as at April 01, 2024	141.12
Additions	12.31
Disposals	-
Balance as at March 31, 2025	153.43
Accumulated amortisation and impairment	
Balance as at April 01, 2024	34.79
Amortisation expense	43.35
Disposals	-
Balance as at March 31, 2025	78.14
Net carrying amount	
Balance as at March 31, 2025	75.29

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

4.03 Additional information regarding assets acquired from SouthCo as on March 31, 2026

Description	As on January 01, 2021				Net Value as on March 31, 2025
	Gross Value		Accumulated Depreciation	Net Carrying amount	
	A	B	C = A-B	D	
Building	5.98	2.43	3.55	-	3.12
Furniture & Fixtures	2.19	1.81	0.38	0.00	0.25
Office Equipment	5.47	4.85	0.62	0.07	0.29
Plant and equipment*	984.96	344.68	640.28	12.80	499.21
Vehicle	1.28	1.28	-	-	-
Grand Total	999.88	355.05	644.83	12.87	502.87

Description	(From April 01, 2025 to March 31, 2026)		Net Block as on March 31, 2026
	Deprecialization (Net Value)	Depreciation during the year	
Building	-	H	I=F-G-H
Furniture & Fixtures	0.05	0.10	3.02
Office Equipment	0.02	0.03	0.17
Plant and equipment*	2.43	0.03	0.24
Vehicle	-	27.05	469.73
Grand Total	2.50	27.21	473.16

* Plant and equipment including transmission lines, cable network and Meters

4.04 Depreciation and amortisation charged to Statement of Profit & Loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on Property, plant and equipment	165.90	121.19
Amortisation of intangible assets	43.98	43.35
Total	209.88	164.54



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4.05 The Company does not own any land in its name. As per terms of the Vesting Order, lands have 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.

4.06 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, 2026.

4.07 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.

4.08 Refer note 16 & 20 for charge created against borrowing

4.09 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 ₹ 133.35 crore (March 31, 2025: ₹ 67.31 crore) and recognised the corresponding liability under the head consumer contribution. Depreciation on PPE as well as amortisation of ₹ 6.42 crore (March 31, 2025: ₹ 2.29 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.

4.10 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	Amount
Balance as at April 1, 2025	351.39
Additions	575.17
Capitalised	(528.75)
Balance as at March 31, 2026	397.81
Balance as at April 01, 2024	379.97
Additions	590.93
Capitalised	(619.51)
Balance as at March 31, 2025	351.39

*Project in progress includes setting up substations, installation of transformers, cable networks at various locations in southern part of Odisha. CWIP includes closing capital inventory of ₹ 193.17 crore as at March 31, 2026 (March 31, 2025 : ₹ 194.77 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, 2026					
Projects in progress	147.90	23.17	15.84	6.26	193.17
Capex-Government Funded	50.65	52.91	39.44	-	143.00
Capex-Consumer Funded	21.10	6.02	6.41	0.27	33.80
Capex-Meter	6.03	0.08	-	-	6.11
Capex-Own	14.94	3.98	2.81	-	21.73
Total	240.62	86.16	64.50	6.53	397.81
CWIP ageing Schedule as at March 31, 2025					
Projects in progress	138.24	36.57	11.19	8.77	194.77
Capex-Government Funded	63.79	42.06	0.38	0.14	106.37
Capex-Consumer Funded	9.45	7.35	0.31	-	17.11
Capex-Meter	5.50	-	-	-	5.50
Capex-Own	24.19	3.18	0.27	-	27.64
Total	241.17	89.16	12.15	8.91	351.39

* 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, 2026

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	39.44	-	-	-
Capex-Own	3.98	2.81	-	-
Projects temporarily suspended				
Total	43.42	2.81	-	-

CWIP Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2025

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	0.38	-	-	-
Capex-Own	3.18	0.27	-	-
Projects temporarily suspended				
Total	3.56	0.27	-	-



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	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
NOTE 6 Financial assets		
Loans - At Amortised Cost (Unsecured unless otherwise stated)		
6.01 Loans to Employees (Considered Good)	2.48	-
Total loan	2.48	
6.02 Other financial assets - non current (Unsecured and considered good, at amortised cost)		
(a) Deposits with banks*	14.98	66.08
(b) Other receivable # (Refer Note 41)	17.96	16.32
Total other financial assets - non current	32.94	82.40

*Includes earmarked balances against consumer security deposits amounting to ₹11.40 crore as on March 31, 2026 (March 31, 2025: ₹65.58 crore)
Other receivable includes deposits with various authorities

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
NOTE 7 Deferred tax assets (net)		
Deferred tax asset (net) (Refer Note 31.02)	123.06	115.45
Total deferred tax asset	123.06	115.45

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
NOTE 8 Other non-current assets (Unsecured and considered good)		
Capital advances	20.07	20.19
Total Other non-current assets	20.07	20.19

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.

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
Stores and spares	54.50	48.07
Total inventories	54.50	48.07

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
9.02 Refer note 16 & 20 for charge created against borrowings		
NOTE 10 Trade receivables-current (at amortised cost)		
Unsecured, considered good	247.06	257.19
Significant increase in the credit risk	316.61	323.03
563.67	580.22	
Less: Allowance for doubtful receivables (expected credit loss)	(257.76)	(236.95)
Total trade receivables	305.91	343.27

- 10.01** The Company holds security deposits from consumers amounting to ₹ 425.53 crore (March 31, 2025: ₹ 397.10 crore)
10.02 Refer note 16 & 20 for charge created against borrowings. Refer note 37 for related party disclosure
10.03 Trade receivables include amount of ₹ 316.61 crore (March 31, 2025: ₹ 323.03 crore) from consumers who were non-government/ non-paying/ low paying as at March 31, 2026 and March 31, 2025

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 (MBC) agencies for reasons beyond control of the Company. The Company successfully dealt with these challenges. It is continuously working towards reducing provisional billing and improving overall collection efficiency by changing payment behaviour of consumers. As at 31 March 2026, the Company has outstanding receivables amounting to ₹ 563.67 crore and has accumulated ECL allowance of ₹ 257.76 crore 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, 2026 ₹ crore

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	2.36	69.39	10.96	8.93	0.04	155.38	247.06
b) Significant increase in credit risk	-	21.23	19.72	51.35	57.84	159.25	309.39
(ii) Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) Significant increase in credit risk	-	-	0.40	0.89	5.93	-	7.22
Total	2.36	90.62	31.08	61.17	63.81	314.63	563.67

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

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	7.97	104.31	11.13	0.85	2.17	123.94	250.37
b) Significant increase in credit risk	-	28.92	28.81	76.05	98.88	90.37	323.03
(ii) Disputed trade receivables							
a) Considered good	-	-	-	-	-	-	-
b) Significant increase in credit risk	-	-	0.89	5.93	-	-	6.82
Total	7.97	133.23	40.83	82.83	101.05	214.31	580.22

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Balance at the beginning of the year	236.95	122.21
Add: Expected credit loss for the year (Refer note 30)	20.81	114.74
Balance at the end of the year	257.76	236.95

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.

11.02 Cash and cash equivalents (At amortised cost)

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Balances with banks - on current accounts	85.93	200.58
(b) Deposit having original maturity of less than 3 months *	92.73	31.74
(c) Cheques on hand	3.97	3.30
(d) Cash on hand	9.53	9.13
Total cash and cash equivalents	192.16	244.75

* Includes earmarked balances against consumer security deposits amounting to ₹ NIL as on March 31, 2026 (March 31, 2025: ₹ 3.00 crore)

11.03 Other balances with banks (At amortised cost)

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Deposits with banks - Earmarked balances*	565.12	605.22
(b) Balances with banks - Earmarked balances*	17.34	68.47
(c) Deposits with banks#	435.39	345.98
Total other balances with banks	1,017.85	1,019.67

* Earmarked balances against Government Grant.

includes earmarked balances against consumer security deposits amounting to ₹ 417.58 crore as on March 31, 2026 (March 31, 2025: ₹ 326.60 crore)

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 fulfil 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, 2025	Cash Inflows	Cash Outflows	Non-cash Adjustments*	As at March 31, 2026
		Net Proceeds	Payment		
Share Capital	677.94	57.75	-	55.48	791.17
Security deposit from electricity consumers (net)	397.11	28.42	-	-	425.53
Non Current borrowings (including current maturities)	1,037.48	377.10	(165.03)	-	1,249.55
Short-term borrowings borrowings	460.70	3,414.01	(3,450.09)	-	424.62

Particular	As at April 1, 2024	Cash Inflows	Cash Outflows	Non-cash Adjustments*	As at March 31, 2025
		Net Proceeds	Payment		
Share Capital	510.94	85.17	-	81.83	677.94
Proceeds of Security deposit from electricity consumers (net)	365.27	30.84	-	-	397.11
Non Current borrowings (including current maturities)	532.88	541.79	(37.19)	-	1,037.48
Current borrowings	548.48	3,700.96	(3,788.74)	-	460.70

*Includes non-cash transactions like issue of right shares for consideration other than cash etc.

Note 12 Financial Assets

Loans - At Amortised Cost (Unsecured unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
12.01 Loans to Employees (Considered Good)	0.41	-
Total Loans	0.41	-

12.02 Other financial assets

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

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Interest accrued but not due on deposits	9.77	10.57
(b) Government grant receivable	27.13	27.13
(c) Other receivables* (Refer note no. 37 and note 41)	23.23	21.22
Total other financial assets	60.13	58.92

* Including advance given to employee and recoverable from BA Agents etc.

NOTE 13 Other current assets

(Unsecured and considered good)

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Prepaid expenses	0.22	4.53
(b) Advance to supplier	1.84	2.73
(c) Balance with Government Authorities	78.01	72.62
(d) Other assets (including advance for expenses etc. refer note no. 37 and note 41)	3.56	2.86
Total other current assets	83.63	82.74



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NOTE 14 Share Capital Authorised Equity Shares of ₹ 10/- each with voting rights	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the year	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
Add: Increase during the year	-	-	-	-
Outstanding at the end of the year	<u>1,00,00,00,000</u>	<u>1,000.00</u>	<u>1,00,00,00,000</u>	<u>1,000.00</u>
Issued, subscribed and paid up				
Equity shares of ₹ 10/- each fully paid up with voting rights	79,11,70,000	791.17	67,79,40,000	677.94
Total issued, subscribed and paid-up share capital	<u>79,11,70,000</u>	<u>791.17</u>	<u>67,79,40,000</u>	<u>677.94</u>

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

Equity shares	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	₹ crore	No. of Shares	₹ crore
At the beginning of the year	67,79,40,000	677.94	51,09,40,000	510.94
Issued during the year	11,32,30,000	113.23	16,70,00,000	167.00
Outstanding at the end of the year	<u>79,11,70,000</u>	<u>791.17</u>	<u>67,79,40,000</u>	<u>677.94</u>

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 :

Equity shares of ₹ 10 each fully paid Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
The Tata Power Company Ltd (the Holding company)	40,34,96,700	51.00	34,57,49,400	51.00
GRIDCO Limited	38,76,73,300	49.00	33,21,90,600	49.00
Total	<u>79,11,70,000</u>	<u>100.00</u>	<u>67,79,40,000</u>	<u>100.00</u>

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

The Company allotted 28,96,73,300 equity shares (including 5,54,82,700 equity shares allotted during the year) till March 31, 2026 (March 31, 2025 : 23,41,90,600 (including 8,18,30,000 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, 2026 is as follows:

Promoter	No. of Shares	Change	No. of Shares	% of	% Change
	As at April 1, 2025	During the year	As at March 31, 2026	Total Shares	During the year
A. The Tata Power Company Ltd	34,57,49,400	5,77,47,300	40,34,96,700	51.00%	0.00%
B. GRIDCO Ltd	33,21,90,600	5,54,82,700	38,76,73,300	49.00%	0.00%
Total	<u>67,79,40,000</u>	<u>11,32,30,000</u>	<u>79,11,70,000</u>	<u>100%</u>	<u>-</u>

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Promoter	No of Shares	Change	No of Shares	% of	% Change
	As at April 1, 2024	During the year	As at March 31, 2025	Total Shares	During the year
A. The Tata Power Company Ltd	26,05,79,400	8,51,70,000	34,57,49,400	51.00%	0.00%
B. GRIDCO Ltd	25,03,60,600	8,18,30,000	33,21,90,600	49.00%	0.00%
Total	<u>51,09,40,000</u>	<u>16,70,00,000</u>	<u>67,79,40,000</u>	<u>100%</u>	<u>-</u>

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
	219.46	160.77
	165.02	58.69
	-	-
Total retained earnings	<u>384.48</u>	<u>219.46</u>

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.

