

TPWODL
TP WESTERN ODISHA DISTRIBUTION LIMITED
(A Tata Power and Odisha Government Joint Venture)

TPWODL/RA&S/2022/156

Date:08.12.2022

To,
The Secretary
Odisha Electricity Regulatory Commission
Plot No-4, Chunokoli, Sailashree Vihar, Chandrasekharpur
Bhubaneswar-751021


Sub: Financial Statements of TPWODL for FY 2021-22 as per OERC Accounting Policy

Ref: Letter No. DIR (T)-415/2022-23/1290 dated 19.11.2022

Respected Sir,

As directed by the Hon'ble Commission vide the above letter cited under reference, the licensee is hereby submitting the audited accounts of FY 2021-22 as per the existing accounting policy of Hon'ble OERC.

Yours faithfully


GM (RA & Strategy)

Enclosure: As above

CC: 1) T.A to CEO, TPWODL for information
2) CFO, TPWODL for information

TP WESTERN ODISHA DISTRIBUTION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Schedule No.	As at 31-03-2022		As at 31-03-2021
		Rupees	Rupees	Rupees
I. SOURCES OF FUNDS				
<i>Shareholders' Funds</i>				
Share Capital	1	3,599,680,000		3,000,000,000
Reserves and Surplus	2	627,122,342		
			4,226,802,342	3,000,000,000
<i>Loan Funds</i>				
Secured Loans	3		1,802,448,705	1,412,600,008
<i>Other Funds</i>				
Consumers' Security Deposits	4	9,040,246,676		7,646,556,330
Capital contributions from consumers	5	12,105,839,908		9,410,641,835
			21,146,086,584	17,057,198,165
Total:			27,175,337,632	21,469,798,173
II. APPLICATION OF FUNDS				
<i>Fixed Assets</i>				
<i>Gross Block</i>				
	6	23,535,759,645		19,633,061,831
Less:-Accumulated Depreciation		7,242,137,199		6,430,985,638
<i>Net Block</i>		<u>16,293,622,446</u>		<u>13,202,076,193</u>
Capital Work in Progress	7	820,178,869		1,159,786,517
			17,113,801,315	14,361,862,710
<i>Current Assets, Loans and Advances</i>				
Sundry Debtors	8	11,337,626,894		3,703,572,964
Inventories	9	382,107,019		57,276,649
Cash & Bank Balances	10	20,021,205,441		12,884,405,099
Loans and Advances	11	1,084,911,730		430,839,605
		<u>32,825,851,083</u>		<u>17,076,094,317</u>
<i>Less: Current Liabilities and Provisions</i>				
Current Liabilities	12	21,196,347,051		9,554,619,782
Provisions		1,567,967,716		423,740,827
		<u>22,764,314,766</u>		<u>9,978,360,609</u>
Net Current Assets			10,061,536,317	7,097,733,708
Profit & Loss Account Debit Balance			0	10,201,755
Total:			27,175,337,632	21,469,798,173
Accounting Policies and Notes to Accounts	18			
Schedule- 1 to 18 form an integral part of the Accounting Statements				

As per our attached report of even date.

For Tej Raj & Pal,
Chartered Accountants
Firm Regn.No.304124E



Dinakar Mohanty
Partner
Membership No.59390

25th day of November 2022
Place: Bhubaneswar.

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



Satish Kumar
Chief Financial Officer (CFO)

day of November 2022
Place: Sambalpur.



Gajanan Sampatrao Kale
Chief Executive Officer (CEO)

day of November 2022
Place: Sambalpur.

TP WESTERN ODISHA DISTRIBUTION LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Schedule No.	For the year ended 31-03-2022	For the year ended 31-03-2021
		Rupees	Rupees
I. INCOME			
Revenue from Sale of Power	13	45,029,741,961	8,187,607,309
Other Revenue	14	4,039,742,932	1,081,088,231
		49,069,484,893	9,268,695,540
II. EXPENDITURE			
Purchase of Power	15	33,959,760,952	6,984,710,998
Less: Rebate availed		577,986,182	64,150,904
		33,381,774,770	6,920,560,094
Operation, Maintenance, Administration, General and Other Expenses	16	14,162,037,092	2,084,941,208
Depreciation	6	811,151,561	163,965,620
Less: Transferred from service line contribution, subsidy and grants		566,626,355	-
		244,525,206	163,965,620
Profit / (Loss) before interest & finance charges		1,281,147,825	99,228,617
Interest & Finance Charges	17	429,357,175	109,430,372
Less:- Transferred to Capital Work in Progress		-	-
		429,357,175	109,430,372
Prior period items (net)		-	-
Profit / (Loss) before Taxation		851,790,651	(10,201,755)
Provision for : Current Year Tax		316,888,930	-
Deferred tax		(102,411,635)	-
Profit / (Loss) for the year		637,313,355	(10,201,755)
Statutory Reserves and Appropriations		-	-
Balance Brought forward from Previous Year		-	-
Balance Carried to Balance Sheet		637,313,355	(10,201,755)
Accounting Policies and Notes to Accounts	18		
Schedule- 1 to 18 form an integral part of the Accounting Statements			

As per our attached report of even date.

