

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, 2021, 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 period then ended (from date of incorporation, i.e., December 25, 2020 to March 31, 2021), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and changes in equity for the period 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.

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 as per section 134 of the Act, 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.

The Board Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.



Responsibility of Management for the Financial Statements

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

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

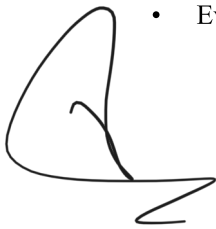
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

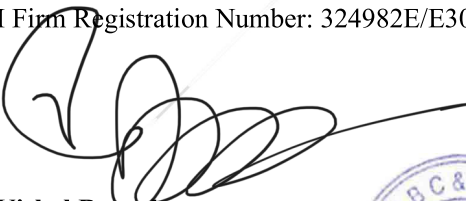
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Attention is drawn to the matters described in Note 37 of the financial statements, related to non-availability of certain records and documents pertaining to business acquired. In our opinion, except for the possible effects of the aforesaid, proper books of account for the remaining matters as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) Attention is drawn to the matters described in Note 37 of the financial statements, related to non-availability of certain records and documents pertaining to business acquired. In our opinion, 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 except for the possible effects arising from non-availability of records and documents as aforesaid;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The matters related to non-availability of certain records and documents pertaining to business acquired are as stated in paragraph (b) and (c) of our report;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration, if any, for the period ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 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.

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


per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACZ4676
Mumbai
June 7, 2021



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

per A.K. Sabat
Partner
Membership Number: 030310
UDIN: 21030310AAAAAH4923
Bhubaneswar
June 7, 2021

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

- (i) (a) In our opinion, except for the matters described in Note 37.04 of the financial statements related to unavailability of complete fixed assets records as at the date of acquisition of business by the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained in Note 37.04 of the financial statements, fixed assets were not physically verified by the transferor company. Post-acquisition, the Company has framed a regular programme for physical verification of fixed assets. However, fixed assets were not been physically verified by the management during the period, hence, we are unable to comment on the discrepancies, if any.
- (c) The Company does not hold any land in its name. As regard the buildings thereon, the Company retains the operational right over the buildings 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.
- (ii) According to the information and explanations given to us and as described in Note 37.04, the Company has acquired power distribution business in Southern Odisha from the SOUTHCO Utility from January 1, 2021. Post-acquisition, the management has not conducted physical verification of inventory during the period. Hence, we are unable to comment on discrepancies, if any.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits during the period within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

- (vi) To the best of our knowledge and according to the information and explanations given to us, the Company being in its first year of operations after incorporation on December 25, 2020, the requirement for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the business of the Company is not applicable. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.



(vii) (a) According to the information and explanations given to us and as described in Note 37.04 , the Company ,after the acquisition of the business, is in the process of reconciling the amount due with the actual amount paid for the applicable statutory dues. In the absence of the completion of the reconciliation, we are unable to comment on whether the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales-tax, service tax, duty of excise, value added tax and duty of custom, are not applicable to the Company.

(b) According to the information and explanations given to us and as described in Note 37.04 , the Company ,after the acquisition of the business, is in the process of reconciling the amount due with the actual amount paid for the applicable statutory dues. In the absence of the completion of the reconciliation, we are unable to comment on whether undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, employees' state insurance, cess and other statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, service tax, duty of excise, value added tax and duty of custom, are not applicable to the Company.

(c) According to the information and explanations given to us, the dues of service tax on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	INR in Crores	Period	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	13.21	Financial year 2014-15 to 2017-18	Principal Commissioner, CGST

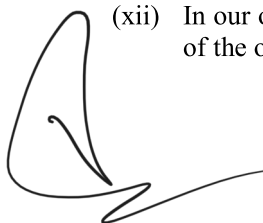
(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.

(xi) According to the information and explanations given by the management, the managerial remuneration, if any, has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



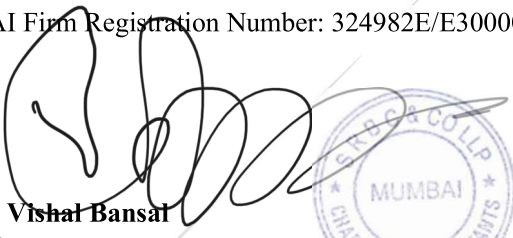

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Chartered Accountants,
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TP Southern Odisha Distribution Limited
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- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 188 of 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. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management and audit procedures performed by us, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment through private placement of shares during the period. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. Further, according to the information and explanations to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the period.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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


per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACZ4676
Mumbai
June 7, 2021



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

per A.K. Sabat
Partner
Membership Number: 030310
UDIN: 21030310AAAAAH4923
Bhubaneswar
June 7, 2021

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, as amended ("the Act")

We were engaged to audit the internal financial controls over financial reporting of TP Southern Odisha Distribution Limited ("the Company") as of March 31, 2021, in conjunction with our audit of financial statements of the Company for the period 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 (the "Guidance Note") 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 Act.

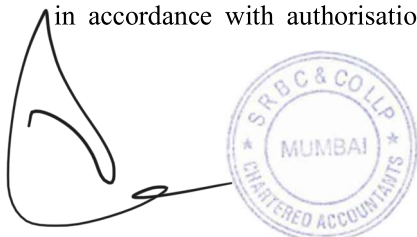
Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with 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 and, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting with reference to these financial statements of the Company.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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



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TP Southern Odisha Distribution Limited
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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.

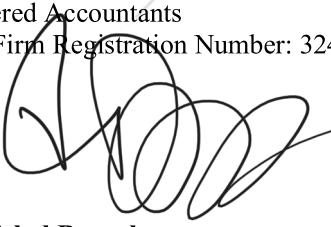
Disclaimer of Opinion

According to the information and explanation given to us and as described in Note 39, the Company has acquired power distribution business in Southern Odisha from SOUTHCO utility. Prior to acquisition, SOUTHCO utility was administrated and operated by the Odisha Electricity Regulatory Commission through GRIDCO Limited, a State Government Company and the provisions of Companies Act, 2013, including the requirements of internal controls over financial reporting, were not applicable to them. The Company is in the process of strengthening the existing internal controls over financial reporting, including maintenance of sufficient and appropriate records, over key processes considering the essential components of internal controls over financial reporting stated in the Guidance Note. Consequently, the documentation supporting the design and operating effectiveness of key internal controls over financial reporting considering the essential components of internal control over financial reporting stated in the Guidance Note were not made available to us to enable us to determine if the Company has established adequate internal controls over financial reporting and whether such internal controls over financial reporting were designed and operating effectively as at March 31, 2021. Accordingly, we do not express an opinion on internal controls over financial reporting with reference to these financial statements.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, and the related 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 period then ended (from date of incorporation, i.e., December 25, 2020 to March 31, 2021), and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer does not affect our opinion on report on the financial statements of the Company.

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


per Vishal Bansal
Partner
Membership Number: 097546
UDIN: 21097546AAAACZ4676
Mumbai
June 7, 2021



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

per A.K. Sabat
Partner
Membership Number: 030310
UDIN: 21030310AAAAAH4923
Bhubaneswar
June 7, 2021

TP SOUTHERN ODISHA DISTRIBUTION LIMITED
BALANCE SHEET AS AT 31 MARCH, 2021

Particulars	Note No.	As at 31.03.2021 ₹ crore
I. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	4	417.81
(b) Capital work-in-progress	5	355.44
(c) Financial assets		
Other financial assets	6	329.33
(d) Deferred tax assets (net)	7	9.17
(e) Other non-current assets	8	2.78
Total non-current assets - (1)		1,114.53
(2) Current assets		
(a) Inventories	9	7.43
(b) Financial assets		
(i) Trade receivables	10	78.08
(ii) Cash and cash equivalents	11	206.60
(iii) Other financial assets	12	15.83
(iv) Unbilled Revenue		83.03
(c) Other current assets	13	9.77
Total current assets - (2)		400.74
(3) Total assets - (1+2)		1,515.27
(4) Regulatory deferral account balances	31	48.10
Total assets and regulatory deferral account debit balances - (3+4)		1,563.37
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	14	200.00
(b) Other equity	15	22.42
Total equity - (1)		222.42
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	16	26.80
(b) Provisions	17	90.57
(c) Other non-current liabilities	18	426.39
Total non-current liabilities - (2)		543.76
(2) Current liabilities		
(a) Financial liabilities		
(i) Short-term borrowings	19	99.95
(ii) Trade payables	20	272.30
(iii) Other financial liabilities	21	400.14
(b) Other current liabilities	22	14.13
(c) Provisions	17	10.67
Total current liabilities - (3)		797.19
Total equity and liabilities - (1+2+3)		1,563.37