15.02 Dividend:

The Board of Directors at its meeting held on April 22, 2026 proposed a dividend of ₹ 1 per equity share subject to the approval of the shareholders in the upcoming annual general meeting and accordingly the same has not been included as a liability in the Financial Statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 79.12 crore



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	As at	
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
NOTE 16 Non-current borrowings (at amortised cost)		
16.01 Secured		
(A) Term Loans from Banks		
(a) Union Bank of India	336.92	462.62
(b) Bank of Baroda	228.00	-
(c) IDBI Bank Limited	164.29	178.57
(d) Canara Bank	333.50	286.41
(e) State Bank of India	186.84	109.88
	1,249.55	1,037.48
Less: Current maturities of long-term borrowings	(78.35)	(67.17)
Total non-current borrowings	1,171.20	970.31

- 16.02** The Company has not defaulted on any loans payable. The Company has utilized the loan for the sanctioned purpose.
- 16.03** Term Loan from Union Bank of India (Sanction Amount - ₹ 150 crore) are repayable over 56 equal quarterly instalments and repayment has start from March, 2023.
Term Loan from Union Bank of India (Sanction Amount - ₹ 200 crore) are repayable over 56 equal quarterly instalments and repayment has start from March, 2025.
Term Loan from Union Bank of India (Sanction Amount - ₹ 42.50 crore) are repayable over 20 equal quarterly instalments and the company have prepaid the entire outstanding loan balance with the bank.
Term Loan from Union Bank of India (Sanction Amount - ₹ 41.93 crore) are repayable over 56 equal quarterly instalments and repayment has start from August, 2024.
Term Loan from Union Bank of India (Sanction Amount - ₹ 75 crore) are repayable over 28 equal quarterly instalments and the company have prepaid the entire outstanding loan balance with the bank.
Term Loan from Union Bank of India for EV (Sanction Amount - ₹ 2.68 crore) are repayable over 100 equal monthly instalments and repayment has started from 30.11.2025.
Term Loan from Union Bank of India for EV (Sanction Amount - ₹ 2.25 crore) are repayable over 100 equal monthly instalments and repayment has started from 30.04.2026.
Term Loan from Bank of Baroda (Sanction Amount - ₹ 326.48 crore) are repayable over 52 equal quarterly instalments and repayment has start from 30th September 2027.
Term Loans from IDBI Bank (Sanction Amount - ₹ 200 crore) are repayable over 56 equal quarterly instalments and repayment has started from December ,2023.
Term Loan from Canara (Sanction Amount - ₹ 200 crore) are repayable over 52 equal quarterly instalments and repayment will start from August, 2026.
Term Loan from Canara (Sanction Amount - ₹ 158.90 crore) are repayable over 28 equal quarterly instalments. During the year, the company has repaid ₹ 22 crore resulting into tenure of loan by reducing 28 equal quarterly instalments to 22 quarterly instalments of ₹ 5.98 Cr each and balance will be paid in 23rd Instalment and the repayment will start from May, 2026.
Term Loan from State Bank of India (Sanction Amount - ₹ 261 crore) are repayable over 52 equal quarterly instalments and repayment will start from May, 2027.
- 16.04** The rate of interest for term loans is in the range of 7.40% to 8.48% (March 31, 2025: 8.25% to 8.84%).
- 16.05** Term Loan from Bank of Baroda (Sanctioned Limit of ₹ 326.48 crore) is secured against, first Pari - passu Charge on the entire movable assets of the company, both present & future, including the assets created/ to be created out of our Bank finance under the Capex project excluding assets not funded through OERC approved Capex, assets created out of government grant and assets transferred from SOUTHCO vide vesting order of OERC. Second Pari passu Charge on the entire current assets of the company, both present and future excluding regulatory deposits & as per the conditions stipulated in the vesting order, (Regulatory deposits includes customer security deposits and Govt, deposits received in the form of grant, subsidy, relief fund etc.)
- 16.06** Term Loan from IDBI (Sanction Amount of ₹ 200 crore) is secured against first pari-passu charge on entire movable fixed assets of the company, both present and future, excluding assets transferred to the company from SOUTHCO vide vesting order of OERC & as per the conditions stipulated in vesting order. Second pari-passu charge on all the current assets, (Other than restricted as per vesting order which includes consumer security deposit and government deposits received in the form of grant, subsidy, relief fund, etc.) both present and future with other term lenders of the Company.
- 16.07** Term Loan from Union Bank of India (Sanctioned Limit of ₹ 200 crore and ₹ 41.93 crore) is secured against first Pari-Passu charge on the entire movable fixed assets of the company including movable equipment, plant and machinery, machinery spares, tools and accessories, furniture, fixtures, and all other movable fixed assets, both present and future, including on the assets created/to be created out of our bank finance under the capex work excluding assets transferred to the company from SOUTHCO and assets under metering infrastructure having exclusive charge to term lenders along with other lenders of the company under Multiple Banking Arrangement ("MBA").
Second Pari-Passu charge on the entire current assets of the company, both present and future, excluding regulatory deposits, which includes customer security deposits and Govt. deposits received in form of grant, subsidy, relief fund, etc. & as per the conditions stipulated in vesting order of OERC for SOUTHCO, along with other lenders of the company under MBA.
- 16.08** Term Loan from Union Bank of India (Sanctioned Limit of ₹ 150 crore) is secured against 1st charge on the entire movable and immovable fixed assets, both present and future, excluding assets transferred from SouthCo vide vesting orders of OERC.
- 16.09** Term Loan from Canara Bank (Sanctioned Limit of ₹ 200 crore) is secured against first Pari-Passu charge (with other TL Lenders) over entire movable & immovable fixed assets of the company, both present and future, excluding assets transferred to the company from SouthCo vide vesting order of OERC & as per the conditions stipulated in vesting order.
Second Pari-Passu charge (with other TL Lenders) over entire current assets of the company, both present and future, excluding regulatory deposits & as per the conditions stipulated in vesting order. "Regulatory deposits" includes consumer security deposits and government deposits received in the form of grant, subsidy, relief fund, etc.
- 16.10** Term Loan from State Bank of India (Sanctioned Limit of ₹ 261 crore) is secured against first Pari-Passu charge on the entire movable fixed assets of the company, both present and future, excluding smart meters and assets transferred to the company from Southco Utility vide vesting order with other term lenders
Second Pari-Passu charge on all current assets (other than restricted as per the vesting order which includes consumer security deposit and government deposits received in the form of grant, subsidy, relief fund, etc.) both present and future with other term lenders of the company.
- 16.11** Meter capex Term Loan from Union Bank of India (Sanction Amount ₹ 42.50 crore and ₹ 75 crore) has been prepaid fully and its charge also satisfied in MCA and Canara Bank (Sanction Amount ₹ 158.90 crore) is Secured against exclusive charge on the Smart Meters, Meters, Meter boxes, seals and other accessories of the company, including on all the assets created/to be created out of our bank finance under the Capex for Metering Infrastructure.
Second pari-passu charge with other term lenders on entire current assets of the company, both present and future, excluding regulatory deposits & as per the conditions stipulated in vesting order. "Regulatory deposits" includes consumer security deposits and government deposits received in the form of grant, subsidy, relief fund, etc.
- 16.12** Term Loan from Union Bank of India towards EV (Total Sanctioned Amount - ₹ 4.93 crore) is secured against Fixed Deposits.

	As at	
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
NOTE 17 Other financial liabilities - non current (at amortised cost)		
(a) Retention money payable	261.16	234.98
(b) Security deposits/ Earnest money deposit from supplier	1.02	1.55
(c) Employee Stock Option Plan (ESOP) Payable	0.79	0.88
Total other financial liabilities - non current	262.97	237.41



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.

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

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 ₹ 15.72 crore (March 31, 2025 is ₹ 16.02 crore) as contribution towards the defined contribution plan in the Statement of Profit or Loss.



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.

Refer note 18.04 for further details.

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, 2026 ₹ crore	As at March 31, 2025 ₹ crore
Provision -Non Current		
Provision for Employee Benefits		
(a) Compensated absences	86.18	69.05
(b) Defined benefit plans	561.06	466.88
(c) Other employee benefits	10.48	6.87
Total non-current provision	657.72	542.80
	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
Provision -Current		
Provision for Employee Benefits:-		
(a) Compensated absences	5.10	4.02
(b) Defined benefit plans	12.74	23.65
(c) Other employee benefits	0.30	0.30
Total current provision for employee benefit-(A)	18.14	27.97
Other Provisions		
Provision for claim and compensation -(B)*	15.07	15.07
Total current provisions - (A+B)	33.21	43.04

***Provision for claim and compensation movement:-**

Particular	Amount ₹ crore
As at April 01, 2024	15.07
Additions	1.82
Utilized	(1.82)
As at March 31, 2025	15.07
Additions	1.27
Utilized	(1.27)
As at March 31, 2026	15.07



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 obligations 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:
March 31, 2026

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Total Liabilities of all Employees	1,554.07	110.05	116.71
Total liabilities in respect of Obligation not transferred to Company			
Total liability of past employees	955.24	-	-
Acquisition date Liabilities of past Employees	131.75	26.60	57.87
Total	1,086.99	26.60	57.87

March 31, 2025

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Total Liabilities of all Employees	1,478.41	89.97	105.35
Total liabilities in respect of Obligation not transferred to Company			
Total liability of past employees	921.70	-	-
Acquisition date Liabilities of past Employees	145.14	28.72	50.54
Total	1,066.84	28.72	50.54

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

March 31, 2026

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Amount paid/ payable toward liability of past employees	105.19	1.97	2.56
Amount paid/payable toward acquisition date liabilities of existing employees	5.16	4.51	2.04
Total	110.35	6.48	4.60