For Tej Raj & Pal,
Chartered Accountants
Firm Regn.No.304124E



Dinakar Mohanty
Partner
Membership No.59390

25th day of November 2022
Place : Bhubaneswar.

For and on behalf of the Board,
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Satish Kumar
Chief Financial Officer (CFO)

day of November 2022
Place : Sambalpur.



Gajanan Sampatrao Kale
Chief Executive Officer (CEO)

day of November 2022
Place : Sambalpur.

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-1: SHARE CAPITAL				
Authorised:- 1,00,00,00,000 (PY-NIL) Equity Shares of ₹10/- each.		10,000,000,000		10,000,000,000
Issued, Subscribed and Paid-up 35,99,34,646 (PY-NIL) Equity Shares of ₹10/- each. GRIDCO Ltd - 17,63,67,976 nos The Tata Power Company Ltd (Holding company) - 183466669 nos		3,599,346,460		3,000,000,000
Share Application Money		333,540		
Total		3,599,680,000		3,000,000,000

SCHEDULE-2: RESERVES & SURPLUS

Particulars	As at 31-03-2022		As at 31-03-2021	
Surplus/(Deficit) as per Profit and Loss Account:				
Balance as per last balance sheet	(10,191,013)			
Add : Transfer from Statement of Profit and Loss	637,313,355			
	627,122,342			
Less: Transfer to Contingency reserve	-			
Net Surplus / (Deficit)		627,122,342		
Total		627,122,342		0

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

TP Western Odisha Distribution Limited

SCHEDULE-3: SECURED LOANS

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Term Loans				
a. Loan from GoO (A/c-CAPEX)	91,788		-	
b. Loan from HDFC Bank	500,000,000			
c. Short-term Loans from Union Bank of India	1,302,356,917		1,412,600,008	
		1,802,448,705		1,412,600,008
Total		<u>1,802,448,705</u>		<u>1,412,600,008</u>

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

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

SCHEDULE-4: CONSUMERS SECURITY DEPOSIT

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Consumers Security Deposit- against Service Connection		9,040,246,676		7,646,556,330
Total		<u>9,040,246,676</u>		<u>7,646,556,330</u>

SCHEDULE-5: CAPITAL CONTRIBUTIONS FROM CONSUMERS'

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Service line Contributions		12,105,839,908		9,410,641,835
Total		<u>12,105,839,908</u>		<u>9,410,641,835</u>

SCHEDULE-6: FIXED ASSETS

TP Western Odisha Distribution Limited

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 01.04.2021	Additions during the year	Sales/ Adjustments during the year	As at 31.03.2022	As at 01.04.2021	During the year	Sales/ Adjustments during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Buildings	160,211,503	295,129,030	-	455,340,534	55,238,498	2,299,024	-	397,803,012	397,803,012	104,973,005
Lines, Cables & Network Assets	19,373,337,462	3,035,438,270	-	22,408,775,731	6,307,578,516	756,123,904	-	15,345,073,311	15,345,073,311	13,065,758,946
Vehicles	4,806,722	13,906,946	-	18,713,667	4,131,883	1,301,823	-	13,279,962	13,279,962	674,839
Furniture & Fixtures	20,175,833	10,008,428	-	30,184,261	16,581,289	2,926,200	-	10,676,772	10,676,772	3,594,545
Office Equipment	74,530,312	548,215,140	-	622,745,452	47,455,453	48,500,610	-	526,789,389	526,789,389	27,074,859
Total:	19,633,061,831	3,902,697,814	-	23,535,759,645	6,430,985,638	811,151,561	-	16,293,622,446	16,293,622,446	13,202,076,193
Previous Year ending 31-03-2021	19,630,258,742	2,803,089	-	19,633,061,831	6,260,480,973	170,504,665	-	6,430,985,638	6,430,985,638	13,202,076,193

SCHEDULE-7: CAPITAL WORK IN PROGRESS		TP Western Odisha Distribution Limited		
Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Lines, Cables and Network Assets	369,544,141		494,700,577	
Capital Stores / Stock	387,795,398		663,978,283	
Advance for Capital Goods	62,839,330		1,107,657	
		820,178,869		1,159,786,517
Total		820,178,869		1,159,786,517

SCHEDULE-8: SUNDRY DEBTORS				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
(1) Sundry Debtors [Refer Note-B.5] -				
Considered good	11,337,626,894		3,703,572,963.54	
Considered Doubtful	535,516,068		85,260,810.67	
	11,873,142,962		3,788,833,774.21	
Less- Provision for doubtful debts	535,516,068		85,260,810.67	
		11,337,626,894		3,703,572,963.54
Total		11,337,626,894		3,703,572,963.54

SCHEDULE-9: INVENTORIES				
Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Operation and Maintenance Store / Stock (As certified and valued by the Management)		382,107,019		57,276,649
Total		382,107,019		57,276,649