See accompanying notes forming part of the financial statements

As per our report of even date

For **S R B & CO LLP**

Chartered Accountants
ICAI FRN: 324982E/ E-30999

per **Vijal Bansal**
Partner
Membership No. 097546

Date: 7th June, 2021
Place: **Mumbai**

For **A K Sabat & Co.**

Chartered Accountants
ICAI FRN: 321012E

per **A K Sabat**
Partner
Membership No. 030310

Date: 7th June, 2021
Place: **Bhubaneswar**



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

Praveer Sinha
Director
DIN: 01785164

Place: **Mumbai**

Arvind Singh
Chief Executive Officer
Place: **Berhampur**

Sanjay Ganga
Director
DIN: 07785948

Place: **Mumbai**

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



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 25 DECEMBER, 2020 TO 31 MARCH, 2021

Particulars	Note No.	From 25 December, 2020 to 31 March, 2021
		₹ crore
INCOME		
Revenue from operations	23	326.39
Other income	24	24.17
Total income		352.56
EXPENSES		
Cost of power purchased and transmission charges	25	198.75
Employee benefits expense (net)	26	78.79
Finance costs	27	4.73
Depreciation and amortisation expense	4	6.90
Other expenses	28	31.69
Total expenses		320.86
Profit / (Loss) before movement in regulatory deferral balance and tax		31.70
Add/(Less): Net movement in regulatory deferral balances (Net)	31	(18.45)
Profit / (loss) before tax		13.25
Tax expense		
(i) Current tax		-
(ii) Deferred tax	29	(6.17)
Profit/ (loss) after tax for the period		22.42
Other comprehensive income		
Items that will not be reclassified to profit or loss	30	-
Other comprehensive income/(expenses)		
Total comprehensive income for the period		22.42
Earnings Per Equity Share (excluding Net movement in regulatory deferral balances)		
Basic/ Diluted (in Rs.) (not annualised)		1.95
Earnings Per Equity Share (including Net movement in regulatory deferral balances)		
Basic/ Diluted (in Rs.) (not annualised)		1.21

See accompanying notes forming part of the financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI FRN: 011001

per Vishal

Partner

Membership No. 030310

Date: 7th June, 2021

Place: Mumbai

For A K Sabat & Co.

Chartered Accountants

ICAI FRN: 321012E

per A K Sabat

Partner

Membership No. 030310

Date: 7th June, 2021

Place: Bhubaneswar

For and on behalf of the Board of

TP Southern Odisha Distribution Limited

Praveer Sinha

Director

DIN: 01785164

Place: Mumbai

Sanjay Banga

Director

DIN: 07785948

Place: Mumbai

Arvind Singh

Chief Executive Officer

Place: Bhubaneswar

Bijay Kumar Mohanty

Chief Financial Officer

Place: Bhubaneswar



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
CASH FLOW STATEMENT FOR THE PERIOD FROM 25 DECEMBER, 2020 TO 31 MARCH, 2021

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

The Company acquired Assets and Liabilities including Cash and Bank balances as per vesting order on January 01, 2021 and the movement of such balances has been disclosed in the Cash Flow Statement.

Particulars	Period from December 25, 2020 to March 31, 2021	
	₹ crore	
A. Cash flow from operating activities		
Profit/(Loss) before tax		13.25
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation expense	5.90	
Finance costs	4.73	
Interest income	(5.76)	
Allowances for doubtful debts	1.53	
		9.40
Operating profit before working capital changes		22.65
Adjustments for (increase)/decrease in operating assets:		
Inventories	(0.48)	
Trade receivables	(81.62)	
Other financial assets - current	(4.99)	
Other financial assets - non current	(0.27)	
Unbilled Revenue	(83.03)	
Other current assets	1.49	
Regulatory deferral account balances	(49.10)	
		(219.00)
Movement in operating asset		
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	132.77	
Other financial liabilities - current	108.74	
Other financial liabilities - non current	(0.79)	
Other current liabilities	4.10	
Other non-current liabilities	1.53	
Provision - Non current	10.67	
Provision - current	90.57	
		347.58
Movement in operating liability		
		347.58
Cash generated from operations		
Taxes paid		153.24
Net cash from/(used in) operating activities	(A)	153.24
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment		(0.72)
Interest received		5.76
Investment in CWIP		(5.52)
Investment in term deposits		(2.65)
Net cash from/(used in) investing activities	(B)	(3.13)
C. Cash flow from financing activities		
Finance cost paid		(4.73)
Repayment of short-term borrowings		(73.01)
Net cash from/(used in) financing activities	(C)	(77.74)
D. Net increase/(decrease) in cash and cash equivalents	(A+B+C)	72.37
E. Cash and cash equivalents acquired on Business Combination (Refer note 17)		134.23
F. Cash and cash equivalents at the end of the period (See note 11)		206.60

For S P C & CO LLP
Chartered Accountants
ICAI FRN: 249877P-000003

per Vinod Bhat
Partner
Membership No. 039310
Date: 7th June, 2021
Place: Mumbai

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

per A K Sabat
Partner
Membership No. 039310
Date: 7th June, 2021
Place: Bhubaneswar

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

Praveer Sinha
Director
DIN: 01785164
Place: Mumbai

Sanjay Banga
Director
DIN: 07785948
Place: Mumbai

Arvind Singh
Chief Executive Officer
Place: Bhubaneswar

Bhavya Kumar Mohanty
Chief Financial Officer
Place: Bhubaneswar



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 25 DECEMBER, 2020 TO 31 MARCH, 2021

A. EQUITY SHARE CAPITAL

Particulars	No of Shares Nos	Amount ₹ in Crores
Issued during the period	20,00,00,000	200.00
Balance as at 31 March, 2021	20,00,00,000	200.00

B. OTHER EQUITY

Particulars	Retained Earnings	Amount ₹ in Crores
Profit for the period	22.42	22.42
Other comprehensive income (net of income tax)	-	-
Total comprehensive income for the period ended 31 March, 2021	22.42	22.42
Balance as at 31 March, 2021	22.42	22.42

For S R Bhat & Co LLP
 Chartered Accountants
 ICAI FRN: 314982/1300063

per Vishal Bansal
 Partner
 Membership No. 097546
 Date: 7th June, 2021
 Place:

m n mben



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

per A K Sabat
 Partner
 Membership No. 030310
 Date: 7th June, 2021
 Place: Bhubaneswar



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

Praveer Sinha
 Director
 DIN: 01785164

Place: Mumbai

Sanjay Banga
 Director
 DIN: 07785948

Place: Mumbai

Arvind Singh
 Chief Executive Officer
 Place: Bhubaneswar

Bilay Kumar Mohanty
 Chief Financial Officer
 Place: Bhubaneswar



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

Note 1
General 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). Henceforth, 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 Kantsapali, Courtpeto, 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

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 read with section 133 of the Companies Act, 2013 (as amended from time to time). Financial statements are prepared for the period from date of incorporation, viz., 25 December 2020 to 31 March 2021. Since the Company has been formed during the year, there is no comparative information.

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);
- employee benefit expenses (refer note 17 for accounting policy)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Note 3

Other significant accounting policies

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

3.01 Foreign currencies

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

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

3.02 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

3.03 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 (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are 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, depending on the classification of the financial assets.

3.04.1 Financial assets at amortised cost

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

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

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

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

A financial asset is held for trading if:

- (i) it has been acquired principally for the purpose of selling it in the near term; or
- (ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent (iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

3.04.3 Financial assets at fair value through other comprehensive income (FVOCI)

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

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

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

3.04.4 Impairment of financial asset

The Company applies the expected credit loss 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.