March 31, 2025

₹ crore			
Particulars	Pension	Gratuity	Compensated absences
Amount paid/ payable toward liability of past employees	102.42	1.50	-
Amount paid/payable toward acquisition date liabilities of existing employees	3.16	3.61	-
Total	105.58	5.11	-

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

Interest risk

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

Longevity risk

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

Salary Escalation risk

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



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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 2026. The valuation has been carried out using the "Project Unit Credit Method" as per Ind AS 19 "Employee Benefits" to determine the present value of defined benefit obligations and related current service cost.

a. Present Value of obligations

₹ crore

Particulars	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
a. Present Value of obligations as at April 1, 2024 as per Actuarial Valuation (including obligation not transferred to the Company) (Refer note 18.04)	10.61	4.68	86.05	442.05
b. Interest Cost	0.72	0.30	5.89	30.42
c. Current Service Cost	2.04	1.04	3.10	8.60
d. Past Service Cost	-	-	-	-
e. Acquisition (Credit)/Cost	4.34	-	-	-
f. Actuarial loss / (gain) - Demographic	-	-	-	-
g. Actuarial loss / (gain) - Financial	0.46	0.23	3.23	23.03
h. Actuarial loss / (gain) - Experience	0.07	0.57	3.08	76.56
i. Adjustments related to prior period	-	-	-	-
j. Benefits Paid	(0.70)	(0.88)	(4.82)	(14.91)
k. Present value of obligation as at March 31, 2025 (including obligation not transferred to the Company) (Refer note 18.04)	17.54	5.94	96.53	565.75
l. Interest Cost	1.19	0.36	6.33	37.28
m. Current Service Cost	2.56	1.04	2.92	9.72
n. Past Service Cost (refer note 43)	0.27	-	11.93	-
o. Acquisition (Credit)/Cost	0.12	-	-	-
p. Actuarial loss / (gain)-Demographic	-	-	-	-
q. Actuarial loss / (gain)-Financial	0.20	0.12	4.58	8.78
r. Actuarial loss / (gain)-Experience	1.71	1.26	1.27	6.56
s. Adjustments related to prior period	-	-	-	-
t. Benefits Paid	(1.79)	(1.22)	(6.95)	(18.53)
u. Present value of obligation at March 31, 2026 (including obligation not transferred to the Company) (Refer note 18.04)	21.80	7.50	116.61	609.56

b. 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, 2024 (including plan assets not transferred to the Company) (Refer note 18.04)	-	1.06	6.66	8.87
b. Acquisition (Credit)/Cost	-	-	-	-
c. Estimated return on plan asset	-	(0.26)	(0.88)	(0.06)
d. Employer contribution	-	0.97	6.01	14.54
e. Benefits Paid	-	(0.87)	(5.71)	(14.91)
f. Interest Income	-	0.08	0.48	0.61
g. Others	-	-	-	-
h. Fair value of plan asset as at March 31, 2025 (including plan assets not transferred to the Company) (Refer note 18.04)	-	0.98	6.56	9.05
i. Acquisition (Credit)/Cost	-	-	-	-
j. Estimated return on plan asset	-	0.03	0.05	0.05
k. Employer contribution	-	1.11	6.62	18.53
l. Benefits Paid	-	(1.20)	(6.95)	(18.53)
m. Interest Income	-	0.06	0.43	0.61
n. Others	-	-	-	-
o. Fair value of plan asset at March 31, 2026 (including plan assets not transferred to the Company) (Refer note 18.04)	-	0.98	6.71	9.71



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c. Amount to be recognised in the balance sheet

Particulars	₹ crore			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at March 31, 2025 as per Actuarial Valuation (including obligation not transferred to the Company)	17.54	5.94	96.53	565.75
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	0.98	6.56	9.05
3. Net liability (before reducing liability not transferred to Company)	17.54	4.96	89.97	556.70
4. Liability not transferred to the Company as per vesting order	-	(0.33)	28.72	145.14
5. Net Liability recognised in balance sheet as at March 31, 2025	17.54	5.29	61.25	411.56
1. Present Value of obligations as at March 31, 2026 as per Actuarial Valuation (including obligation not transferred to the Company)	21.80	7.50	116.61	609.56
2. Fair value of Assets at the end of the period (including plan assets not transferred to the Company)	-	0.98	6.71	9.71
3. Net liability (before reducing liability not transferred to Company)	21.80	6.52	109.90	599.85
4. Liability not transferred to the Company as per vesting order	-	(0.33)	26.60	131.75
5. Net Liability recognised in balance sheet as at March 31, 2026	21.80	6.85	83.30	468.10

d. Expenses Recognised in the Statement of Profit & Loss

Particulars	₹ crore			
	For the year ended March 31, 2026			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	2.56	1.04	2.92	9.72
2. Past Service Cost (refer note 43)	0.27	-	11.93	-
3. Net Interest Cost	1.19	0.28	5.90	36.67
4. Others	-	0.94	-	-
5. Payment directly charged to P/L	-	-	1.97	105.19
Expenses recognised in statement of Profit & Loss	4.02	2.26	22.72	151.58

Particulars	₹ crore			
	For the year ended March 31, 2025			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	2.04	1.04	3.10	8.60
2. Past Service Cost	-	-	-	-
3. Interest Cost	0.72	0.22	5.41	29.82
4. Others	-	0.93	-	-
5. Payment directly charged to P/L	-	-	1.50	101.86
Expenses recognised in statement of Profit & Loss	2.76	2.19	10.01	140.28

e. Amount recognised in other comprehensive income (remeasurements)

Particulars	₹ crore			
	For the year ended March 31, 2026			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	0.20	0.12	4.58	8.78
- experience adjustments	1.71	1.26	1.27	6.56
- Return on Plan assets (greater)/less than Discount rate	-	(0.03)	(0.05)	(0.05)
Total	1.91	1.35	5.80	15.29



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₹ crore

Particulars	For the year ended March 31, 2025			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	0.46	0.18	3.23	23.03
- experience adjustments	0.07	(0.05)	3.08	76.56
- Return on Plan assets (greater)/less than Discount rate	-	0.26	0.88	0.06
Total	0.53	0.39	7.19	99.65

f. Principal assumptions

Particulars	As at March 31, 2026		As at March 31, 2025	
	Gratuity (Unfunded)	Gratuity (funded)	Gratuity (Unfunded)	Gratuity (funded)
1. Discount rate	6.60%	6.60%	6.70%	6.70%
2. Salary escalation				
'-Management	7.00%	6.00%	7.00%	6.00%
'-Non Management	7.00%	6.00%	7.00%	6.00%
3. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

Particulars	As at March 31, 2026	As at March 31, 2025
	Pension (funded)	Pension (funded)
1. Discount rate	6.60%	6.70%
2. Salary escalation	6.00%	6.00%
3. In-service mortality rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
4. Post-retirement mortality rate	LIC (a) (1996-98) Ultimate rates	LIC (a) (1996-98) Ultimate rates

g. Sensitivity analysis

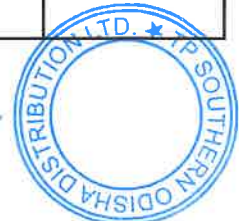
Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while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

₹ crore

Increase/ (decrease) in defined benefit liability	As at March 31, 2026			
	Gratuity (Unfunded)	Other Defined Benefit (Funded & Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	1.04	0.65	6.63	46.97
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.95)	(0.56)	(6.16)	(42.04)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.95)	(0.06)	(3.78)	(17.40)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	1.03	0.06	3.27	18.42

₹ crore

Increase/ (decrease) in defined benefit liability	As at March 31, 2025			
	Gratuity (Unfunded)	Other Defined Benefit (Funded & Unfunded)	Gratuity (Funded)	Pension (Funded)
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.81	0.42	5.73	41.95
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.75)	(0.37)	(5.30)	(37.58)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.75)	(0.05)	(3.15)	(14.56)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.81	0.05	2.93	15.45



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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 March 31, 2026	
	Pension	Gratuity
Govt. of India Securities(Central and State)	84%	51%
High Quality (Corporate Bonds including PSU Bonds)	14%	25%
Equity shares of Listed Companies	0%	0%
Cash Including Special Deposits	2%	24%
TOTAL	100%	100%

Particulars	As at March 31, 2025	
	Pension	Gratuity
Govt. of India Securities(Central and State)	83%	52%
High Quality (Corporate Bonds including PSU Bonds)	15%	26%
Equity shares of Listed Companies	0%	0%
Cash Including Special Deposits	2%	22%
TOTAL	100%	100%

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

₹ crore

Expected Future cashflows	As at March 31, 2026			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Year-1	1.58	0.55	4.93	21.60
Year-2	1.06	0.56	5.30	24.15
Year-3	1.28	0.57	6.41	25.57
Year-4	4.71	0.63	5.53	23.80
Year-5	3.79	0.65	5.17	24.17
Year-6 to 10	11.69	3.89	32.95	128.75

₹ crore

Expected Future cashflows	As at March 31, 2025			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
Year-1	1.16	0.56	3.67	24.67
Year-2	0.80	0.51	4.80	26.16
Year-3	0.99	0.53	4.76	25.73
Year-4	1.19	0.54	5.73	26.60
Year-5	4.25	0.60	4.89	25.45
Year-6 to 10	13.55	3.40	25.07	128.33



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	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
NOTE 19 Other non-current liabilities		
(a) Consumer contribution for work under progress	121.71	76.75
(b) Government grants	295.21	288.85
(c) Deferred Government grants towards cost of capital asset (Refer note below & refer note 49)*	214.85	34.18
(d) Consumer contribution towards capital cost (Refer note below)*	434.98	317.76
(e) Advance for Government Funded Projects {Refer note 44(iii)}	490.41	579.25
Total capital grant and consumer contribution towards capital assets	1,557.16	1,296.79
Movement in Deferred Government grants towards cost of capital asset		
Opening Balance	34.18	20.20
Add: Addition during the year	190.82	15.50
Add: Other Adjustments	-	0.32
Less: Released to the statement of Profit and Loss (Refer note 25)	(10.15)	(1.84)
Closing Balance	214.85	34.18
Movement in Consumer contribution towards capital cost		
Opening Balance	317.76	243.69
Add: Addition during the year	152.92	97.33
Less: Other Adjustments	(4.01)	(0.32)
Less: Released to the statement of Profit and Loss (Refer note 25)	(31.69)	(22.94)
Closing Balance	434.98	317.76

* 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 March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
NOTE 20 Borrowings		
(at amortised cost)		
(i) Secured		
From Banks		
(a) Short term loans		
(i) Kotak Mahindra Bank Limited*	75.00	60.00
(ii) Indusind Bank Limited*	122.13	125.50
(b) Working capital demand loan		
(i) IDBI Bank Limited*	50.00	50.00
(c) Bank overdraft		
(i) Union Bank of India**	5.50	14.47
(ii) State Bank of India **	-	50.63
(ii) Unsecured		
(a) From Banks		
(i) ICICI Bank	81.00	160.00
(ii) Bank of Baroda	91.00	-
(b) From Others		
(i) GOO Loan#	-	0.10
(iii) Current maturities of non-current borrowings	78.35	67.17
Total short-term borrowings	502.98	527.87

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. "Regulatory Deposits" includes consumer security deposits and Govt. Deposits received in form of grant subsidy, relief fund etc. 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 6.78% to 7.60% (March 31, 2025 - 7.24% to 7.99%).