SCHEDULE-10: CASH AND BANK BALANCES

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Cash				
Cash on hand (As certified by the Management)	59,660,085		208,833,633	
Stamps in Hand	11,967		10,927	
		59,672,052		208,844,561
Balances with Scheduled Banks				
in Current Accounts	3,024,040,580		803,867,189	
in Fixed Deposit Accounts(including MF)	16,937,492,809		11,870,583,879	
		19,961,533,389		12,674,451,068
Remittances in Transit		-		1,109,471
Total		20,021,205,441		12,884,405,099

SCHEDULE-11: LOANS AND ADVANCES

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Receivable from GRIDCO (ODSSP)		4,889,322		222,184
Loans and Advances to Employees (Secured)		86,570,587		48,235,280
Receivable from other Licensees (net) :				
Receivables from TPCODL	476,083		2,856,406	
Receivables from TPNODL	2,483,877		607,500	
		2,959,960		2,248,906
Receivable from Tata Group of Companies		38,645,151		51,038,994
Advances Recoverable in cash or in kind or for value to be received :				
Considered good	26,797,476		13,786,944	
Considered doubtful	-		10,671,488	
	26,797,476		24,458,432	
Less:Provision for doubtful advances/recoveries	-		10,671,548	
		26,797,476		13,786,884
Excess remittance of electricity duty		-		-
Excess contribution to various trust funds and terminal benefits:		-		-
Capital Subsidy / Grant Receivable		4,344,800		-
Tax refunds receivable:				
TDS (Income Tax)	276,130,192		20,542	
TCS (Income Tax)	18,427,879		4,473,846	
TDS (GST)	43,062		25,910	
		294,601,133		4,520,298
Interest accrued on fixed deposits		368,716,013		270,769,385
Other advances and deposits (considered good)		257,387,288		40,017,674
Total		1,084,911,730		430,839,605

SCHEDULE-12: CURRENT LIABILITIES AND PROVISIONS

Particulars	As at 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
A. Current Liabilities				
Sundry Creditors				
(a) For Purchase of Power	5,449,963,536		2,666,126,822	
(b) For Goods and services	1,004,462,633		975,369,474	
		6,454,426,169		3,641,496,296
Payables to Wesco Utility		379,243,289		1,934,689,563
Creditors on Capital Account		1,654,852,139		217,012,523
Acceptances, Deposits & Retentions from Suppliers /Contractors :				
(a) On Capital Account	118,233,156		26,790,330	
(b) Others	306,047,273		191,868,063	
		424,280,429		218,658,393
Advance payment / Deposits from consumers :				
(a) On Capital Account	2,803,543,423		1,348,943,671	
(b) Others	36,198,309		530,367,725	
		2,839,741,731		1,879,311,396
TCS Payable		3,691,750		1,540,495
Electricity duty payable [Refer Note C.4(a)] :				
Electricity duty due but not collected	1,513,205,287		182,954,970	
Electricity duty collected but not remitted	173,640,098		139,833,125	
		1,686,845,384		322,788,095
Regulatory Deferral Liabilities		6,346,366,357		
Other Liabilities		1,406,899,803		1,339,123,019
		21,196,347,051		9,554,619,782
B. Provisions				
Payable to Wesco Employees-				
Provident Fund Trust	8,475,347		32,056,125	
Pension Fund Trust	957,716,643		266,076,137	
Gratuity Fund Trust	200,174,667		9,166,242	
Rehabilitation Assistance Fund Trust	61,233,411		9,082,587	
Provision for Leave Encashment	199,434,034		6,012,625	
		1,427,034,102		322,393,716
Payable to Tata Power Employees-				
Actuarial Liabilities for Terminal Benefits	140,933,613		101,347,111	
		140,933,613		101,347,111
Provision for disputed matters				
Total		22,764,314,766		9,978,360,609

SCHEDULE-13: REVENUE FROM SALE OF POWER

Particulars	For the year ended 31-03-2022		As at 31-03-2021	
	MU Sold	Rupees	MU Sold	Rupees
Domestic	1,958.725	10,136,221,093		1,232,040,793
Commercial	511.086	3,843,358,044		517,357,100
Industrial Small	19.510	139,239,877		39,797,974
Industrial Medium	63.492	512,528,746		133,361,784
Industrial Large	1,263.956	8,322,745,750		2,444,074,953
Industrial Heavy	505.724	4,014,600,970		679,084,125
Industrial Power Intensive	1,819.023	11,149,679,896		1,592,332,954
Public Lighting	40.046	257,678,195		60,794,028
Railways Traction	640.519	4,480,592,846		856,672,965
Irrigation & Agricultural	457.925	762,606,386		192,258,287
Public Water Works & Swerage Pumps	104.852	754,362,547		135,157,502
Supplies in Bulk to Control Stations	0.452	2,176,579		26,862,154
Supplies in Bulk to others	21.545	109,941,732		184,155,469
Public Institutions	66.194	484,776,637		83,868,030
Allied Agri. & Agro Ind.	19.571	59,232,665		9,789,191
Total	7,492.619	45,029,741,961	0.000	8,187,607,309