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

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

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'.

3.04.5 Derecognition of financial asset

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

3.05 Financial liabilities and equity instruments

3.05.1 Classification as debt or equity

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

3.05.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.05.3 Financial liability

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



3.05.4 Financial liabilities subsequently measured at amortised cost

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

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

3.05.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.06 Fair value measurement

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

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

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

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

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

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

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.

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

3.07.1 As a Lessee

Right-of-use Assets

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

Lease Liabilities

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

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

Short term leases and leases of low value of assets

The Company applies 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

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

3.09 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. Where the grant relates to a specified asset, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants relating to revenue are recognized in the statement of profit and loss.



3.10 Business combinations and goodwill

Business combinations, except those under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

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

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquirer that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12 Income Tax.
- When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

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

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

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

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

3.11 Changes in Ind AS and related pronouncements effective at a future date

Amendment in Schedule III to Companies Act 2013:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with the Companies (Indian Accounting Standards) Rules 2015 (as amended) are:

- Balance Sheet:
 - Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished as current or non-current.
 - Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
 - Specified format for disclosure of shareholding of promoters.
 - Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
 - If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
 - Specific disclosure under "additional regulatory requirement" such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
 - Statement of profit and loss:
 - Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of the financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3.12 Critical accounting estimates and judgements

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

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

The areas involving critical estimates or judgements are:

1. Estimation of defined benefit obligation
2. Estimation of current tax and deferred tax expense
3. Estimation of regulatory deferral account balances
4. Estimation of provision and contingent liability
5. Estimation of unbilled revenue

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



4 Property, plant and equipment :

4.01 Accounting Policy :

Property, plant and equipment are 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. Subsequent costs are included in the asset's carrying amount or recognised 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 separately is derecognised when replaced.

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 the Regulatory commission.

Estimated useful lives of the Regulated assets are as follows:

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

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.

Intangible assets

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

Derecognition

An item of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment 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 tangible and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment loss, if any, is recognised in the Statement of Profit and Loss.



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

4.02 PROPERTY, PLANT AND EQUIPMENT

Particulars	As at 01.01.2021*	Gross Block Additions	As at 31.03.2021	Accumulated Depreciation for the period	As at 31.03.2021	Net Block As at 31.03.2021
A) PROPERTY, PLANT AND EQUIPMENT						
(a) Buildings	3.59	-	3.59	0.02	0.02	3.57
(b) Plant and Machinery, Transmission lines and cable network	419.56	0.02	419.58	6.84	6.84	412.74
(c) Vehicles	-	0.35	0.35	-	-	0.35
(d) Furniture and fixtures	0.33	0.13	0.46	0.01	0.01	0.45
(e) Office equipment	0.51	0.22	0.73	0.03	0.03	0.70
Total	423.99	0.72	424.71	6.90	6.90	417.81

4.03 Assets acquired from SOUTHCO utility and SOUTHCO LIMITED

Particulars	As at 01.01.2021	Accumulated Depreciation ₹ Crores
PROPERTY, PLANT AND EQUIPMENT		
Buildings	6.02	2.43
Plant and Machinery, Transmission lines and cable network	758.47	338.90
Furniture and fixtures	1.00	0.04
Office equipment	2.32	1.29
Total	773.22	349.23

4.04 Depreciation charged to Statement of Profit & Loss

Particulars	From 25 December, 2020 to 31 March, 2021
Depreciation on Tangible Assets	₹ Crores 6.90
Total	6.90

4.05 The Company does not own any land in its name. The Company retains operational rights over the land used for the purpose of carrying out distribution business under a license granted by the OREC. As per terms of Winding Order, land has been given on lease to the Company for a consideration of ₹ 1.1 per year, till the expiry of power distribution license.

4.06 Also refer Note no 37.03

5 Capital Work in Progress (CWIP)

Particulars	As on 01.01.2021*	Addition	As at 31.03.2021
Capital work in Progress (major projects to Plant & Machinery and Transmission lines and cable network)	160.92	5.52	355.44

Capital work in Progress (major projects to Plant & Machinery and Transmission lines and cable network) of ₹ 160.92 Crores (As at January 1, 2021) is ₹ 99.86 Crores. As explained in note 37, records related to location, design, scheme and terms for Capital Work in Progress (CWIP) to the extent of ₹ 355.44 crores are currently unavailable. Also, the Company is in the process of identifying CWIP which is ready for intended use and, therefore, needs to be capitalised.

* Date of acquisition from SOUTHCO utility. All assets were acquired prior to that date.



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	As at 31.03.2021 ₹ crore
6 Other financial assets - non current (Unsecured and considered good, at amortised cost)	
(a) Grants/ Subsidy receivables	22.31
(b) Term Deposits *	306.75
(c) Other Advances	0.27
Total of Other financial assets - non current	329.33
* Out of this, Rs 117.69 Crore term Deposit are earmarked as security against Short Term Borrowings	
	As at 31.03.2021 ₹ crore
7 Deferred tax assets	
Deferred tax asset (Refer note 29.02)	9.17
Total of Deferred tax assets	9.17
	As at 31.03.2021 ₹ crore
8 Other non-current assets (Unsecured and considered good)	
(a) Capital advances	2.57
(b) Security Deposit-Others	0.21
Total of Other non-current assets	2.78
9 Inventories Accounting policy	
9.01 Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on moving weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.	
	As at 31.03.2021 ₹ crore
Stores and spares (At lower of cost and net realisable value)	7.43
Total of Inventories	7.43
	As at 31.03.2021 ₹ crore
10 Trade receivables-Current	
Unsecured, considered good	78.08
Credit impaired	3.53
Less: Allowance for doubtful debts (expected credit loss)	81.61
Total of Trade Receivables	3.53
Note: 1. The Company holds security deposits from consumers amounting to Rs. 272.95 Crore. Note: 2. Refer note 15 for charge created against borrowings	78.08
11 Cash and bank balances Accounting policy	
11.01 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.	
	As at 31.03.2021 ₹ crore
11.02 Cash and cash equivalents	
(a) Balances with banks - in Current accounts	189.83
(b) Cheques, drafts on hand	3.64
(c) Cash on hand	13.13
Total cash and cash equivalents	206.60
	As at 31.03.2021 ₹ crore
12 Other financial assets - current (Unsecured and considered good, unless otherwise stated, at amortised cost)	
(a) Interest accrued but not due on Term Deposits	6.20
(b) Other receivables	9.63
Total of other financial assets - current	15.83
	As at 31.03.2021 ₹ crore
13 Other current assets (Unsecured and considered good)	
(a) Prepaid insurance	0.50
(b) Other assets	9.27
Total of other current assets	9.77



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		As at 31.03.2021 ₹ crore
14 Share capital		
Authorised		
100 Crore equity shares of ₹ 10/- each with voting rights.		1,000.00
		<u>1,000.00</u>
Issued, subscribed and paid up		
20 Crore equity shares of ₹ 10/- each fully paid up with voting rights.		200.00
Total issued, subscribed and paid-up share capital		<u>200.00</u>
a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:		
Equity shares	No. of Shares	
Issued during the period	20,00,00,000	
Outstanding at the end of the period	<u>20,00,00,000</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 Rs.10 per share. Each holder of equity shares is entitled to one vote per share held. The share holders are entitled to dividend declared on proportionate basis. On liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.		
c. Details of shareholders holding more than 5% shares in the Company and the shares held by the Holding Company:		
Equity shares of Rs. 10 each fully paid	No. of Shares	% Holding
Name of the Shareholder		
A. The Tata Power Company Ltd (the Holding company)	10,20,00,000	51%
B. GRIDCO Limited	9,80,00,000	49%
Total	<u>20,00,00,000</u>	<u>100%</u>
The shares have been issued by way of conversion of Trade Payables. Also refer note 37		

15 Other equity	As at 31.03.2021 ₹ crore
15.1 Retained earnings	
Balance at beginning of period	-
Add : Profit for the period	22.42
Balance as at the end of the period	<u>22.42</u>
Total of Retained earnings	<u>22.42</u>
Nature and purpose of reserves:	
Retained earnings	
Retained earnings are the profits of the Company earned till date net of appropriations. The amount can be distributed to the shareholders of the Company as per the requirements of the Companies Act, 2013 (as amended).	