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. No short term funds have been used for long term purposes.

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 March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
NOTE 21 Trade payables (at amortised cost)		
(a) Outstanding dues of micro enterprises and small enterprises (refer note 21.01)	40.66	35.48
(b) Outstanding dues other than micro enterprises and small enterprises #	180.30	186.38
Total trade payables	220.96	221.86



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Trade payables ageing schedule as at March 31, 2026**

₹ 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	15.12	14.82	5.20	2.34	3.18	40.66
b) Others	151.42	14.54	3.91	2.83	7.60	180.30
(ii) Disputed Trade Payables	-	-	-	-	-	-

Trade payables ageing schedule as at March 31, 2025**

₹ 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	14.53	14.48	2.64	2.40	1.43	35.48
b) Others	170.66	4.26	4.46	1.52	5.48	186.38
(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, 2026	March 31, 2025
(a) Principal amount remaining unpaid*	199.37	189.68
(b) Interest due	-	-
(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	-	-
(e) The amount of interest accrued	-	-
(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	-	-

*It includes amount payable in the nature of retention money payable and capital creditors amounting to ₹ 158.71 crore (as at March 31, 2025: ₹ 154.20 crore) as disclosed under note 17 & 22.

#A MSME party has claimed an amount of ₹ 0.49 crore (March 31, 2025: Principal and interest amounting to ₹ 0.52 crore and ₹ 7.40 crore respectively) from the Company which was paid and accounted for during the respective financial year. However, this amount pertains to Southco Utility that was not transferred to Company on the date of acquisition and therefore, there is no default on the part of the Company. As per Vesting order, the liabilities or gains arising out of litigation shall be allowed by the Commission in Aggregate Revenue Requirement. Accordingly, the same is not part of table above

NOTE 22 Other financial liabilities - current (At amortised cost)	As at	As at
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
(a) Other Deposit from Government (MMSBY Smart Meter <2kw)	2.16	-
(b) Payable to employees	42.76	37.78
(c) Security deposit from consumer (Refer note below)	425.53	397.10
(d) Deposit - others	0.52	0.25
(e) Interest on security deposits	19.44	21.00
(f) Government grants payable	2.79	2.05
(g) Consumer contribution for work under progress (Refer note 41)	47.65	48.16
(h) Payable towards purchase of capital goods (Refer note 21.01)	104.10	133.12
(i) Other liabilities (Refer note 41)	145.04	145.04
(j) Interest accrued on Government Grant Fund	50.01	37.77
(k) Employee Stock Option Plan (ESOP) Payable	1.29	-
(l) Other payables (includes payable to OPTCL, Interest accrued but not due on borrowing etc.)	25.50	28.76
Total other financial liabilities - current	866.79	851.03

Note: The security deposits from electricity consumers carry interest at 5.50% p.a. (March 31, 2025: 6.50% 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.

NOTE 23 Other current liabilities	As at	As at
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
(a) Statutory liabilities	33.53	38.45
(b) Advance from consumers	141.04	132.81
(c) Other liabilities (including Tariff Balancing Reserve)	4.69	1.29
(d) Other Deposit from Government (PM Surya Ghar Yojana) (Refer note 47)	17.84	19.01
Total other current liabilities	197.10	191.56

NOTE 24 Current tax liabilities (net)	As at	As at
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
Provision for taxes (net of tax paid ₹40.60 crore (March 31, 2025 : ₹20.45 crore))	19.71	16.29
Total current tax liabilities (net)	19.71	16.29



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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, including the relevant provisions of Electricity Distribution (Accounts and Additional Disclosure) Rules, 2024

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Revenue from power supply		
Sale of power as per tariff	2,080.59	1,960.54
Less: Cash discount	(37.98)	(38.19)
Total revenue from contract with customer	2,042.61	1,922.35
(b) Other operating revenue		
Recovery of meter rent	28.34	31.82
Amortisation of Consumer Contribution & Grant for capital work	40.44	24.78
Miscellaneous revenue	14.74	15.04
Total other operating revenue	83.52	71.64
Total revenue from operations - (a+b)	2,126.13	1,993.99

Also refer Note 48

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Contract liabilities		
Advance from consumers	141.04	132.81
Total contract liabilities	141.04	132.81

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore

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

Opening balance	132.81	102.39
Less: Revenue and electricity duty recognised /adjusted during the year	(75.19)	(29.79)
Add: Advance received during the year	83.42	60.21
Closing balance	141.04	132.81



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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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Receivables		
Trade receivables	563.67	580.22
Unbilled revenue depending only on passage of time	173.23	158.38
Less : Allowances for doubtful receivables	(257.76)	(236.95)
Net receivables	479.14	501.65

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

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Unbilled Revenue		
Opening balance	158.38	155.50
Add: Revenue thereon recognised during the year	173.23	158.38
Less: Transfer from contract assets to receivable	(158.38)	(155.50)
Closing balance	173.23	158.38

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Interest income		
Term deposits carried at amortised cost	31.48	26.99
Other non-operating income		
Delayed payment charges	11.21	10.25
Incentive on past arrears collection	5.68	6.51
Other income	1.41	1.18
Total other income	49.78	44.93

NOTE 27 Cost of power purchased and transmission charges

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) Power Purchase Cost	869.29	915.26
(b) Transmission Charges	116.98	109.23
Less: Rebate	(10.03)	(10.21)
Total cost of power purchased and transmission charges	976.24	1,014.28



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NOTE 28 Employee benefits expense (Net)

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Salaries, wages and bonus*	307.64	290.98
Contribution to gratuity fund (Refer Note 18)	26.74	12.76
Contribution to provident and other funds (Refer Note 18)	193.61	193.12
Staff welfare expenses	14.13	14.61
Gross employee benefit expenses	542.12	511.47
Less: Employee cost capitalised / transfer to CWIP	(47.03)	(44.82)
Net employee benefits expense	495.09	466.65

* This includes provision for ESOP expenses amounting to ₹ 1.20 crore (PY: ₹ 0.65 crore)

Note:

(1) Net employee benefits expense are excluding expenses related to outsourced and contractual employees expenses which are shown under note no.30.;

(2) Employee benefit expense includes provisions for gratuity, pension, compensated absences, and rehabilitation of SOUTHCO employees amounting to ₹75.42 crore (March 31, 2025: ₹70.53 crore), which is allowable by the Hon'ble Commission on an actual cash outgo basis as per para 51(g) of the vesting order.

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 previous years, the shareholders of the Holding Company approved 'The Tata Power Company Limited – Employee Stock Option Plan 2023' ('ESOP 2023'/'Plan'). 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 ₹ 249.80 (Grant - 1) and ₹ 425.40 (Grant - 2) per option exercisable into equivalent equity shares of ₹ 1 each subject to fulfilment of vesting conditions

'During the current year, the Holding Company has granted additional employee stock options to certain employees of the group at an exercise price of ₹ 395.85 (Three hundred Ninety-five rupees and eighty five 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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Expense arising from equity-settled share-based payment transactions*	1.20	0.65
Total expense arising from share-based payment transactions	1.20	0.65

Employee Stock Option Plan 2023 - Grant - 1

Movements during the year

Option exercisable at the beginning of the year	1,43,280	1,63,750.00
Granted during the year	20,470	-
Forfeited/Expired during the year	-	(20,470.00)
Exercised during the year	-	-
Expired during the year	-	-
Option exercisable at the end of the year	1,63,750	1,43,280
Share price for options exercised during the year	N.A	N.A
Remaining contractual life	0.58 Years	1.58 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, 2026	As at March 31, 2025
Dividend Yield (%)	0.70%	0.70%
Risk free interest rate (%)	7.21%	7.21%
Expected life of share option (Years)	4 Years	4 Years
Expected volatility (%)	39.81%	39.81%
Weighted Average Share price	249.80	249.80
Weighted Average Fair Value at the measurement date	97.75	97.75



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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.

Employee Stock Option Plan 2023 - Grant - 2

	As at March 31, 2026	As at March 31, 2025
Movements during the year		
Option exercisable at the beginning of the year	97,340	-
Granted during the year	(12,560)	97,340
Forfeited/Expired during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Option exercisable at the end of the year	84,780	97,340
Market price of share on the date of grant	425.40	425.40
Share price for options exercised during the year	N.A	N.A
Remaining contractual life	1.58 Years	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, 2026	As at March 31, 2025
Dividend Yield (%)	0.47%	0.47%
Risk free interest rate (%)	6.64%	6.64%
Expected life of share option (Years)	4 Years	4 Years
Expected volatility (%)	37.26%	37.26%
Weighted Average Share price	425.40	425.40
Weighted Average Fair Value at the measurement date	159.28	159.28

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.

Employee Stock Option Plan 2023 - Grant - 3

	As at March 31, 2026	As at March 31, 2025
Movements during the year		
Option exercisable at the beginning of the year	Nil	Nil
Granted during the year	85,660	Nil
Forfeited/Expired during the year	-	Nil
Exercised during the year	-	Nil
Expired during the year	-	Nil
Option exercisable at the end of the year	85,660	Nil
Market price of share on the date of grant	395.85	Nil
Share price for options exercised during the year	N.A	Nil
Remaining contractual life	2.58 Years	Nil

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

Assumption factor	As at March 31, 2026	As at March 31, 2025
Dividend Yield (%)	0.57%	Nil
Risk free interest rate (%)	6.05%	Nil
Expected life of share option (Years)	4 Years	Nil
Expected volatility (%)	31.21%	Nil
Weighted Average Share price	395.85	Nil
Weighted Average Fair Value at the measurement date	128.43	Nil

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
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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, 2026	As at March 31, 2025
	₹ crore	₹ crore
Interest on loans carried at amortised cost*	133.06	108.21
Interest on consumer security deposits carried at amortised cost	20.45	22.30
Other borrowing costs (Includes processing charges etc.)	1.51	1.87
Finance costs	155.02	132.38

* This includes interest on EV loan amounting to ₹ 0.07 crore (March 31, 2025 is ₹ 0.00 crore)

NOTE 30 Other expenses

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Rental of land, buildings, plant and equipment, etc (Refer Note no. 30.04)	3.39	3.41
Repair and maintenance-		
-Buildings and civil Works	0.12	0.05
-Plant and machinery	216.76	203.54
-Furniture, vehicles, etc	0.67	0.38
Outsource and contractual employees expenses (Refer note 30.01)	121.71	112.55
Travelling	10.08	6.59
Metering, billing and collection	88.65	89.78
Legal and professional charges (Refer note 30.02)	10.31	10.41
Disconnection Squad Expenses	13.03	12.90
Electricity Consumption expenses	3.03	5.47
Allowance for doubtful receivables	20.81	114.74
Advertisement and marketing expenses	1.62	1.63
Telephone expenses	1.91	3.69
Tariff Balancing Reserve	-	1.29
Fooding and Conveyance expenses	4.38	5.25
License fees	2.54	2.52
Insurance	4.10	3.63
Inventory written off	2.33	2.12
Printing and stationery	2.37	2.56
Director Sitting Fees	0.54	0.42
Loss on discard of Assets	3.33	11.57
CSR expenditure (Refer note 30.03)	2.68	1.95
Miscellaneous expenses	19.88	23.57
Total other expenses	534.24	620.02

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, 2026	As at March 31, 2025
	₹ crore	₹ crore
(a) For statutory audit	0.64	0.61
(b) For tax audit	0.03	0.02
(c) For other matters (certification fees etc.)	0.08	0.06
(d) For reimbursement of expenses	0.08	0.03
Total (including goods and service tax)	0.83	0.72

30.03 Details of CSR expenditures

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
a) Gross amount required to be spent by the Company during the year	2.68	2.04
b) Amount approved by the board to be spent during the year	2.68	1.95
c) Amount spent during the year in cash:		
(i) Construction/acquisition of asset	-	-
(ii) On purposes other than (i) above	2.68	2.05
	2.68	2.05
d) Details related to spent / unspent obligations :		
i) Employability and Employment (Skilling for Livelihoods)	0.49	0.39
ii) Education (Including Financial and Digital Literacy)	0.55	0.36
iii) Essential Services (Health and Environment)	1.25	0.82
iv) Entrepreneurship	0.39	0.38
v) Volunteering Programs	-	-
Sub-total	2.68	1.95
vi) Administrative Purpose	-	0.10
	2.68	2.05
vii) Unspent Amounts	-	-

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, 2026

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).