SCHEDULE-14: OTHER REVENUE

Particulars	For the year ended 31-03-2022		As at 31-03-2021	
		Rupees		Rupees
Meter Rent/ Service Line Rental		231,116,419		87,087,005
Miscellaneous Charges		381,345,805		125,840,766
Delayed Payment Surcharges & Overdrawal Penalty		319,134,897		170,196,956
Cross Subsidy/Open Access Charges		2,271,271,602		324,065,584
Reliability surcharges		-		18,898,838
Other Miscellaneous Receipts		327,475,235		231,259,347
Interest from Bank		509,398,974		123,739,735
Total		4,039,742,932		1,081,088,231

SCHEDULE-15: PURCHASE OF POWER

Particulars	For the year ended 31-03-2022		As at 31-03-2021	
	Units Purchased (MU)	Rupees	Units Purchased (MU)	Rupees
Power purchased :				
- from Gridco	9,313.210	31,425,743,400	7,514.790	6,493,728,307
- from Others	-	-1,922,701	9.113	0
Transmission Charges		2,521,113,411		487,934,091
Sldc Charges		14,826,842		3,048,600
Total	9,313.210	33,959,760,952	7,523.903	6,984,710,998

SCHEDULE-16 : OPERATION, MAINTENANCE, ADMINISTRATION GENERAL & OTHER EXPENSES

Particulars	For the year ended 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Employees Costs:				
Salaries, Wages, Allowances & Benefits			580,844,496	
For Erstwhile WESCO Utility employee	1,973,338,413			
For TP (CTC) employee	235,526,852			
		2,208,865,264		
Contribution to Provident & Other Funds		2,331,716,941	319,022,638	
Staff Welfare Expenses		23,023,901	42,184,262	
		4,563,606,106		942,051,397
Repair & Maintenance:				
Buildings		18,429,299	1,577,149	
Lines, Cables and Network Assets			55,135,527	
R&M-AMC-33KV Lines Substations	314,041,686			
R&M-AMC-11KV Lines Substations	678,951,669			
R&M-AMC-LT Lines & others	316,807,888			
		1,309,801,243		
Furnitures, Fixtures & Office Equipment, Vehicle etc.		47,649,978	812,172	
		1,375,880,520		57,524,848
Administration, General & Other Expenses				
Property Related Expenses		91,663,229		11,295,720
Communication		14,800,845		2,929,801
Professional Charges		318,047,749		18,165,732
Statutory and other audit fees	12,689,234			
Legal and Consultancy charges	119,605,017			
Conveyance and travelling		132,294,251		35,111,475
Material related expenses		27,643,463		781,856
Provision for Bad and Doubtful debts		450,255,257		85,260,811
Discount to Consumers		373,833,319		49,215,343
Commission on sales		204,372,923		-
Regulatory Deferral Expenses		5,997,836,684		
Other Expenses		668,175,666		882,604,226
Total A&G Expenses		8,278,923,386		1,085,364,964
Less:-Expenses Capitalised		(56,372,920)		-
Total		14,162,037,092		2,084,941,208

SCHEDULE-17: INTEREST AND FINANCE CHARGES

Particulars	For the year ended 31-03-2022		As at 31-03-2021	
	Rupees	Rupees	Rupees	Rupees
Interest on Security Deposit-Service Connections		329,506,924		79,965,720
Other Finance Charges (net)		99,850,251		29,464,653
		429,357,175		109,430,372
Total		429,357,175		109,430,372

SCHEDULE-18

A. Transfer of WESCO Utility to TPWODL pursuant to order of OERC.

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

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

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

B. Significant Accounting Policies:

1. Basis of preparation of financial statements

The Financial Statements are prepared under the historical cost convention, generally on the accrual basis of accounting and in accordance with the provisions of the prevailing Electricity Act, 2003 and Regulations and in accordance with the generally accepted accounting principles in India (Indian GAAP), as well as those of the Companies Act, 2013 to the extent not inconsistent with prevailing Electricity Act, 2003 and Regulations and comply in material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the Act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). Assets and Liabilities created under applicable electricity laws continue to be depicted under appropriate heads.

2. Financial Statements: Presentation and Disclosures

Financial Statements have been prepared to the extent possible in accordance with the requirements of the information and disclosures mandated by schedule-III, applicable Accounting Standards and other applicable pronouncements and regulations. The company has prepared the financial statements on the basis that it will continue to operate as a going concern.

3. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

4. Revenue Recognition

(i) Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services. The Company's Revenue and Expenditure are controlled and monitored by the Odisha Electricity Regulatory Commission (OERC) through the Tariff Setting Process.

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

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognized net of the applicable taxes which the Company collects from the customer on behalf of the government/state authorities.