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	As at 31.03.2021
	₹ crore
16 Other financial liabilities - non current	
(At amortised cost)	
(a) Security deposits/ Earnest Money Deposit from Supplier	11.11
(b) Retention money payable	15.69
Total of Other financial liabilities - non current	26.80

17 Provisions

17.01 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 statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Defined contribution plans

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

Defined benefits plans

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

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

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

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

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

Other current and other non-current employee benefits

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

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

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

17.02 Defined contribution plans

Erstwhile SOUTHCO utility Employees

Provident Fund Plan

The Company makes contributions towards Provident Fund Trust which is a defined contribution plan for eligible erstwhile SOUTHCO utility employees. The Company's contribution to the employees provident fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The provident fund is operated by Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.



Other than Erstwhile SOUTHCO utility Employees

Provident Fund Plan

The Company makes contributions towards Provident Fund which is a defined contribution plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognized by the Income Tax Authorities. The Provident Fund is operated by Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company has recognized a total of Rs. 1.57 crores as contribution towards provident fund in the Statement of Profit or Loss.

17.03 Defined Benefits plans

Erstwhile SOUTHCO utility Employees

i) Gratuity

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Odisha Civil Services (Pension) Rules, 1992 and the Payment of Gratuity Act, 1972. The level of benefits and eligibility depends on the member's length of service and salary at the retirement date. The gratuity plan is funded plan. The fund is in the form of a trust and is governed by Trustees appointed by the Company and regulations framed in this regard by the SOUTHCO utility. The Trustees are responsible for the administration of the plan assets and for defining the investment strategy in accordance with the regulations.

ii) Pension

The Company has a defined benefit pension plan. The pension plan is primarily governed by the Odisha Civil Services (Pension) Rules, 1992. The level of benefits, eligibility depends on the date of joining, member's length of service and salary at the retirement date. The pension plan is funded plan. The fund is in the form of a trust and is governed by Trustees appointed by the Company and regulations framed in this regard by the SOUTHCO utility. The Trustees are responsible for the administration of the plan assets and for defining the investment strategy in accordance with the regulations.

Other than Erstwhile SOUTHCO utility Employees

i) Gratuity

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

ii) Post Employment Medical Benefit

The Company provides certain post employment health care benefits to superannuated employees for its eligible employees. In terms of the plan, the retired employees can avail free medical check-up and medicines at Companies' facilities.

iii) Ex-Gratia Death Benefits

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

iv) Retirement Gift

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

Provision for employee benefits

Current

- (a) Compensated absences
- (b) Defined benefit plans
- (c) Other employee benefits

Total

As at 31.03.2021
₹ crore

0.12

10.49

0.06

10.67

As at 31.03.2021
₹ crore

Provision for employee benefits

Non Current

- (a) Compensated absences
- (b) Defined benefit plans
- (c) Other employee benefits

Total

2.39

87.60

0.58

90.57



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- 17.04** SOUTHCO utility was operating the electricity distribution business (Business) in Southern Odisha until December 31, 2020. 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 condition. Certain employees of SOUTHCO utility transferred to the Company are entitled to pension and gratuity plan which are managed by separate trusts who are responsible for the disbursement of pension and gratuity to the beneficiaries. As on the date of acquisition, the plan liabilities exceed plan assets. The Vesting Order has clarified that opening liabilities of the trusts are not transferred to the Company and they will continue to be trustee obligation. The vesting order prescribes the mechanism for funding of such plan liabilities based on request from the respective employee benefit trusts whereby the Company is required to fund the shortfall and is entitled to simultaneously recover the amounts from consumers. The Company has assessed that post transfer of business, these plans as defined benefit plans and has accordingly recognized only incremental liability in the financial statements. As the Company acts as an intermediary on behalf of the trusts to collect the amounts from the consumers, the amount recoverable from consumers for the pre-acquisition period are netted off with revenue from operations. The amount paid during the period which is netted off with revenue from operations is Rs. 28.47 crores details of which are given below.

Particulars	Pension	Gratuity	Leave	Total (₹ crore)
Amount paid during the period	22.26	3.41	2.80	28.47

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

Interest risk

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

- 17.06** The following tables set out the funded status of gratuity plan and amount recognized in the Company's financial statements as at 31st March 2021. The valuation has been carried out using the "Project Unit Credit Method" as per Ind AS 19 "Employee Benefits" to determine the present value of defined benefit obligations and related current service cost.

a. Present Value of obligations

Particulars	As at March 31, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
a. Present Value of obligations as at January 1, 2021 as per Actuarial valuation (including obligation not transferred to the Company) (Refer Note 17.04)	-	1.63	67.79	1,023.44
b. Interest Cost	-	0.02	1.12	17.62
c. Current Service Cost	-	-	4.32	7.64
d. Past Service Cost	-	1.20	-	-
e. Acquisition (Credit)/Cost	2.24	-	-	-
f. Actuarial loss / (gain)-Financial	-	(0.02)	(1.86)	(2.99)
g. Actuarial loss / (gain)-Experience	4.19	0.00	7.12	60.15
h. Benefits Paid	-	(0.09)	(6.58)	(26.07)
i. Present value of obligation at the end of the period (including obligation not transferred to the Company) (Refer Note 17.04)	6.43	2.14	71.91	1,080.79

b. Fair value of plan assets

Particulars	As at March 31, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
a. Fair value of plan asset as at January 1, 2021 (including plan assets not transferred to the Company) (Refer Note 17.04)	-	1.26	9.77	34.28
b. Acquisition (Credit)/Cost	-	-	-	-
c. Estimated return on plan asset	-	0.08	0.11	(0.06)
d. Employer contribution	-	0.16	3.93	24.05
e. Benefits Paid	-	(0.09)	(6.58)	(26.07)
f. Interest Income	-	0.02	0.17	0.60
g. Others	-	-	-	-
h. Fair value of plan asset at the end of the period (including plan assets not transferred to the Company) (Refer Note 17.04)	-	1.43	7.40	32.80



c. Amount to be recognized in the balance sheet

(₹ crore)

Particulars	As at March 31, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
Present value of obligation at the end of the period (including obligation not transferred to the Company) (Refer Note 17.04)	6.43	2.14	71.91	1,080.79
Fair value of plan asset at the end of the period (including plan assets not transferred to the Company) (Refer Note 17.04)	-	1.44	7.40	32.80
Net Liability recognized in balance sheet (including obligation not transferred to the Company) (refer note 17.04)	6.43	0.70	64.51	1,047.99
Liability not transferred to the Company as per vesting order (Refer Note 17.04 above)	-	-0.99	54.62	967.89
Net Liability recognized in balance sheet	6.43	1.69	9.89	80.10

d. Expenses Recognised in the Statement of Profit & Loss

(₹ crore)

Particulars	From 25 December, 2020 to 31 March, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
1. Current Service Cost	-	-	4.32	7.64
2. Past Service Cost	-	1.20	-	-
3. Net Interest Cost	-	(0.00)	0.95	17.03
4. Others	-	(0.10)	-	-
5. Expenses recognized in statement of Profit & Loss	-	1.10	5.27	24.67

e. Amount recognised in other comprehensive income (remeasurements)

(₹ crore)

Particulars	From 25 December, 2020 to 31 March, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
Actuarial (gains)/losses arising from:				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	-	-	(1.86)	(2.99)
- experience adjustments	4.19	-	7.12	60.15
Return on Plan Assets, Excluding Interest Income	-	-	(0.11)	0.06
Total	4.19	-	5.15	57.22

f. Principal assumptions

Particulars	As at March 31, 2021		
	Gratuity (Unfunded)	Gratuity (funded)	Pension
1. Discount rate	6.60%	6.97%	6.97%
2. Salary escalation			
- Management	7%	6%	6%
- Non Management	5%	6%	6%
3. Mortality rate	Indian Assured Lives Mortality (2006-DB) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2006-2008) Ultimate

g. Category wise plan assets

(₹ crore)