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

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Current Income tax		
Current income tax charge	60.31	35.09
In respect of earlier year	(1.80)	(2.14)
Deferred tax		
Relating to origination and reversal of temporary differences	(3.54)	(19.10)
In respect of earlier year	1.81	3.66
Total income tax expense reported in the statement of profit & loss	56.78	17.51

(b) Income tax expenses recognised in the OCI:

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Deferred tax		
Relating to origination and reversal of temporary differences	5.88	27.06
Total income tax expense recognised in the current year	5.88	27.06

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

	March 31, 2026	March 31, 2025
Profit before income tax expense	221.80	76.20
Tax at the India's statutory tax rate of 25.17% *	55.83	19.18
Adjustments under Income Tax Act		
(i) Corporate social responsibilities	0.67	0.49
(ii) Impact of expenses already offered for tax in earlier year	-	(2.31)
(iii) Interest on Income tax	0.17	-
(iv) Others	0.11	0.15
Net tax expense	56.78	17.51

*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, 2026.

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, 2026 and March 31, 2025.

	As at March 31, 2025	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2026
Deferred Tax Asset / Liabilities on account of :				
Accelerated depreciation for tax purposes	(91.85)	(21.13)	-	(112.98)
Provision for doubtful receivables	59.64	5.23	-	64.87
Provision for Contingencies	3.79	-	-	3.79
Other Payable	0.22	(0.16)	-	0.06
Post-employment employee benefits	143.65	17.46	5.88	166.99
Tariff Balancing Reserve	-	0.33	-	0.33
Total	115.45	1.73	5.88	123.06

	As at March 31, 2024	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2025
Deferred Tax Asset / Liabilities on account of :				
Accelerated depreciation for tax purposes	(62.92)	(28.93)	-	(91.85)
Provision for doubtful receivables	30.76	28.88	-	59.64
Payment to MSME	0.34	(0.34)	-	-
Provision for Contingencies	3.79	-	-	3.79
Other Payable	-	0.22	-	0.22
Post-employment employee benefits	100.98	15.62	27.06	143.65
Total	72.95	15.44	27.06	115.45



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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NOTE 32 Other comprehensive income/(expenses) - OCI

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
<u>Items that will not be reclassified to profit and loss</u>		
Remeasurements gains (losses) on the defined benefit plans { net of tax amounting to ₹ 5.88 crore (as at March 31, 2025: ₹ (27.06 crore) }	(17.51)	(80.44)
Net Movement in regulatory deferral balances	17.51	80.44
Total other comprehensive income	-	-

Post-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 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:

Particulars

Regulatory Deferral Account
Regulatory Assets

Total Regulatory Deferral Account

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
Regulatory Assets	1,571.87	1,138.01
Total Regulatory Deferral Account	1,571.87	1,138.01

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

- (a) Opening Regulatory Assets (Net of liabilities)
- (b) Regulatory Income/(Expenses) during the year
- (i) Power Purchase Cost including Transmission (net of rebate)
 - (ii) Other expenses as per the terms of Tariff Regulations including Return on Equity
 - (iii) Available revenue including non tariff income etc
 - (iv) True Up Impact of earlier years
- (c) Regulatory Income/ (Expenses) recognised In Statement of Profit and Loss [(i)+(ii)-(iii)+(iv)]
- (d) Regulatory Income/ (Expenses) recognised in OCI
- (e) Closing Regulatory Assets (Net of liabilities) [(a)+(b)+(c)+(d)]

	As at March 31, 2026 ₹ crore	As at March 31, 2025 ₹ crore
Opening Regulatory Assets (Net of liabilities)	1,138.01	622.42
Regulatory Income/(Expenses) during the year		
(i) Power Purchase Cost including Transmission (net of rebate)	1,027.88	1,029.26
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity	1,527.90	1,398.30
(iii) Available revenue including non tariff income etc	2,139.42	2,014.01
(iv) True Up Impact of earlier years	-	21.60
Regulatory Income/ (Expenses) recognised In Statement of Profit and Loss [(i)+(ii)-(iii)+(iv)]	416.36	435.15
Regulatory Income/ (Expenses) recognised in OCI	17.51	80.44
Closing Regulatory Assets (Net of liabilities) [(a)+(b)+(c)+(d)]	1,571.87	1,138.01

Also refer Note 48



(v) Truing Up Order

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

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

During the current year, the Company has filed truing-up application for FY 2023-24 and FY 2024-25 along with ARR application for FY 2026-27 as per the regulations. After going through due process, the regulator allowed certain claims on provisional basis which are lower than the claim submitted by the company under ARR for FY 2023-24 and FY 2024-25. The OERC further decided to verify these additional expenditures through a Special Audit. Consequently, the regulator has decided to issue suitable orders in accordance with the findings of the Special Audit.

The OERC has provisionally trued up revenue gap for FY 2023-24 and FY 2024-25, resulting in a lower revenue entitlement (including carrying cost) of ₹ 104.10 crore and ₹ 213.95 crore respectively vis-à-vis the amount arrived at using actual expenses incurred by the Company.

As at March 31, 2026, there has been accumulation of Regulatory deferral account and the Hon'ble Odisha Electricity Regulatory Commission (OERC), in the Tariff Order for FY 2026-27 has undertaken measures to ensure liquidation of the accumulated revenue gap till FY 25 in a time bound manner.

The Management is in the process of seeking clarifications from OERC and contemplating to file review petition with respect to the aforesaid lower allowances for FY 2023-24 and FY 2024-25. The management believes that the actual expenditures claimed by the Company are within regulatory framework and in line with tariff regulations. Management strongly believes that the actual amount spent exceeding approved trued-up amount is uncontrollable in nature and all the claim/ expenses will be allowed subsequently through special audit. Accordingly, the Company continues to treat above claim made through True up petition as pass through to the consumers. The management believes that there will not be any adverse financial implications.

Further, the Company has incurred additional expenses under the following heads as compared to amount approved by the OERC for the financial year ended March 31, 2026 as below:

Operation and Maintenance expenses for FY 2025-26- ₹ 124.19 crore

Management is confident of getting approval with regard to the excess amount spent as these are in the nature of explainable/ uncontrollable cost and allowable as per the OERC Regulations, 2022.

Accordingly, the Company continues to treat above additional expenditure as pass through to the consumers. The management believes that there will not be any adverse financial implications.



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NOTE 34 Commitments:

	As at March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
Estimated amount of contracts remaining to be executed on capital account and not provided for	102.03	99.69
	102.03	99.69

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 March 31, 2026	As at March 31, 2025
	₹ crore	₹ crore
35.01 Claims against the Company not acknowledged as debts: Legal cases filed by consumers, employees and others under litigation	37.49	27.51
35.02 Indirect taxation matters relating to Service Tax/GST where demand is under contest before judicial/appellate authorities	-	17.49
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	As at	As at
		March 31, 2026	March 31, 2025
(a) Profit for the year	₹ crore	165.02	58.69
(b) Net movement in regulatory deferral account balance	₹ crore	416.36	435.15
(c) Income-tax attributable to regulatory expenses	₹ crore	(104.79)	(109.52)
(d) Net movement in regulatory deferral account balance (net of tax)	₹ crore	311.57	325.63
(e) (Loss) for the year attributable to equity shareholders before net movement in regulatory deferral account balance	₹ crore	(146.55)	(266.94)
(f) Weighted average number of equity shares	Nos. in crore	67.86	51.28
(g) Basic and diluted earnings per equity share of ₹10 each - (e/f)	₹	(2.16)	(5.21)
(h) Face value of equity shares	₹	10.00	10.00

36.02 EPS (including regulatory income/expense)

Particulars	Units	As at	As at
		March 31, 2026	March 31, 2025
(a) Profit for the year after net movement in regulatory deferral balances attributable to equity shareholders	₹ crore	165.02	58.69
(b) Weighted average number of equity shares	Nos. in crore	67.86	51.28
(c) Basic and diluted earnings per equity share of ₹10 each - (a/b)	₹	2.43	1.14
(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.



NOTE 37

Related party disclosures

Names of related parties where control exists and other related parties where transaction 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)

TP Ajmer Distribution Limited (TPADL)

TP Central Odisha Distribution Limited (TPCODL)

TP Northern Odisha Distribution Limited (TPNODL)

TP Western Odisha Distribution Limited (TPWODL)

Tata Power Solar Systems Limited (TPSSSL)

TP EV Charging Solutions Limited

Tata Power Renewable Energy Ltd (TPREL)

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 AIG General Insurance Company Ltd

Tata AIA Life Insurance Company Limited

Nelco Limited

Nelco Network Products Limited

Tata Capital Ltd.