The Company, as per the prevalent Regulations (referred as "Tariff Regulations") for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations and maintenance expenses, financing cost, as per the said Tariff Regulations and an assured return on equity. As per the said Tariff Regulations, the Company determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance". Revenue from power supply is accounted for on the basis of billing to consumers based on billing cycles followed by the Utility. Generally, all consumers are billed on the basis of consumption of energy as per readings, by installed meters. Where meters have stopped/ are faulty/ damaged/ not installed, the bills are raised on consumers for such periods on the basis of average past consumption. Discount allowed for timely payment has been adjusted against sales. Delayed Payment Surcharge (DPS) and Reconnection Fees are accounted for on cash basis.

5. Fixed Assets

- (i) Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalized in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognized when replaced. The gross block of tangible assets is stated at cost of acquisition or construction including any cost attributable to bring the assets to their working condition for their intended use. The Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. intangible assets are stated at cost of acquisition.
- (ii) 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. Based on the vesting order/ tariff regulations, the residual value of the assets is considered at 10% of the Original Cost. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- (iii) Employee cost is allocated to Fixed Assets / Capital Works in Progress (CWIP) based on the cost attributable to respective Fixed Assets / Capital Works in Progress.
- (iv) Fixed assets created out of consumer contributions, service line contributions, grants and subsidies are recognized at their gross value.

6. Borrowing Costs

Borrowing Costs attributable to the acquisition or construction of a qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. Depreciation

Depreciation is provided on straight line method as per the rates' as well as methodology notified under Electricity Act, 2003.

8. Inventories

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

9. Employee Benefits

- (i) Short-term employee benefits are recognized as an expense in the Profit and Loss Account of the period in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss Account for the period on the basis of actuarial valuation made by independent actuary. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

10. Interest on Security Deposit

Interest on the Security Deposit of consumers is accounted on accrual basis as provided under OERC (Conditions of Supply) Code,2019 and RST order from time to time.

11. Prior Period items of Expenses and Incomes

Individual item of expenses and gains relating to the earlier period having a value of ₹5 lakhs or more in each case is considered as prior period item in the Profit and Loss Account.

12. Provisions and Contingent Liabilities and Contingent Assets

A provision is recognized when the utility has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and determined based on management estimate required to settle the obligation at the balance sheet date. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management /independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

13. Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash onhand and demand deposits with bank.

14. Capital Subsidies and Grants / Service Line Contribution

Capital Subsidies and Grants / Service Line Contribution received from government authorities / consumers towards meeting the capital cost of the Distribution Net work Assets are credited to Reserves and Surplus. Depreciation provided on the assets created out of the capital subsidies and grants/service line contribution shall be charged to Reserves and Surplus instead of charging to Profit and Loss Account.

Grants / capital contributions are recognized in the financial statements when there is a reasonable assurance that the underlying conditions have been complied and grants will be received.

C. OTHERNOTES:

1. In view of the specific guidelines prescribed by the Odisha Electricity Regulatory Commission for certification of accounts as of 31st March 2022(Refer Note-A), the following have been considered:
 - a) Rebate allowed for timely payment has not been adjusted against sales and shown separately for audited accounts under Companies Act,2013 as per the accounting policy B 4 (ii), whereas the same is shown as cost in these accounts and charged to Profit & Loss Account.

- b) Capital contribution received from consumers has been treated as capital reserve in accordance with Electricity Supply (Annual Account) Rules, 1985, whereas the same has been shown as capital contribution from consumers under the head "Other Funds".
- c) Capital Grants received towards cost of capital assets has been treated as capital reserve in accordance with Electricity Supply (Annual Account) Rules, 1985 instead of reducing the grants from the gross value of the assets concerned at its book value.

2. Revenue from Sale of Electricity

- a) Revenue from sale of power and operating incomes such as Meter Rent and Over Drawl Penalty (ODP) for the year ending on 31.03.2022 have been booked on accrual basis. However, Delayed Payment Surcharge (DPS) and Reconnection Fees are accounted for on cash basis.

3. Fixed Assets

- a) The Company does not own any land in its name. As per terms of vesting order, land has been given on lease to the Company for a nominal consideration of Re.1 per year, till the expiry of power distribution license. The Company has retained operational rights over these lands used for the purpose of carrying out distribution business under the license granted by OERC. The impact of applying lease accounting as per Ind AS 116 - 'Leases' to these leases is not material. Beneficial ownership of immovable properties constructed over the above lands viz; buildings have been transferred to the Company with effect from acquisition date. As per terms of vesting order, title for the said immovable properties continues to be in the name of erstwhile administration and Companies.
- b) The items of the property, plant and equipment include assets created out of Government Grant. As per the terms of the Vesting Order and the Carve Out Order, these assets have been transferred to the Company; however, the corresponding deferred Grant liability has not been transferred. The Vesting Order and the Carve Out Order also provides that depreciation charged on these assets will not be allowed for determination of tariff. In the financial statements, the Company has charged depreciation as per the accounting policy as stated above. As per the vesting order and the Carve Out order, the Company is required to utilize any amount realized through depreciation toward meeting additional serviceable liabilities. If there are any shortages in realization to meet these additional serviceable liabilities, then the OERC will allow such shortfall through Aggregate Revenue Requirement ('ARR') adjustment. Considering the above, the management has determined that lower depreciation allowed in ARR pursuant to the above requirements will not have any adverse impact on financial position and financial performance of the Company as at and for the year ended 31 March 2022.
- c) An independent party has carried out physical verification in respect of PPE transferred to the Company as at the acquisition date. Based on reports issued by the independent party and after considering necessary reconciliations prepared by the third party/ management, no material discrepancies have been identified. For the assets in existence but identified as idle / pending for repair work / damaged / burnt, management believes that assets after necessary repair work will be usable. Adjustments, if any, arising out of completion of technical evaluation will not be material.
- d) Addition/deletion of the Assets during the year ended on 31.03.2022 has been shown underschedule-6 of the accounts.
- e) Depreciation on assets amounting to ₹ 8111.52 lakhs have been considered during the year after deducting depreciation of ₹ 5666.26 lakhs on assets created out of service line contributions and grants.