Particulars	As at March 31, 2021		
	Gratuity (Funded)	Pension	Rehabilitation
Cash and Cash equivalent	2.91	3.36	1.43
Central government securities	2.40	6.00	-
State government securities	2.00	4.00	-
Private sector bonds	-	5.00	-
Short Term Deposit	-	12.69	0.01
Others	0.10	0.25	-
Total	7.41	32.80	1.44



h. Sensitivity analysis

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

(₹ crore)

Increase/(Decrease) in Net benefit liability	As at March 31, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
Impact on discount rate for 0.5% decrease in defined benefit obligation	0.21	2.03	3.41	40.48
Impact on discount rate for 0.5% increase in defined benefit obligation	(0.19)	(1.79)	(3.12)	(37.70)
Impact on salary escalation rate for 0.5% decrease in defined benefit obligation	(0.19)	(1.79)	(2.49)	(27.59)
Impact on salary escalation rate for 0.5% increase in defined benefit obligation	0.20	2.03	2.53	27.79

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

i. Effect of Plan on Company's future cash flows

(₹ crore)

Expected Future cashflows	As at March 31, 2021			
	Gratuity (Unfunded)	Other Defined Benefit	Gratuity (Funded)	Pension
Year-1	1.85	0.00	0.54	117.87
Year-2	0.32	0.00	8.58	105.70
Year-3	0.17	0.00	8.01	104.26
Year-4	1.07	0.00	4.16	102.17
Year-5	0.17	0.00	4.64	99.38
Year 6-10	3.90	0.04	18.82	452.02



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18 Other non current liabilities	As at 31.03.2021 ₹ crore
(a) Consumer contribution for work under progress	152.85
(b) Subsidies towards cost of capital assets	273.54
Total of other non current liabilities	426.39
Note: As part of business combination, certain grants/ subsidies have been transferred to the Company which can be used only in accordance with the terms and conditions of the concerned scheme. Pending clarity on the terms and conditions of the Scheme, the Company has not used and continues to reflect grant/ subsidy as liability.	
19 Short-term borrowings	As at 31.03.2021 ₹ crore
(At amortised cost)	
Secured	
From Banks	
(a) Working capital loan	85.17
Unsecured	
(b) Loans from NESCO and other parties	14.78
Total short-term borrowings	99.95
Secured credit facilities The Company has availed secured overdraft limits of Rs. 72.00 Crore from Union Bank of India at 1 Year MCLR of the bank. These facilities are secured on 1st pari passu charge with GRIDCO on the receivables. The Company has also availed secured short term borrowing from Union Bank of India and State Bank of India by earmarking Term Deposits.	
20 Trade payables	As at 31.03.2021 ₹ crore
(At amortised cost)	
(a) Dues of Micro, Small and Medium Enterprises (MSME)	272.30
(b) Dues other than MSME	-
Total of Trade payables	272.30
SOUTHCO utility was not following any processes for identification of vendors as micro, small and medium enterprise (MSME) under the MSMED Act, 2006. Post acquisition of business, the Company is in the process of identification of MSME vendors and ensuring necessary compliance with the MSMED Act, 2006. Also Refer Note 33.02	
21 Other financial liabilities - current	As at 31.03.2021 ₹ crore
(At amortised cost)	
(a) Payable to Employees	21.77
(b) Security Deposit from Consumer (Refer Note below)	272.95
(c) Deposit - others	0.75
(d) Other payables	104.67
Total of Other financial liabilities - Current	400.14
Note: The security deposits from electricity consumers carry interest at 4.25% p.a. and is adjusted against power bill of the respective customers as per tariff regulations. The amount is refundable on surrender of electricity connection by the consumer.	
22 Other current liabilities	As at 31.03.2021 ₹ crore
(a) Statutory dues	11.29
(b) Others	2.84
Total of Other current liabilities	14.13



23 Revenue recognition

Accounting policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

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

23.01 Sale of power

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

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

The Company, as per the prevalent regulations (the "Tariff Regulations") for distribution business and Vesting Order passed by OERC, is entitled to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations and maintenance expenses, financing cost and taxation and an assured return on equity subject to certain conditions. Any excess/shortfall in recovery of ARR over actual revenue billed to the customers is recognised as "Net movement in regulatory deferral balances (Net)" and accumulated in "Regulatory deferral account balances".

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

23.02 Contribution for capital works and service line charges

Consumer's contribution towards cost of capital assets is recognised as liabilities. On the commissioning of the assets and/or installation of connection, an amount equivalent to the depreciation charge on such assets is reduced from such liabilities and recognised as income to the Statement of Profit and Loss.

23.03 Incentive on past arrears collection

As per terms of OERC Vesting Order, the Company is entitled for incentive on past arrear collections pertaining to period prior to March 31, 2020. The Company's entitlement is based on the certain percentage of the past arrear collected by the Company. Income in respect of the Company's share of such incentive is recognized on actual realization of past arrears collection.

23.04 Revenue from operations

(a) **Revenue from operations**

Sale of power- Gross revenue as per tariff order

Less: Pre acquisition period employee liabilities collected on behalf of trust (Refer Note 17.04)

Less: Cash discount

Total of Revenue from operations

(b) **Other operating revenue**

Recovery of meter rent

Miscellaneous revenue

Total of Other operating revenue

Revenue from operations - (a+b)

23.05 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.

23.06 Contract balances

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

Particulars

Receivables

Trade receivables

Unbilled revenue for passage of time

Less : Allowances for doubtful debts

Net receivables

Period from	
December 25,	
2020 to March	
31, 2021	
₹ crore	
	355.38
	28.47
	2.07
	324.84
	2.56
	0.39
	3.55
	328.39

As at	
31.03.2021	
₹ crore	
	78.08
	83.03
	3.53
	157.58



Contract assets

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

Contract liabilities

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

23.07 Transaction Price - Remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. There are no remaining performance obligations outstanding as of March 31, 2021.

24 Other income**Accounting Policy****Interest income**

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

Delayed payment charges (DPC)

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

24.01 Other Income**Interest income on:**

Term deposits earned at amortised cost

5.76

Other non-operating income

Delayed payment charges

4.42

Incentive of past arrears collection (Refer Note below)

9.08

Other income

4.91

Total of Other Income

24.17

During the Q4 FY 21, the Company has collected gross amount of Rs 49.42 Cr (net of Electricity Duty Rs. 44.91 Cr) on account of Past Arrear Collection.

25 Cost of power purchased and transmission charges

(a) Power Purchase Cost

177.92

Less: Rebate on power purchase cost

1.12

176.80

(b) Transmission Charges

22.37

Less: Rebate on transmission charges

0.42

21.95

Total Cost of power purchased and transmission charges (a+b)

198.75

26 Employee benefits expense (net)

Salaries, wages and bonus

40.49

Contribution to provident and other funds (Refer Note 17.06)

32.88

Staff welfare expenses

3.32

Compensated absences

2.10

Total of Employee benefits expense

78.79



TP SOUTHERN ODISHA DISTRIBUTION LIMITED
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27 Finance Costs

Interest on loans carried at amortised cost	
Interest on consumer security deposits carried at amortised cost	
Other borrowing costs	
Total of Finance Costs	

Period from December 25, 2020 to March 31, 2021
₹ crore
1.49
3.15
0.09
4.73

28 Other Expenses

Rental of land, buildings, plant and equipment, etc	
Repairs and maintenance to buildings and civil works	
Repairs and maintenance to plant and machinery	
Repairs and maintenance to furniture, vehicles, etc	
Contractual/ Outsource employees	
Travelling	
Metering and billing	
Legal charges	
Audit fees	
Electricity Consumption expenses	
Allowance for doubtful debts	
Advertisement and marketing expenses	
Telephone expenses	
Cost of service	
Miscellaneous expenses	
Total of Other Expenses	

Period from December 25, 2020 to March 31, 2021
₹ crore
0.04
0.22
0.87
0.33
13.34
3.25
3.16
1.60
0.26
0.81
3.53
0.14
0.14
1.06
2.94
31.69

28.01 Auditors Remuneration

Auditor's remunerations include as follows:

Particulars	December 25, 2020 to March 31, 2021
	₹ crore
(a) For statutory audit	
(b) For Tax Audit	0.24
(c) For reimbursement of expenses	0.01
Total (including Goods & Service Tax)	0.26

28.02 Corporate Social Responsibility (CSR) Expenses

Section 135 (5) of the Act, inter alia, provides that the Company shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. As the Company has completed its first financial period on 31st March 2021, provisions under Section 135 (5) shall be applicable to the Company effective from FY 2021-22.