The Indian Hotels Company Limited

Tata Consulting Engineers Limited (TCE)

Voltas Limited

Tata Steel Utilities and Infrastructure Services Limited

Tata Services Limited

TATA1mg Healthcare

F. Post retirement employee benefit trust

SOUTHCO Employees Pension Trust

SOUTHCO Employees Gratuity Fund Trust

SOUTHCO Employees Rehabilitation Assistance Fund Trust

G. Key management personnel

Chief Executive Officer

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

Chief Financial Officer

Mr. Bijay Kumar Mohanty

Company Secretary

Mr. Jeevanjyoti Nayak

Non-executive directors

Mr. Narendra Nath Misra

Dr. Praveer Sinha

Mr. Trilochan Panda (Date of cessation July 9, 2025)

Mr. Sanjay Kumar Banga

Mr. Pradeep Kumar Jena (From April 11, 2023 to June 30, 2024)

Mr. Sanjeev Gupta

Mr. Vishal Kumar Dev (Date of cessation July 15, 2024) (Reappointed from November 28, 2024)

Mr. Sunil Singh

Mr. Umakanta Sahoo (Date of cessation June 19, 2025)

Mr. Manoj Ahuja (w.e.f July 20, 2024)

Mr. Hemant Sharma (w.e.f October 8, 2024 to November 11, 2024)

Mr. Saswat Mishra (From July 20, 2024 to August 22, 2024)

Mr. Satya Priya Rath (w.e.f July, 17 2025)

Mr. Debasish Das (w.e.f July, 17 2025)

Independent directors

Mr. Kailash Nath Shrivastava

Mrs. Aditi Raja

Mr. Arun Kumar Panda

Mr. Ashok Kumar Tripathy (Date of cessation April 28, 2024)

Dr. Tapan Kumar Chand (w.e.f April, 16 2025)



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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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

		₹ crore		
SI no.	Name of Related Party	Nature of transactions	Year ended March 31, 2026	Year ended March 31, 2025
1	Receiving of Goods, Services & Reimbursement of Expenses			
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation of employees	0.03	0.49
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of expenses	0.00	-
	TP Central Odisha Distribution Limited (TPCODL)	Installation of EV Charger	-	0.02
	TP Central Odisha Distribution Limited (TPCODL)	Rental Charges	0.33	0.15
	TP Central Odisha Distribution Limited (TPCODL)	Share of expenses	0.76	-
	TP Central Odisha Distribution Limited (TPCODL)	Security Deposit for EV Charger	-	0.02
	The Tata Power Company Limited (TPCL)	Reimbursement of mediclaim expenses (receivable)	0.02	0.06
	GRIDCO Limited	Power purchase expenses net of rebate	861.07	907.11
	Tata Power Renewable Energy Ltd	Purchase of goods	21.01	-
	TP Central Odisha Distribution Limited (TPCODL)	Consultancy services	-	0.08
	Tata Capital Ltd	Car Lease charges	0.03	0.23
	Tata AIG General Insurance Company Limited	Insurance expenses	1.60	7.21
	Tata AIA Life Insurance Company Ltd	Insurance expenses	1.87	1.16
	The Tata Power Company Limited (TPCL)	Reimbursement of manpower cost	0.00	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of Energy charges	0.74	1.09
	The Tata Power Company Limited (TPCL)	Training Services	0.04	0.04
	Tata Consultancy Services Limited (TCS)	AMC for Software	6.65	3.90
	The Tata Power Company Limited (TPCL)	AMC for Software	0.61	0.37
	Nelco Limited	IT & Communication Service	0.11	0.13
	Nelco Network Products Limited	IT & Communication Service	-	0.11
	Nelco Network Products Limited	AMC for Software	0.08	0.00
	Tata Sons Private Limited (Tata Sons)	Online Training Fees for Business Excellence	0.09	-
	The Tata Power Company Limited (TPCL)	Employee Stock Option Plan to employees	0.55	0.60
	TP EV Charging Solutions Limited	Installation of EV Charger	-	0.01
	The Indian Hotels Company Limited	Staff welfare Expenses	0.31	0.25
	Voltas Limited	AMC for Appliances	0.01	0.01
	TATA1mg Healthcare	Healthcare service provider	0.19	-
	Tata Services Limited	Accommodation services	0.00	-
2	Sale of Energy :-			
	Tata Steel Limited	Sale of energy	93.06	87.19
3	Purchase of property, plant and equipments and intangibles			
	The Tata Power Company Limited (TPCL)	Purchase of Property, plant and equipment	-	0.01
	Tata Power Delhi Distribution Ltd (TPDDL)	Purchase of Property, plant and equipment	0.01	-
	Tata Power Renewable Energy Ltd	Purchase of Property, plant and equipment	0.09	-
	Tata Power Solar System Limited (TPSSL)	Purchase of Property, plant and equipment	-	0.01
	Tata Power EV Charging Solutions Limited	Purchase of Property, plant and equipment	-	0.19
4	Sale of property, plant and equipments, intangibles and goods			
	The Tata Power Company Limited (TPCL)	Sale of Property, plant and equipment	0.16	0.01
	TP Central Odisha Distribution Limited (TPCODL)	Sale of Property, plant and equipment	0.26	-
5	Gratuity & Compensated Absence-Payable			
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of gratuity for the employees transferred	0.27	0.07
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of leave salary for the employees transferred	0.07	0.03
	The Tata Power Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	0.04	0.20
	The Tata Power Company Limited (TPCL)	Reimbursement of leave salary for the employees transferred	0.02	0.10
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of gratuity for the employees transferred	0.01	-
	TP Central Odisha Distribution Limited (TPCODL)	Reimbursement of leave salary for the employees transferred	0.02	-
	Malithon Power Limited (MPL)	Reimbursement of gratuity for the employees transferred	0.13	-
	Malithon Power Limited (MPL)	Reimbursement of leave salary for the employees transferred	0.06	-
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of gratuity for the employees transferred	0.02	-
	TP Northern Odisha Distribution Limited (TPNODL)	Reimbursement of leave salary for the employees transferred	0.02	-
	Tata Steel Utilities and Infrastructure Services Limited	Reimbursement of gratuity for the employees transferred	0.01	-
	Tata Steel Utilities and Infrastructure Services Limited	Reimbursement of leave salary for the employees transferred	0.01	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of gratuity for the employees transferred	-	0.00
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of leave salary for the employees transferred	-	0.00
	TP Ajmer Distribution Limited (TPADL)	Reimbursement of gratuity for the employees transferred	-	0.01
	TP Ajmer Distribution Limited (TPADL)	Reimbursement of leave salary for the employees transferred	-	0.02
	Tata Consulting Engineers Limited	Reimbursement of gratuity for the employees transferred	-	0.01
	Tata Consulting Engineers Limited	Reimbursement of leave salary for the employees transferred	-	0.01
	Tata Power Renewable Energy Ltd (TPREL)	Reimbursement of gratuity for the employees transferred	0.00	-
	Tata Power Renewable Energy Ltd (TPREL)	Reimbursement of leave salary for the employees transferred	0.01	-
6	Gratuity & Compensated Absence-Receiveable			
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of gratuity for the employees transferred	0.14	-
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of leave salary for the employees transferred	0.12	-
	The Tata Power Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	0.10	0.10
	The Tata Power Company Limited (TPCL)	Reimbursement of leave salary for the employees transferred	0.05	0.17
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of gratuity for the employees transferred	0.10	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of leave salary for the employees transferred	0.06	-
	Tata Power Renewable Energy Ltd (TPREL)	Reimbursement of gratuity for the employees transferred	0.35	-
	Tata Power Renewable Energy Ltd (TPREL)	Reimbursement of leave salary for the employees transferred	0.14	-
7	Transaction with Trust			
	SOUTHCO Employees Pension Trust	Contribution towards pension	110.35	105.01
	SOUTHCO Employees Gratuity Fund Trust	Contribution towards gratuity	6.47	5.12
	SOUTHCO Employees Rehabilitation Assistance Fund Trust	Contribution towards Rehabilitation Assistance	0.93	0.70
8	Other Expenses			
	Directors sitting fees	Directors sitting fees	0.54	0.36



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9	Employee benefit expenses			
	Managerial remuneration*	Remuneration to KMP's	2.80	3.18
	Managerial remuneration*	ESOP to KMP's	0.65	0.06
10	Share Capital			
	The Tata Power Company Limited (TPCL)	Issue of equity shares	57.75	85.17
	GRIDCO Limited	Issue of equity shares for consideration other than cash	55.48	81.83

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

*The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for the Company as a whole. Hence, amounts attributable to KMPs are not separately determinable.

Note: The above transactions have been shown including indirect taxes incurred thereon

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

₹ crore

Sl No.	Particulars	Nature of transactions	As at March 31,2026	As at March 31,2025
1	Equity			
	The Tata Power Company Limited (TPCL)	Issue of equity shares	403.50	345.75
	GRIDCO Limited	Issue of equity shares	387.67	332.19
2	Other current liabilities			
	Tata Steel Limited	Sale of energy-advance received	4.00	4.03
3	Trade Payable (Refer note 21)			
	GRIDCO Limited	Power purchase cost	85.29	102.22
	Tata Consulting Engineers Limited	Gratuity, annual leave and other payables	-	0.01
	Tata Consultancy Services Limited	Purchase of Intangible assets	-	1.33
	Tata Consultancy Services Limited	AMC of software	0.57	-
	TP Central Odisha Distribution Limited (TPCODL)	Rental Charges & Share of expenses	1.01	0.14
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation of Employees	-	0.11
	Tata Power Delhi Distribution Ltd (TPDDL)	Gratuity & Leave Payable	-	-
	The Tata Power Company Limited (TPCL)	AMC Software services	0.41	0.09
	The Tata Power Company Limited (TPCL)	Training Services	0.04	-
	Nelco Networks Product Limited	IT & Communication Services	0.04	0.05
	Nelco Limited	IT & Communication Services	0.05	0.08
	Tata Power EV Charging Solutions Limited	Purchase of property, plant and equipment	0.00	0.00
	Tata AIG General Insurance Company Limited	Insurance expenses	0.00	0.00
	Tata Power Renewable Energy Ltd	Purchase of goods	16.87	-
	The Indian Hotels Company Limited	Staff welfare Expenses	0.31	-
	TATA1mg Healthcare	Healthcare service provider	0.02	-
4	Other Receivables			
	Tata AIA Life Insurance Company Limited (Note 13)	Insurance expenses	0.97	0.69
	The Tata Power Company Limited (TPCL)	Gratuity and annual Leave	0.00	0.00
	The Tata Power Company Limited (TPCL)	Reimbursement of expenses	-	-
	TP Western Odisha Distribution Limited (TPWODL)	Reimbursement of energy charges	0.04	0.62
	Tata Power Solar System Limited (TPSSL)	Purchase of property, plant and equipment	-	0.02
	The Tata Power Company Limited (TPCL)	Sale of property, plant and equipment	0.01	0.01
	Tata Power Renewable Energy Limited	Purchase of property, plant and equipment & goods	0.02	-
	TP Central Odisha Distribution Limited (TPCODL)	Sale of property, plant and equipment & goods	0.26	-
5	Other financial liabilities - current			
	Tata Steel Limited	Security deposits	6.22	6.22
	The Tata Power Company Limited (TPCL)	Employee Stock Option Plan	1.29	-
	TP EV Charging Solutions Limited	Security deposits	0.01	0.01
6	Other financial Assets - current			
	TP Central Odisha Distribution Limited (TPCODL)	Security deposits against EV Charging Installation	0.02	0.02
7	Other financial liabilities - Non current			
	The Tata Power Company Limited (TPCL)	Employee Stock Option Plan	0.79	0.88

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

Terms and conditions of transactions with related parties :

(a) Sales to related parties and concerned balances

Sales are made to related parties as per the approved rates by the OERC and on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. Trade receivables outstanding balances are unsecured, interest free and require settlement in cash.