4. Trade Receivables

- a) Electricity Duty receivable from consumers and payable to Government amounting to ₹15132.05 lakhs (Previous year ,for 3 months, Jan 21 to Mar 21 ₹1829.55lakhs) has been included in Trade Receivables. However, the liability to discharge the electricity duty arises only in the event of actual collection from consumers.
- b) The Company has acquired power distribution business of WESCO Utility w.e.f. January 01, 2021. The management believes that collection data related to pre-acquisition period is not relevant to assess expected credit loss (ECL) allowance on receivables in the post-acquisition period. In the absence of availability of adequate and relevant past data related to payment behaviors, the Company has elected to recognize Expected Credit Loss (ECL) allowance on trade receivables as per the OERC tariff regulations, i.e., @ 1% of revenue from power supply. During the financial year, on the basis of individual analysis, provision amounting of ₹4502.55 lakhs for bad and doubtful debts have been considered.

5. Interest on Term Loans

Interest on secured loan amounting to ₹47.32 lakhs has been considered for the financial year 2021-22.

6. Disclosure under Accounting Standard 15 (Revised 2005) - "Employee Benefits":

The TPWODL has classified various employee benefits as under:

- a) Defined Contribution Plan: Provident fund (Applicable to certain employees);
The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the TPWODL is required to contribute a specified percentage of payroll cost. The Utility has recognized the following amounts in the Statement of Profit and Loss for the year:

Sl.	Particulars	₹lakhs
		FY_ 2021-22
1.	Contribution to Provident Fund	561.89

- b) Defined Benefit Plan
- (i) Provident Fund
 - (ii) Pension Fund
 - (iii) Gratuity Fund
 - (iv) Leave Encashment (Unfunded)
 - (v) Rehabilitation Assistance Fund

As per audited accounts of the Provident Fund Trust, the shortfall arising out in meeting the stipulated interest payment liability, if any gets duly provided in the accounts as per AS-15 Employees Benefits (Revised 2005).

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the policy of the Utility.

Actuarial Valuation for Provision of Employees' Benefits:

Valuation in respect of Gratuity, Pension, Leave encashment and Rehabilitation Assistance (RA) are as carried out by the independent actuary based on projected unit credit method as at Balance sheet date. The assumptions and the valuation statement are as under.

i. Actuarial Assumptions:

(%)

Particulars	As at 31.03.2021					
	Gratuity (un funded)	Gratuity (funded)	Pension	Gratuity (un funded)	Gratuity (funded)	Pension
Mortality Table	IALM (2006-08)ULT	IALM (2006-08)ULT	IALM (2006-08)ULT	IALM (2006-08)ULT	IALM (2006-08)ULT	IALM (2006-08)ULT
Discount rate (per annum)	7.10%	7.10%	7.10%	6.60%	6.97%	6.97%
Rate of escalation on salary (per annum)	7.00%	6.00%	6.00%	7.00%	6.00%	6.00%

The rate of escalation in salary considered in actuarial valuation is taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

ii. Present Value of obligations

(₹lakhs)

Particulars	Gratuity (Un Funded)	Other Defined Benefit	Gratuity (Funded)	Pension (Funded)
a. Present Value of obligations as at January 1, 2021 as per Actuarial Valuation (including obligation not transferred to the Company) (Refer note 19.04)	-	15,747	8,560	134,294
b. Interest Cost	-	271	145	2,307
c. Current Service Cost	-	232	124	856
d. Past Service Cost	-	275	-	-
e. Acquisition (Credit)/Cost	343	103	-	-
f. Actuarial loss / (gain)-Demographic	-	36	-	-
g. Actuarial loss / (gain)-Financial	-	444	204	387
h. Actuarial loss / (gain)-Experience	230	56	108	1,682
i. Benefits Paid	-	388	509	3,800
j. Present value of obligation as at March 31,2021 (including obligation not transferred to the Company) (Refer note 20.04)	573	15,888	8,224	134,952
k. Interest Cost	37	1,072	472	8,942
l. Current Service Cost	44	191	405	907
m. Past Service Cost	-	-	-	1,249
n. Acquisition (Credit)/Cost	90	56	-	-
o. Actuarial loss / (gain)-Demographic	-	5	-	-
p. Actuarial loss / (gain)-Financial	41	209	120	2,504
q. Actuarial loss / (gain)-Experience	156	2,933	2,808	14,615
r. Benefits Paid	15	981	2,897	13,305
s. Present value of obligation at March 31,2022 (including obligation not transferred to the Company) (Refer note 20.04)	845	13,089	8,892	149,864

iii. Fair value of plan assets

(₹lakhs)