28.03 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'



29 Tax expenses

Accounting policy

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

29.01 Current tax

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

Current income tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

29.02 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and liabilities are offset when they relate to income tax else levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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

(a) Income tax expenses:

Current tax

In respect of the current period

Deferred tax

In respect of the current period

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

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Profit before income tax expense

Tax at the Indian tax rate of 25.17% *

Amount deductible under Income Tax Act

Net tax expense/(income)

December 25,
2020 to March
31, 2021
₹ crore

(9.17)

(9.17)

₹ crore

13.25

3.33

12.51

(9.17)

*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 as at Balance Sheet date.

The Company has made provision for income tax at the rate of 25.17% [Tax rate 22% Plus Surcharge 10% Plus cess 4% on tax & surcharge] in accordance with normal provisions of Income Tax Act, 1961 for the period ended March 31, 2021.

Deferred Tax Asset/ (Liability) on account of:	₹ crore	
	Recognised in the Statement of Profit & Loss	Closing
Property plant and equipment	6.25	6.25
Provision for doubtful debts	0.89	0.89
Unabsorbed Losses	2.03	2.03
Total	9.17	9.17



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30 Other comprehensive income/(expenses)

Period from
December 25, 2020
to March 31, 2021

Items that will not be reclassified to profit or loss

Remeasurements of the defined benefit plans
Net Movement in regulatory deferral balances
Total of Other comprehensive income/(expenses)

₹ crore

(66.55)
66.55
-

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.

**31 Regulatory Deferral Account
Accounting Policy**

The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the OERC and the actual or expected actions of the Regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

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

The Company presents separate line item in the Balance Sheet for regulatory deferral account balances.

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

As at 31.03.2021

₹ crore

Regulatory Deferral Account

Regulatory Assets
Regulatory Liability

48.10

Total of Regulatory Deferral Account

48.10

Rate Regulated Activities

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

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

As per the Vesting Order, the transmission and collection loss (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 loss vis-a-vis fixed trajectory belongs to the Company and is not passed on to the consumers. The Company determines the amount of such gain/loss based on basic power purchase cost 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) Reconciliation of Regulatory Assets/Liabilities as per Rate Regulated Activities is as follows:

₹ crore

(a) Regulatory Income/(Expenses) during the period

(i) Power Purchase Cost 203.50
(ii) Other expenses as per the terms of Tariff Regulations including Return on Equity 180.67
(iii) Available revenue including run tariff income etc. 326.90
(iv) Deferred Tax on Regulatory Assets 9.17

Total 48.10

Regulatory Income/(Expenses) recognised in Statement of Profit and Loss

Regulatory Income/(Expenses) recognised in OCI

(18.45)

66.55

(b) Closing Regulatory Assets/ (Liability)

48.10



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

32 Commitments:

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

As at 31.03.2021
₹ crore
1.06
1.06

The details of contracts remaining to be executed on capital account related to the pre acquisition period (including on account of commitments on subsidy received by the Company) has not been included above as the necessary details are not available with the Company. For more details Refer Note 37

33 Contingent liabilities*

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

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

As at 31.03.2021
₹ crore

33.01 Claims against the Company not acknowledged as debts:

Legal cases filed by consumers, employees and others under litigation

34.47

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. 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 recognise such obligation, if any, based on claims received. Also Refer Note 37

33.02 Indirect taxation matters relating to Service Tax/GST where demand is under contest before judicial/apellate authorities

13.21

*No provision is considered necessary since the Company expects favourable decisions.

33.03 As per terms of Vesting Order, all litigations pertaining to SOUTHCO 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.

34 Earnings per equity share (EPS)

Accounting policy

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

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

34.01 EPS - Continuing operations (excluding regulatory income/expense) (Not Annualized)

Particulars	Units	From 25 December, 2020 to 31 March, 2021
(a) Profit for the period	₹ crore	22.42
(b) Net movement in regulatory deferral account balance	₹ crore	(18.45)
(c) Income-tax attributable to regulatory expenses	₹ crore	4.64
(d) Net movement in regulatory deferral account balance (net of tax)	₹ crore	(13.81)
(e) Profit for the period attributable to equity shareholders before net movement in regulatory deferral account balance	₹ crore	36.23
(f) Weighted average number of equity shares	Nos. in Crore	18.55
(g) Basic and diluted earnings per equity share of Rs.10 each - (e/f)	Rs	1.95
(h) Face value of equity shares	Rs	10.00

34.02 EPS - Continuing operations (including regulatory income/expense) (Not Annualized)

Particulars	Units	From 25 December, 2020 to 31 March, 2021
(a) Profit for the period after net movement in regulatory deferral balances attributable to equity shareholders	₹ crore	22.42
(b) Weighted average number of equity shares	Nos. in Crore	18.55
(c) Basic and diluted earnings per equity share of Rs.10 each - (a/b)	Rs	1.21
(d) Face value of equity shares	Rs	10.00



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

35 Related party disclosures

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

A. Holding Company

The Tata Power Company Limited (TPCL)

B. Promoters holding together with its subsidiary more than 20% in Holding Company

Tata Sons Private Limited (Tata Sons)

C. Company exercising significant influence

GRIDCO Limited

D. Fellow Subsidiaries (with whom Company has transactions)

Tata Power Delhi Distribution Ltd (TPDDL)

Mathon Power Ltd (MPL)

Walwhan Renewable Energy Ltd (WREL)

Coastal Gujarat Power Ltd (CGPL)

E. Related parties with whom transactions have taken place during the year

Joint Venture of Holding Company

Industrial Energy Ltd (IEL)

F. Post retirement employee benefit trust

SOUTHCO Employees Pension Trust

SOUTHCO Employees Gratuity Trust

SOUTHCO Employees Rehabilitation Fund Trust

SOUTHCO Employees Provident Fund Trust

G. Key management personnel

Chief Executive Officer

Mr. Arvind Singh

Chief Financial Officer

Mr. Bijay Kumar Mohanty

Non-executive directors

Mr. Suresh Chandra Mahapatra

Mr. Nikunja Bihari Dhal

Dr. Praveer Sinha

Mr. Trilochan Panda

Mr. Sanjay Kumar Banga

Mr. Kesava Menon Chandrasekhar

Mr. Arup Ghosh

Mr. Nipun Aggarwal

Mr. Saurabh Garg (Upto 31 March, 2021)

Related party transactions

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

a. Particulars of transactions with the related parties for the period 25 December, 2020 to 31 March, 2021:

S No.	Particulars	Nature of transactions	₹ crore
1	Receiving of Services & Reimbursement of Expenses		
	Tata Power Delhi Distribution Ltd (TPDDL)	Deputation Of Employees	0.20
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of Expenses	0.23
	GRIDCO Limited	Power purchase expenses net of rebate	176.80
2	Purchase of property, plant and equipment		
	Tata Power Delhi Distribution Ltd (TPDDL)	Purchase of property, plant and equipment	0.40
3	Gratuity		
	Coastal Gujarat Power Ltd (CGPL)	Reimbursement of gratuity for the employees transferred	0.09
	Industrial Energy Ltd (IEL)	Reimbursement of gratuity for the employees transferred	0.05
	Mathon Power Ltd (MPL)	Reimbursement of gratuity for the employees transferred	0.16
	The Tata Power Company Limited (TPCL)	Reimbursement of gratuity for the employees transferred	1.88
	Walwhan Renewable Energy Ltd (WREL)	Reimbursement of gratuity for the employees transferred	0.06
4	Compensated Absences		
	Tata Power Delhi Distribution Ltd (TPDDL)	Reimbursement of leave salary for the employees transferred	0.89
	Coastal Gujarat Power Ltd (CGPL)	Reimbursement of leave salary for the employees transferred	0.07
	Industrial Energy Ltd (IEL)	Reimbursement of leave salary for the employees transferred	0.03
	Mathon Power Ltd (MPL)	Reimbursement of leave salary for the employees transferred	0.10
	The Tata Power Company Limited (TPCL)	Reimbursement of leave salary for the employees transferred	0.36
	Walwhan Renewable Energy Ltd (WREL)	Reimbursement of leave salary for the employees transferred	0.03
5	Transaction with Trust		
	SOUTHCO Employees Pension Trust	Contribution towards Pension	24.20
	SOUTHCO Employees Gratuity Trust	Contribution towards Gratuity	3.93
	SOUTHCO Employees Rehabilitation Fund Trust	Contribution towards Rehabilitation	0.16
	SOUTHCO Employees Provident Fund Trust	Contribution towards Provident Fund	3.40
6	Managerial remuneration including directors' sitting fee	Managerial remuneration and sitting fees	0.26
7	Share Capital		
	The Tata Power Company Limited (TPCL)	Issue of Equity Shares	102.00
	GRIDCO Limited	Issue of Equity Shares	98.00
	Total		413.30



b. Particulars of Outstanding Payable/ Receivable with the related parties as on 31.03.2021:

S No.	Particulars	Nature of transactions	₹ crore
1	Share Capital The Tata Power Company Limited (TPCL) GRIDCO Limited	Issue of Equity Shares Issue of Equity Shares	102.00 98.00
2	Trade Payable Tata Power Delhi Distribution Ltd (TPDDL) GRIDCO Limited	Property Plant and Equipment, Annual Leave and Reimbursement of expenses Power Purchase Cost	0.79 119.37
3	Receivable for Gratuity and Annual Leave The Tata Power Company Limited (TPCL) Waiwhan Renewable Energy Ltd (WREL) Industrial Energy Ltd (IEL) Maithon Power Ltd (MPL) Coastal Gujarat Power Ltd (CGPL)	Gratuity and annual Leave Gratuity and annual Leave Gratuity and annual Leave Gratuity and annual Leave Gratuity and annual Leave	2.24 0.10 0.08 0.26 0.16
4	Other financial liabilities - current GRIDCO Limited	Collection of arrears	104.67
	Total		427.67



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

36 Financial Instruments - Accounting classifications, Fair value measurements, Financial Risk management and offsetting of financial assets and liabilities

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

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

(i) Accounting classifications

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

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

- 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.
- The fair value of other non-current financial assets, other current financial liabilities and other non-current financial liabilities is ascertained by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

(ii) Fair Value measurements

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

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

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

Level 3: Unobservable inputs from assets and liability.

March 31, 2021

Particulars	Carrying Value	FVTPL	Classification	Amortised Cost	Fair Value		
			FVTDCI		Level 1	Level 2	Level 3
Financial assets							
Trade receivables	76.08	-	-	76.08	-	-	-
Unbilled revenue	83.03	-	-	83.03	-	-	-
Other financial assets	345.16	-	-	345.16	-	-	-
Cash and cash equivalents	206.60	-	-	206.60	-	-	-
	<u>712.87</u>			<u>712.87</u>			
Financial Liabilities							
Borrowings	99.95	-	-	99.95	-	-	-
Trade payables	272.30	-	-	272.30	-	-	-
Other financial liabilities	426.94	-	-	426.94	-	-	-
	<u>799.19</u>			<u>799.19</u>			

(iii) Capital Management & Gearing Ratio

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

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

	As at 31.03.2021 ₹ crore
Short-term borrowings	99.95
Total debt (a)	99.95
Less: Cash and bank balances (b)	206.60
Net debt: ((a)-(b))	-
Total equity (d)	222.42
Total equity and net debt: ((d)+(-))	222.42
Net debt to total equity plus net debt ratio (%) ((f)/(c)+(e))	-

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

ii. Equity is defined as equity share capital, Unsecured preferred securities and other equity.

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

(iv) Financial risk management objectives and policies

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

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

(v) Market Risk

Market risk is the risk that changes in market prices will affect the Company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. As at the reporting date, the Company does not have material financial assets or financial liabilities exposing it to market risk comprising foreign currency risk, interest rate risk and price risk.



(vi) **Credit Risk**

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

Particulars	As at 31.03.2021 ₹ crore
(a) Trade receivables	78.08
(b) Unbilled revenue	63.03
(c) Other financial assets	345.16
(d) Cash and cash equivalents	206.60
Total	712.87

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.

(vii) **Liquidity risk**

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

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

Particulars	Upto 1 year	1 to 5 years	5+ years	₹ crore Total
As at 31.03.2021				
(a) Trade payables	272.30	-	-	272.30
(b) Short term borrowings	99.55	-	-	99.55
(c) Other financial liabilities	400.14	26.80	-	426.94
	772.39	26.80	-	799.19

As at the balance sheet date, the Company has cash and bank balances of ₹. 206.60 crores which can be used to meet its obligation. In case of requirement, the management is confident of raising further finance as required to meet its obligations. The Company has access to financing facilities. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.



37 Business Combinations

37.01 Summary of 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 ('Vesting Order'), the Company acquired the business of distribution of power in Southern Odisha ('Business') from the 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 in the Southern Odisha for a period of 25 years effective from January 1, 2021.

The OERC in its Vesting Order has specified assets and liabilities to be transferred to the Company and carrying values of these assets and liabilities are to be determined based on the carve out Balance Sheet as at January 1, 2021 to be prepared from the audited financial statements of SOUTHCO utility and SOUTHCO Limited as at and for the nine months period ended December 31, 2020 (the "Consolidated OERC SOUTHCO utility Financial Statements"). As per the terms of Vesting Order, the Company is entitled to net assets having carrying amount of Rs. 200.00 crores and a fixed return on its investment of Rs. 200.00 crores. Further, the Company will be insured, in an appropriate manner, against any subsequently identified surplus/ deficit in the Vesting Date carrying amount of assets and liabilities transferred to the Company.

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

The Company has accounted for this acquisition as a business combination in accordance with Ind AS 103 - 'Business Combinations'. The acquisition date of business combination is 1st January 2021. Total purchase consideration for the acquisition of this business is Rs. 200 crores.

Particulars	₹ crore
Equity Shares issued	200
Fair value of net assets acquired (Refer note below)	200
Goodwill	-

*The Company has issued 20,00,00,000 equity shares at a price of Rs 10 each as part of the purchase consideration.

37.03 Fair value of the assets and liabilities recognized as a part of business combination is as follows :

Management of SOUTHCO utility is in the process of completion of audited financial statements as at and for the nine months period ended December 31, 2020 and Carve-out balance sheet of Business transferred as at January 1, 2021. Further, the Company is in the process of identifying and determining fair values of the assets acquired and liabilities assumed on acquisition of Business. Pending audit of financial statements of Consolidated OERC SOUTHCO utility Financial Statements as at and for the nine months period ended December 31, 2020, completion of audited Carve-out Balance Sheet as at January 1, 2021, completion of fair valuation and other related aspects, the Company has allocated the purchase consideration on a provisional basis considering the Vesting Order, unaudited Consolidated OERC SOUTHCO utility Financial Statements as at and for the nine months period ended December 31, 2020 and audited Consolidated OERC SOUTHCO utility Financial Statements as at and for the year ended March 31, 2020 on which Independent Auditors of the Consolidated OERC SOUTHCO utility Financial Statements have issued a qualified opinion vide their report dated December 28, 2020.