(b) Purchases and related balances

Power purchases made from related parties are as per the approved rates by the OERC. Other purchases are made from related parties on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business. Trade payables outstanding balances are unsecured, interest free and require settlement in cash.



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Note 3B 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 1 and 3 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, 2026 is as follows :

Particulars	Classification		Amortised Cost	Total Carrying Value	Fair value		
	Fair Value through Profit and Loss	Fair Value through OCI			Level 1	Level 2	Level 3
Financial assets							
(i) Trade receivables	-	-	305.91	305.91	-	-	-
(ii) Unbilled revenue	-	-	173.23	173.23	-	-	-
(iii) Other financial assets (current and non current)	-	-	93.07	93.07	-	-	-
(iv) Cash and cash equivalents	-	-	192.16	192.16	-	-	-
(v) Bank Balances other than (iv) above	-	-	1,017.85	1,017.85	-	-	-
(vi) Loans	-	-	2.89	2.89	-	-	-
	-	-	1,785.11	1,785.11	-	-	-
Financial Liabilities							
(i) Borrowings (current and non current)	-	-	1,674.18	1,674.18	-	1,249.55	-
(ii) Trade payables	-	-	220.96	220.96	-	-	-
(iii) Other financial liabilities (current and non current)	-	-	1,129.76	1,129.76	-	-	-
	-	-	3,024.90	3,024.90	-	1,249.55	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2026 and March 31, 2025.

The Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair value

The carrying value of financial instruments by categories as of March 31, 2025 is as follows :

Particulars	Classification		Amortised Cost	Total Carrying Value	Fair value		
	Fair Value through Profit and Loss	Fair Value through OCI			Level 1	Level 2	Level 3
Financial assets							
(i) Trade receivables	-	-	343.27	343.27	-	-	-
(ii) Unbilled revenue	-	-	158.38	158.38	-	-	-
(iii) Other financial assets (current and non current)	-	-	141.32	141.32	-	-	-
(iv) Cash and cash equivalents	-	-	244.75	244.75	-	-	-
(v) Bank Balances other than (iv) above	-	-	1,019.67	1,019.67	-	-	-
	-	-	1,907.39	1,907.39	-	-	-
Financial Liabilities							
(i) Borrowings (current and non current)	-	-	1,498.18	1,498.18	-	1,037.48	-
(ii) Trade payables	-	-	221.86	221.86	-	-	-
(iii) Other financial liabilities (current and non current)	-	-	1,088.44	1,088.44	-	-	-
	-	-	2,808.48	2,808.48	-	1,037.48	-

(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	As at
	March 31, 2026	March 31, 2025
	₹ crore	₹ crore
Non-current borrowings (Note 16)	1,171.20	970.31
Current maturities of non-current borrowings (Note 20)	78.35	67.17
Short-term borrowings (Note 20)	424.63	460.70
Total debt (a)	1,674.18	1,498.18
Less: Cash and bank balances (b) (Note 11)	192.16	244.75
Net debt {(c)=(a-b)}	1,482.02	1,253.43
Total equity (d) (Note 14 & 15)	1,175.65	897.40
Total equity and net debt {(e)=(c+d)}	2,657.67	2,150.83
Gearing ratio (%) {(f)=(c)/(e)}	55.76	58.28



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i. Debt is defined as Non-current borrowings, current maturities of non-current borrowings and Short-term borrowings.

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2026 and March 31, 2025.

(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.

(a) 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.

(b) 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.

(c) 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, 2026 ₹ crore	As at March 31, 2025 ₹ crore
(a) Trade receivables	305.91	343.27
(b) Unbilled revenue	173.23	158.38
(c) Other financial assets (Current and non current)	93.07	141.32
(d) Cash and cash equivalents	192.16	244.75
(e) Bank Balances other than above	1,017.85	1,019.67
(f) Loans	2.89	-
Total	1,785.11	1,907.39

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.

(d) 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, 2026				
(a) Long Term Borrowing (including current maturities and interest)	174.35	795.03	839.41	1,808.79
(b) Trade payables	220.96	-	-	220.96
(c) Short term borrowings	424.63	-	-	424.63
(d) Other financial liabilities	856.79	262.97	-	1,119.76
Total	1,656.73	1,058.00	839.41	3,584.14
₹ crore				
Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at March 31, 2025				
(a) Long Term Borrowing (including current maturities and interest)	155.07	702.55	712.24	1,569.86
(b) Trade payables	221.86	-	-	221.86
(c) Short term borrowings	460.70	-	-	460.70
(d) Other financial liabilities	870.04	237.41	-	1,107.45
Total	1,707.67	939.96	712.24	3,359.87

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 ₹ 192.16 crore (as at March 31, 2025 : ₹ 244.75 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, 2026			
Secured / Unsecured credit facilities, reviewed annually and payable at call	424.63	184.62	609.25
Amount used and outstanding	425.00	-	425.00
Amount unused	849.63	184.62	1,034.25
Total	849.63	184.62	1,034.25
₹ crore			
Financing facilities (short term)	Fund based	Non Fund based	Total
As at March 31, 2025			
Secured / Unsecured credit facilities, reviewed annually and payable at call	460.61	184.03	644.64
Amount used and outstanding	351.44	-	351.44
Amount unused	812.05	184.03	996.08
Total	812.05	184.03	996.08



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NOTE 39 Financial Ratios

SI No.	Ratios	Numerator	Denominator	Note	As at March 31, 2026	As at March 31, 2025	% of Variance	Reason for Variance
(a)	Current Ratio (in times)	Current assets	Current liabilities	A	1.03	1.06	-2.90%	NA
(b)	Debt Equity Ratio (in times)	Total Debt	Total Equity	B	1.43	1.67	-14.57%	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	2.43	2.82	-14.07%	NA
(d)	Return on Equity Ratio (ROE) (%)	Net Profit after tax	Average Shareholder's Fund	D	15.92%	7.48%	112.83%	Increase is majorly on account of lower allowances for doubtful receivables in current year
(e)	Trade Receivables Turnover Ratio (in number of days)	Number of days * Average Trade Receivable	Revenue from Operation	E	84.19	104.38	-19.35%	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	54.47	50.97	6.86%	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	18.01	25.74	-30.05%	Lower working capital requirement resulted in lower net capital turnover ratio
(h)	Net Profit Ratio (%)	Net Profit after tax	Revenue from operation including net movement in Regulatory deferral balances	H	6.49%	2.42%	168.65%	Increase is majorly on account of lower allowances for doubtful receivables in current year
(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	14.58%	9.86%	47.85%	Increase is majorly on account of lower allowances for doubtful receivables in current year
(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	5.87%	4.11%	42.85%	Due to higher interest income

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 sale of assets; (iii) CSR expenses and (iv) Transfer to contingency reserves (v) Tariff Balancing Reserve
- G. Working Capital: i) Current Assets: as per balance sheet ii) 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; average investment excluding earmarked Govt. grant deposits



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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	Transaction during the year ended March 31, 2025	Balance outstanding as at March 31, 2026	Transaction during the year ended March 31, 2025	Balance outstanding as at March 31, 2025	Relationship with the Struck off company
(i)	CONE TECHNOLOGIES PRIVATE LIMITED	Other Expenses	-	(0.00)	-	(0.00)	Trade Payable
(ii)	AMARJOTHI GRANITES INDIA PRIVATE LIMITED		0.59	0.00	0.29	-	
(iii)	KRUTIBIBHA BIOPRODUCTS LTD		0.00	0.00	-	0.00	
(iv)	SABAT AUTO MOBILES P LTD		0.01	0.00	0.01	0.00	
(v)	OM FLY ASH BRICK P LTD	Revenue from operations	0.01	0.00	0.01	(0.00)	Trade Receivable
(vi)	R R CONSTRUCTIONS PVT LTD		(0.00)	(0.00)	0.04	(0.00)	
(vii)	RELIANCE COMMUNICATIONS DELHI PRIVATE LIMITED		-	0.04	-	0.04	

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

NOTE 41 Business Combinations

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.

The OERC has issued the Carve Out order dated November 26, 2021, to specify assets and liabilities transferred to the Company. The Carve Out order so issued by the OERC acknowledges that underlying details are not available for certain assets and liabilities. In accordance with the Carve Out Order, these amounts have been transferred to the Company and will continue to be its liabilities, and the same shall be discharged by the Company subject to prudence check by the Commission. These liabilities cannot be written off without the Board and the OERC approval. Pending legal release, the Company continues to recognise these assets and liabilities at the stated amount reflecting acquisition date fair values.

As per para 56 of the Vesting order and para 30(iii) of the Carve out order, at any point of time if any additional liability pertaining to the period prior to the Effective Date accrues to TPSODL irrespective of whether it is reflected in the audited financial statements available on or before 30.06.2021, the same shall be allowed after prudence check and the ASL will be modified accordingly. Accordingly, during the current financial year, the Company has filed application ('ASL Petition') to recast the opening balance of Additional Serviceable Liabilities and for issue of suitable direction for unclaimed / unreconciled assets and liabilities out of opening balance sheet as assigned through Carve out order. The amount claimed under the ASL Petition is ₹ 284.15 crore vide petition filed dated 10th November 2025 and ₹ 11.47 crore vide petition filed dated 16th December 2025 as against ₹ (- 206.09) crore provided in the Carve out order.

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

- (a) Other Receivable - ₹9.37 crore (Refer Note 6 and Note 12)
- (b) Trade Receivable - ₹34.50 crore (Refer Note 10)
- (c) Other Assets - ₹0.61 crore (Refer Note 13)
- (d) Other Financial Liabilities - ₹102.53 crore (Refer Note 22)
- (e) Consumer contribution for work under progress - ₹28.64 crore (Refer Note 22)

Further as per the Vesting order Capital Subsidy amounting to ₹ 68.40 crore is transferred to balance the opening balance sheet.

As per the vesting order any change in the value of assets and liabilities transferred on account of reconciliation/resolution of the above matters and/or any other matter identified in future will be allowed to be recovered by the Company in the manner specified in the vesting order viz., by way of future tariff adjustment or as per the direction of the OERC. 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.

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 New Labour Code

On November 21, 2025, the Central Government notified the implementation of four Labour Codes through separate notifications published in the Official Gazette, namely: Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes").

These Codes consolidate and replace 29 existing labour legislations. Subsequently, on December 31, 2025, the Central Government pre-published draft rules under the respective Labour Codes for public comments. The final rules are yet to be notified. The Ministry of Labour and Employment has also issued Frequently Asked Questions (FAQs) to facilitate smooth implementation of the Codes.

The New Labour Codes prescribe a revised and inclusive definition of "wages", which is relevant, inter alia, for the computation of post-employment benefit obligations such as gratuity and leave benefit schemes. Under the revised definition, certain specified components of remuneration are excluded from wages, subject to an overall cap of 50% of total remuneration. Any excess beyond this limit is deemed to form part of wages.

The Company's workforce comprises employees transferred from the erstwhile SOUTHCO utility and employees engaged during the post-acquisition period. For post-acquisition employees, the gratuity obligation has been computed based on restructured salary components approved by the Parent Company. Employee communication in this regard will be undertaken following approval by the Nomination and Remuneration Committee of the Company. Based on legal opinions obtained, the proposed salary restructuring is in compliance with the provisions of the New Labour Codes.