Particulars	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
a. Fair value of plan asset as at January 1, 2021 (including plan assets not transferred to the Company) (Refer note 19.04)	-	66	4,390	21,235
b. Acquisition (Credit)/Cost	-	-	-	-
c. Estimated return on plan asset	-	1	76	370
d. Employer contribution	-	-	242	3,043
e. Benefits Paid	-	-	-509	-3,800
f. Excess of actual over estimated return	-	0	2	183
g. Others	-	-	-	-
h. Fair value of plan asset as at March 31,2021 (including plan assets not transferred to the Company) (Refer note 20.04)	-	67	4,201	21,030
i. Acquisition (Credit)/Cost	-	-	-	-
j. Estimated return on plan asset	-	5	285	1,422
k. Employer contribution	-	39	2,682	12,043
l. Benefits Paid	-	-39	-2,897	-13,305
m. Excess of actual over estimated return	-	-2	32	93
n. Others	-	-	-	-
o. Fair value of plan asset at March 31,2022 (including plan assets not transferred to the Company) (Refer note 20.04)	-	70	4,303	21,284

iv. Amount to be recognized in the balance sheet

(₹lakhs)

Particulars	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Present Value of obligations as at March 31,2021 as per Actuarial	573	15,888	8,224	134,952
2. Fair value of Assets at the end of the period (including plan assets not	-	67	4,201	21,030
3. Net liability (before reducing liability not transferred to Company)	573	15,821	4,023	113,921
4. Liability not transferred to the Company as per vesting order	-	15,229	3,932	110,100
5. Net current Liability recognized in balance sheet as at March 31,2021	-	87	34	385
6. Net non current Liability recognized in balance sheet as at March	573	504	58	3,437
1. Present Value of obligations as at March 31,2022 as per Actuarial	845	13,089	8,892	149,864
2. Fair value of Assets at the end of the period (including plan assets not	-	70	4,303	21,284
3. Net liability (before reducing liability not transferred to Company)	845	13,019	4,589	128,580
4. Liability not transferred to the Company as per vesting order	-	9,845	2,590	119,003
5. Net current Liability recognized in balance sheet as at March 31,2022	-	118	1,340	1,692
6. Net non current Liability recognized in balance sheet as at March	845	3,056	659	7,886

TP Western Odisha Distribution Limited
Notes annexed to and forming part of the Consolidated Financial Statements
for the financial year ending on 31st March 2022

v. Expenses Recognized in the Statement of Profit & Loss

(₹lakhs)

Particulars	For the year ended March 31,2022			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	44	191	405	907
2. Past Service Cost	-	-	-	1,249
3. Interest Cost	37	1,067	187	7,205
4. Expected return on Plan Assets	-	-	-	-
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	1,313	-	-
6. Net Actuarial (Gain)/Loss recognized in the period	-	-	-	-
7. Expenses recognized in statement of Profit & Loss	81	2,572	592	9,361

Particulars	For the period ended March 31,2021			
	Gratuity (Un Funded)	Other Defined Benefit (Unfunded)	Gratuity (Funded)	Pension (Funded)
1. Current Service Cost	-	232	-	-
2. Past Service Cost	-	275	-	-
3. Interest Cost	-	270	31	-
4. Expected return on Plan Assets	-	-	-	-
5. Immediate Recognition of (Gains)/ Losses - Other Long Term Benefits	-	36	-	-
6. Net Actuarial (Gain)/Loss recognized in the period	-	-388	-	-
7. Expenses recognized in statement of Profit & Loss	-	425	31	-

vi. Investment Details:

(% Invested)

Particulars	As at 31.03.2022			As at 31.03.2021		
	Gratuity	Pension	R A	Gratuity	Pension	R A
Government of India Securities	15.07	10.80		14.30	6.65	
Public Securities	41.40	36.05		43.20	34.11	
Special Deposit Schemes		9.97			10.30	
State Government Securities	41.64	41.42	21.60	33.40	44.65	23.00
Others (including bank balances)	1.89	1.76	78.40	9.10	4.29	77.00
Total:	100	100	100	100	100	100

7. Payment to Auditors

₹ in lakhs

Sl	Particulars	FY ended 31.03.2022	FY ended 31.03.2021
(a)	Audit Fees and certification of accounts in Company and	66.09	30.68
(b)	Tax Audit Fees	2.36	1.18
(c)	For Other Services- certification fees	-	-
(d)	Reimbursement of out-of-pocket expenses	0.74	0.00
	Total :	69.19	31.86

8. Business Segment

The entire operation of the TPWODL is only in one segment namely Distribution and Retail Supply of electricity in Western Odisha, covering 48,000 sq. kms (approximately). As such no separate segment disclosure is required under AS-17 on segment reporting.