The following table summarises the recognised provisional amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	₹ crore
A. ASSETS	
Non-current Assets	
(a) Property, Plant and Equipment	423.99
(b) Capital Work-in-Progress	349.92
(c) Financial Assets	
Other Financial Assets	
(d) Other Non-current Assets	376.41
Total Non-current Assets	2.78
	1,103.10
Current Assets	
(a) Inventories	
(b) Financial Assets	6.96
(i) Cash and Cash Equivalents	
(ii) Other Financial Assets	134.23
(c) Other Current Assets	10.84
Total Current Assets	11.27
TOTAL ASSETS (A)	163.30
	1,266.40



Particulars	₹ crore
B. LIABILITIES	
Liabilities	
Non-current Liabilities	
(a) Financial Liabilities	27.59
Other Financial Liabilities	424.86
(b) Other Non-Current Liabilities	
Total Non-current Liabilities	452.45
Current Liabilities	
(a) Financial Liabilities	172.98
(i) Borrowings	139.54
(ii) Trade Payables	291.40
(iii) Other Financial Liabilities	10.03
(b) Other Current Liabilities	
Total Current Liabilities	613.95
TOTAL LIABILITIES (B)	1,066.40
C Net Assets Acquired (A-B)	200.00

37.04 Additional explanations to assets acquired and liability assumed

For the following assets and liabilities acquired, acquisition date records are incomplete/unavailable and under reconciliation. Considering this and provisional fair valuation of assets and liabilities, it is possible that the carrying amount of assets and liabilities recognised in the financial statement may undergo changes. Details of concerned assets and liabilities at the acquisition date for which records are incomplete/unavailable are as below:

(a) Reconciliation between security deposits (classified under note 21 in the Balance Sheet) as per the general ledger and as per customer ledger is under process.

(b) Records related to location, ageing, scheme and items for Capital Work in Progress (CWIP) and complete Property, Plant and Equipment are unavailable. Records related to identify amount of CWIP which need to be capitalised on or before January 1, 2021 are also unavailable.

(c) Physical verification of items of property, plant and equipment (PPE) were not carried out by the management of the SOUTHCO utility. Post-acquisition, the Company has framed a regular programme for physical verification of fixed assets. However, fixed assets were not been physically verified by the management during the year. Management has initiated physical verification exercise during the current period.

(d) Details are not available for the following items:

(i) Consumer contribution for work and subsidy from government – Rs. 424.86 Crores (classified under note 18 in the Balance Sheet)

(ii) Retention money, Earnest money and Security deposit from others – Rs. 27.55 Crores (classified under note 16 and note 21 in the Balance Sheet)

(iii) Payable to Vendors – Rs. 143.81 Crores (classified under note 20 in the Balance Sheet)

(iv) Loans and advances and other assets – Rs. 12.56 Crores (classified under note 8 and note 13 in the Balance Sheet)

(v) Other financial and non financial asset – Rs. 0.93 Crores (classified under note 6 and note 12 in the Balance Sheet)

(vi) Details of capital commitments

(vii) The reconciliation of amount paid for the statutory dues with the financial statements.

(e) SOUTHCO utility did not have any process for identification of vendors as micro, small and medium enterprise (MSME) under the MSMED Act. The Company is in the process of identification of MSME vendors and ensuring necessary compliance with the MSMED Act.

(f) Inventories were not entirely physically verified by the management of the SOUTHCO utility and the Company. Accordingly, the Company is unable to identify the discrepancies in the book inventories and physical available inventories.

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

37.05 Acquisition Related Cost

There was no acquisition related cost incurred by the Company and accordingly, the same has not been recognised in the financial statements.



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

38 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.

39 Internal Financial Controls Over Financial Reporting

Pursuant to the vesting order issued by OERC, the Company acquired the power distribution business from SOUTHCO utility with effect from January 1, 2021. Before the transfer of the said business, SOUTHCO utility was being administered by OERC through GRIDCO Limited, a State Government Company. SOUTHCO utility was not a company incorporated under the Companies Act, 2013 and accordingly the provisions of Companies Act, 2013, including the section 143(3)(i) related to directors / auditors reporting on existence of internal financial controls system and their operating effectiveness, were not applicable to them. Thus, in the absence of any specific requirement, SOUTHCO utility was not maintaining appropriate documentation to demonstrate design and operating effectiveness of internal financial controls over financial reporting in accordance with the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by ICAI. After acquisition from SOUTHCO utility, the Company is in process of strengthening the existing internal financial controls over financial reporting, including maintenance of sufficient and appropriate records, over key processes considering the essential components of internal control stated in the Guidance Note.

40 Impact of COVID 19

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company. The Company is also closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

41 Social Security Code

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

42 Company Secretary Appointment

As per Section 202(1) of the Companies Act, 2013 (as amended) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, companies with paid-up share capital of Rs.10 crores or more are required to appoint a whole-time Company Secretary. Accordingly, the Company is covered under this requirement and required to appoint a whole-time Company Secretary from the current period onward. However, the Company is in the process of appointing a Company Secretary.

43 The Company has been incorporated in the current period, the provisions of Section 177 of the Companies Act, 2013 related to formation of Audit Committee is not applicable.

44 Disclosure regarding details of assets created with Government Fund and used by SOUTHCO UTILITY/ TP Southern Odisha Distribution Limited

As per details provided by the Odisha Power Transmission Company Limited (OPTCL) vide e-mail dated 26 April 2021, certain assets were created for SOUTHCO Utility through different schemes formed by the government and executed by OPTCL. Based on details shared by OPTCL, the carrying amount of such assets as at 31st December, 2020 is Rs. 1,070.55 crores for completed assets and Rs. 289.24 crores for work in progress (WIP). These are subject to detailed verification and reconciliation by various authorities.

The ownership of these assets has not been transferred to the Company; however, the Company continues to use these assets for supply of power to the consumer. Since the Company is not able to charge any depreciation for these assets in the ARR, the provisional fair value of these assets for the Company at the vesting date is Nil. Details of the assets as provided by OPTCL are given below:

SOUTHCO UTILITY/ TP SOUTHERN ODISHA DISTRIBUTION LIMITED				₹ crore
Name of Scheme	Completed	WIP	Total	
Odisha Distribution System Strengthening Project (ODSSP)	528.75	219.55	748.30	
Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	188.56	52.83	241.49	
Integrated Power Development Scheme (IPDS)	195.10	16.76	211.86	
Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)	146.55	-	146.55	
Rajiv Gandhi Gramin Vidyutikaran Yojana (RGVY)	11.59	-	11.59	
Total	1,070.55	289.24	1,359.79	

45 Statement of past arrear collection and utilisation of proceeds

As per the Vesting Order, trade receivables for pre-acquisition period are not transferred to the Company. However, the Company as a collection agent needs to collect these receivables and use the same amount for paying obligations not transferred to the Company. The Company performs these activities purely as an agent of SOUTHCO utility. Based on information and records maintained, the Company has made below collections and payments during the period ended March 31, 2021.

₹ crore			
Particulars	Prior to March 31, 2020	April - December 2020	Total
Gross Collection from consumers (including Electricity Duty)	49.42	149.19	198.61
Less - Incentive earned as per vesting order	-9.08	-	-9.08
Net Collection (A)	40.34	149.19	189.53
Payments related to Power Purchase			
Bulk Supply Payment to GRIDCO Limited	-	78.04	78.04
Transmission Charges payment to OPTCL	-	6.77	6.77
SLDC Charges	-	0.05	0.05
Total Payments (B)	-	84.86	84.86

45.01 Amount paid towards liabilities transferred on acquisition as on January 1, 2021

As explained in the Note 37.04, certain details of the payables transferred to the Company from SOUTHCO Utility are not available. Consequently, the details related to amount paid towards liabilities transferred on acquisition as on January 1, 2021 is not available with the Company. There is a possibility that some of the payments made during the period may pertain to liabilities transferred from SOUTHCO Utility. The Company is in the process of reconciling the details of the amount paid towards the transferred liabilities and other liabilities.



- 46 **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.
- 47 **Approval of Financial Statements**
In accordance with the board of directors' resolution dated 7th June, 2021, these financial statements were authorised for issue on 7th June, 2021.
- 48 Being the first period of operations, Previous year figures are not applicable.

For S R D & CO LLP
Chartered Accountants
ICAI FRN: 324982E E-00003

per Vishal Bhatnagar
Partner
Membership No. 091541
Date: 7th June, 2021
Place: Mumbai



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

per A K Sabat
Partner
Membership No. 030310
Date: 7th June, 2021
Place: Bhubaneswar



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

Praveer Sinha
Director
DIN: 01785164

Place: Mumbai

Arvind Sindh
Chief Executive Officer
Place: Bhanpur

Sanjay Bhatnagar
Director
DIN: 07785948

Place: Mumbai

Bijay Kumar Mohanty
Chief Financial Officer
Place: Bhanpur