During the year ended March 31, 2026, the Company has recognised an expense of ₹ 5.06 crore towards the impact on gratuity and leave benefit obligations arising from the changes in the labour laws. The amount has been charged under "Employee Benefit Expense" in the Statement of Profit and Loss, based on information available up to the date of authorisation of the financial statements. Given that the matter is evolving and the final Central and State Rules are yet to be notified, the Company will continue to monitor developments and will recognise any further impact as and when required, based on future notifications and clarifications.

Further, during the current financial year, the Company has also recognised an expense under "Employee Benefit Expense" in the Statement of Profit and Loss of ₹ 9.98 crore on account of the increase in the gratuity ceiling limit from ₹15 lakh to ₹20 lakh with respect to current employees which were transferred from the erstwhile SOUTHCO utility, in accordance with the Odisha Civil Service Rules (OSCR), pursuant to OPTCL letter dated April 8, 2025.

NOTE 44 Disclosure regarding details of assets created with Government Fund and used by the SOUTHCO Utility/ TPSODL

- (i) As per details provided by the Gridco Limited and Odisha Power Transmission Company Limited (OPTCL) vide letter dated December 31, 2025 and February 06, 2026 respectively, certain assets were created for SOUTHCO/TPSODL through different schemes formed by the government and executed by OPTCL, PGCIL and NTPC. Based on details shared by Gridco Limited and OPTCL, the carrying amount of such assets as of March 31, 2025 is ₹ 3,168.62 crore for completed assets and ₹ 14.60 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				₹ crore
Name of Scheme	Completed	CWIP		Total
Integrated Power Development Scheme -IPDS	214.12	-		214.12
Dindayal Upadhyaya Gram Jyoti Yojna -DDUGY	252.47	-		252.47
SETU	14.21	-		14.21
Odisha Distribution System Strengthening Process-ODSSP*	808.50	14.60		823.10
Integrated Power Development Scheme-(IPDS IT Ph-II)	55.82	-		55.82
Dindayal Upadhyaya Gram Jyoti Yojna -DDUGY 12th Plan (PGCIL)	582.70	-		582.70
Dindayal Upadhyaya Gram Jyoti Yojna -DDUGY 11th Plan (PGCIL)	269.58	-		269.58
Dindayal Upadhyaya Gram Jyoti Yojna -DDUGY 11th Plan (NTPC)	113.98	-		113.98
Dindayal Upadhyaya Gram Jyoti Yojna -DDUGY 12th Plan (NTPC)	375.36	-		375.36
RGGVY 10th & 11th Plan (NHPC)	481.88	-		481.88
Total	3,168.62	14.60		3,183.22

* Including ₹23.49 crore, ₹59.29 crore, ₹ 69.58 crore, ₹ 74.40 crore and ₹ 55.48 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2022, March 31, 2023, March 31, 2024, March 31, 2025 and March 31, 2026 respectively.

- (ii) As per earlier details provided by the Odisha Power Transmission Company Limited (OPTCL) vide e-mail dated April 18, 2023, certain assets were created for SOUTHCO/TPSODL through different schemes formed by the government and executed by OPTCL. However, assets created under these schemes has not been given in letter dated February 06, 2026. 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				₹ crore
Name of Scheme	Completed	CWIP		Total
Rajiv Gandhi Gramin Viduyutikaran Yojana (RGGVY)	11.59	-		11.59
Odisha Dedicated Agriculture & Fishery Feeder Project (ODAFFP)	-	6.62		6.62
Biju Gram Jyoti Yojana (BIGJY-OPTCL-DTR)*	45.71	-		45.71
Pradhan Mantri Sahaj Buzi Har Ghar Yojana	191.44	-		191.44
Total	248.74	6.62		255.36

* Including ₹ 7.43 crore as it is a part of equity contribution by GRIDCO during the year ended March 31, 2025.



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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- (iii) The Company has received ₹1033.56 crore (including interest) from government of Odisha under ODSSP-IV, ODSSP V (CMPDP), BGJY and Swaksham Aganwadi project schemes till March 31, 2026 for upgradation of transformers, construction along with strengthen of existing 11 KV and 33 KV lines, electrification of unelectrified consumers, school and aganwadi projects and underground cabling. As per these schemes, ownership of these assets will lie with the Government (except for non-infrastructure expenditure incurred under BGJY Scheme and Swaksham Aganwadi project) and therefore, the Company is supervising the creation of these asset. The Company has spent ₹ 481.26 crore till March 31, 2026 (including ₹ 173.58 crore spent during the year ended March 31, 2026) and refund till March 31, 2026 amounting to ₹43.51 crore to govt. of odisha under ODSSP-IV, ODSSP V (CMPDP). Accordingly, such expenses have been adjusted against corresponding grant liability in the financial statements as of the reporting date and the balance unspent amount of ₹490.41 crore and interest of ₹18.38 crore has been disclosed under other non-current liability and other current financial liability respectively. As on March 31, 2026, assets amounting to ₹139.24 crore under ODSSP-IV, ODSSP V (CMPDP) have been transferred to the Government.

TP SOUTHERN ODISHA DISTRIBUTION LIMITED			
		As at March 31, 2026	
Name of Scheme	Completed	CWIP	Total
Odisha Distribution System Strengthening Project (ODSSP) IV	98.18	202.50	300.68
Odisha Distribution System Strengthening Project (ODSSP) V / (CMPDP)	41.06	112.42	153.48
Biju Gram Jyoti Yojana (BGJY)	-	26.57	26.57
Swaksham Aganwadi	-	0.53	0.53
Total	139.24	342.02	481.26

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 (87) 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 CFCs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India

NOTE 46 Audit Trail

The Company has used accounting software 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 software. In the previous year:

a) Audit trail feature was enabled in SAP application for direct changes to data in certain database tables for part of the year i.e. from June 1, 2024 onwards.

b) Audit trail feature at application level was enabled in CIS application for part of the year i.e. from October 23, 2024 onwards.

Further, there are no instance of audit trail feature being tampered with. Additionally, the Company has recorded and preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the current financial year.

Further, in respect of the financial year 2023-24 and 2024-25, the Company has preserved the requirements of recording audit trail to the extent it was enabled and recorded in respect of those years.

NOTE 47

The Company has received ₹ 40.00 crore from the Government of Odisha under the PM Surya Ghar Muft Bijli Yojana (PM-SGMY) towards state financial assistance provided to consumers for the installation of rooftop solar systems. This assistance is extended under the Utility Led Aggregation (ULA) Model for the installation of rooftop solar systems of 1 kW capacity, which forms part of PM-SGMY. Under this scheme, the total cost of the rooftop solar systems is financed through a combination of Central Financial Assistance, State Government funding, and contributions from consumers, in the proportions approved under the scheme guidelines. The ownership of the rooftop solar systems vests with the respective consumers. Accordingly, the Company's role is limited to supervision and facilitation of construction and installation activities, and the assets are not recognised as property, plant and equipment in the Company's books. During the year, the Company has incurred expenditure amounting to ₹ 10.07 crore under the ULA Model up to March 31, 2026. This expenditure has been adjusted against the corresponding liability as at the reporting date. The balance unutilised amount of ₹ 17.84 crore has been disclosed under Other Current Liabilities in the financial statements.

NOTE 48

During the current financial year 2025-26, the Ministry of Power (MoP) has Issued Electricity Distribution (Accounts and Additional Disclosure) Rules, 2025 ('the Notification') under the Electricity Act, 2003 which shall be applicable from April 1, 2026. It specifies Recognition of regulatory deferral account balances or income recoverable from future tariff as : "for claims or sums to be recoverable through tariff, if any, the Specified Entity shall recognize regulatory deferral account balances or income recoverable from future tariff in its financial statements in accordance with applicable Accounting Standards and Guidance note on Accounting for Rate Regulated Activities". It further suggests impairment criteria basis age of RDA effective from April 1, 2026. Accordingly, the Company believes there is no impact of the said rule 4 and the proposed amendment on the accounting of RDA as at March 31, 2026.

NOTE 49

During the course of tariff determination exercise for FY 2025-26, the Government vide its letter dated March 21, 2025 has communicated to the hon'ble OERC that in order to reduce the tariff burden on the consumers due to proposed capex plan of Discoms for smart metering, the State Government intend to provide capital subsidy/ grant to the Discoms in a phased manner for consumers with contract demand (CD) upto and including 2kW towards installation of smart meters. Meter rent from such consumers (with CD upto 2kW) may not be recovered to encourage speedy implementation of smart metering in the state. Accordingly, w.e.f. April 1, 2025, Commission directs for waiver of meter rent for the Consumers upto 2 kW as Government will provide capital grant including unrecovered meter rent for installation of smart meters for such group of consumers. Subsequently, the Discoms submitted a proposal to Department of Energy (DoE), Government of Odisha (GoO) seeking approval of capital grant equivalent to the WDV of smart meters (up to 2 kW) as on March 31, 2025, along with future capex requirements. DoE, GoO, through the sanction dated January 2, 2026 under MMSBY - Smart Meters Phase I (SASCI 2025-26), approved disbursement of ₹ 176 crore for installation of smart meters. The sanction specifies that the amount is to be provided as deferred equity (representing GRIDCO's 49% matching contribution) and states that legal ownership of the smart meters will vest with the Energy Department, GoO. Management understands that the sanctioned structure appears to differ from communications reflected in the Tariff Order regarding capital grant/ subsidy support and recovery of unrecovered meter rent. The recent tariff order for FY 2026-27 mentioned about Smart meter installation under 2kW load in which the State Government representative has requested the Hon'ble Commission to take appropriate view on the treatment of above one-time grant. Based on Management assessment and legal opinion obtained, Management has concluded that these one-time grant is in the nature of capital grant. Accordingly, Management accounted this as capital grant Rs. 173.84 crore wherein amount received is shown as Deferred income. The finance cost amounting to Rs 5.43 crore for the period of nine months i.e. till the date of receipt of above grant has been treated as pass through to consumers



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

NOTE 50 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 51 Standards notified but not yet effective

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.

NOTE 52 Approval of Financial Statements

The financial statements were approved for issue by the board of directors on April 22, 2026.

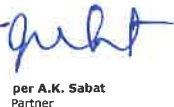
For **S R B C & CO LLP**
Chartered Accountants
ICAI FRN: 324982E/ E300003



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



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



per **A.K. Sabat**
Partner
Membership No. 030310
Place: **Bhubaneswar**



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



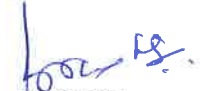
per **Sanjay Kumar Banna**
Director
DIN: 07785948
Place: **Bhubaneswar**



per **Amit Kumar Garg**
Chief Executive Officer
PAN: ACKPG3341A
Place: **Bhubaneswar**



per **Sanjeev Gupta**
Director
DIN: 09180029
Place: **Bhubaneswar**



per **Bijay Kumar Mohanty**
Chief Financial Officer
PAN: ABKPM8073A
Place: **Bhubaneswar**



per **Jeevanjyoti Nayak**
Company Secretary
ACS 39658
Place: **Bhubaneswar**

Date: April 22, 2026