TP Western Odisha Distribution Limited
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9. Balance Confirmation

The TPWODL has written letters for payables for balance confirmation. The balance confirmations, wherever received are under process of reconciliation.

10. Previous year figures

Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year.

11. Contingent Liabilities

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

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

Particular	As at 31.03.2022 (Amt in lakhs)	As at 31.03.2021 (amt in lakhs)
Legal cases filed by consumers, employees and others under litigation	1814.00	4630.00
Indirect taxation matters relating to sales tax, service tax, GST demand for fy 2014-15 to June 2017 including Interest till 31st March 21 where demand is under contest before judicial/appellate authorities CESTAT, Kolkata and deposited Rs 2.96 Cr @7.5% of principal demand of Rs 39.41 Cr	7893.00	7893.00

12. Related Party Disclosures

a. As per AS-18, the TPWODL's related parties and **transactions** are disclosed below

Rs in crores

Sr No	Name of Related Party	Nature of transactions	Year Ended 31.03.2022	Period Ended 31.03.2021
1	Purchase of Power			
	GRIDCO Ltd	Power purchase expenses net of rebate	3,088.96	642.96
2	Issue of Equity Shares			
	GRIDCO Ltd	Issue of equity shares	29.37	153.00
3	Repayment of Dues			
	TP Southern Odisha Distribution Limited(TPSODL)	Repayment of dues	5.05	-
4	Gratuity & Annual Leave			
	The Tata Power Company	Gratuity and Leave	0.27	2.84

TP Western Odisha Distribution Limited
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	Limited (TPCL)	liability transferred		
	Coastal Gujarat Power Ltd (CGPL)	Gratuity and Leave liability transferred	0.12	0.03
	Industrial Energy Limited (IEL)	Gratuity and Leave liability transferred	-	0.01
	Maithon Power Limited (MPL)	Gratuity and Leave liability transferred	-	0.71
	Tata Power Renewable Energy Limited (TPREL)	Gratuity and Leave liability transferred	-	0.24
	Tata Power Solar Systems Limited (TPSSL)	Gratuity and Leave liability transferred	-	0.13
	TP Ajmer Distribution Limited (TPADL)	Gratuity and Leave liability transferred	0.03	0.49
	Tata Power Delhi Distribution Ltd (TPDDL)	Gratuity and Leave liability transferred	0.93	0.64
	Powerlink Transmission Limited (PTL)	Gratuity and Leave liability transferred	0.10	-
5	Supply of Material and Management Services			
	The Tata Power Company Limited (TPCL)	Management Services	0.90	-
	TP Northern Odisha Distribution Limited (TPNODL)	Supply of Material	0.07	-
	TP Central Odisha Distribution Limited (TPCODL)	Supply of Material and Management Services	1.43	-
	Tata Power Delhi Distribution Ltd (TPDDL)	Supply of Material and Management Services	1.55	-
6	Transaction with Trust			
	WESCO Employees Pension trust	Contribution of Pension*	58.91	30.43
	WESCO Employees Gratuity trust	Contribution of Gratuity*	34.22	2.42
	WESCO Employees Provident Fund trust	Contribution of Provident Fund	8.15	0.28
	WESCO Employees Rehabilitation Fund trust	Contribution of Rehabilitation Fund	0.36	-
7	Managerial remuneration including directors' sitting fee	Managerial remuneration and sitting fees	1.77	0.34
		Total	3,262.66	981.52

TP Western Odisha Distribution Limited
*Notes annexed to and forming part of the Consolidated Financial Statements
for the financial year ending on 31st March 2022*

13. Quantitative Information:

Sl.	Particulars	Unit	FY ended 31.03.2022
(i)	Purchase of El. Energy	(Kwh/million)	9313.21
(ii)	Cost of El. Energy purchased:		
	BSP Bill - GRIDCO *	(₹ in Lakhs)	314257
	Transmission Bill - OPTCL	(₹ in Lakhs)	25192
	SLDC Charges	(₹ in Lakhs)	148
			339597
	Less: Rebate for prompt payment	(₹ in Lakhs)	5780
	Net Cost charged to Profit and Loss Account	(₹ in Lakhs)	333817
(iii)	Sale of Energy	(Kwh/million)	7492.62
(iv)	Sale of Energy	(₹ in Lakhs)	450297
(v)	Collection against Sale of Energy	(₹ in Lakhs)	404956
(vi)	Distribution Loss	%	19.55
	A T and C Loss	%	27.65

As per our report of even date.

For Tej Raj & Pal,
Chartered Accountants
Firm Registration No.304124E


CA Dinakar Mohanty
Partner

For and on behalf of the TP Western Odisha Distribution Ltd,


Satish Kumar
Chief Financial Officer


Gajanan Sampatrao Kale
Chief Executive Officer (CEO)

Membership No.59390

Place: Bhubaneswar.
Date: 25th day of November 2022.