

**Before the Odisha Electricity Regulatory Commission
Plot No-4, Chunokoli, Shailashree Vihar, Bhubaneswar-751021**

Case No: _____ of 2025

IN THE MATTER OF: An Application for approval of a) Truing up for FY 2023-24 and FY 2024-25 under Section 86 (1) and in the framework of other applicable provisions of the Electricity Act 2003, para 263 of the Retail Supply Tariff Order dated 24.03.2025 and in conformity with the provisions of Odisha Electricity Regulatory Commission (Terms and Conditions for determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 and OERC (Conduct of Business) Regulation 2004.

And

IN THE MATTER OF: TP Central Odisha Distribution Ltd.(TPCODL), Corporate Office, Power House ,Unit-8, Bhubaneswar- 751 012 represented by its Chief –Regulatory & Legal.

...Petitioner

And

IN THE MATTER OF: GRIDCO, OPTCL, SLDC, DoE-Govt. of Odisha and all other Concerned Stakeholders

...Respondents

Affidavit **28 NOV 2025.**

I, Bharat Kumar Bhadawat, aged about 54 years, son of late Shri Shankar Lal Bhadawat residing at Bhubaneswar do hereby solemnly affirm and say as follows:

I am the Chief-Regulatory & Legal of TP Central Odisha Distribution Ltd. the Petitioner in the above matter and I am duly authorized to swear this affidavit on its behalf.

The statements made in the submission herein shown to me are based on information provided to me and I believe them to be true.

Bhubaneswar.

Dated: 28.11.2025

Bharat Kumar Bhadawat
(Bharat Kumar Bhadawat)
Chief-Regulatory & Legal

The Deponent above named being duly identified by Sri..... A. K. Mohanty Advocate at appears before me on 28/11/25 at about 9:25 A.M./P.M. and swears that the contents of this affidavit are true to the best of his/her knowledge

Identified by
[Signature]
Advocate

[Signature]
ANIL KUMAR MOHANTY
NOTARY, BBSR
REGD. No. - 15/2008

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IN THE MATTER OF: GRIDCO, OPTCL, SLDC, DoE-Govt. of Odisha and all other Concerned Stakeholders

...Respondents

TPCODL, the above named petitioner, most respectfully sheweth:

In line with Regulation 2.11 of the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 (hereafter referred to as "Tariff Regulations,2022") , Section 86 (1) of the Electricity Act 2003 and relevant Regulations of OERC (Conduct of business) Regulations, 2004, TP Central Odisha Distribution Ltd (TPCODL) is filing the application before the Hon'ble Commission for approval of Truing up for the Financial Year 2023-24 and Financial Year 2024-25. The submissions from TPCODL are enclosed. Based on the enclosed submission the following is prayed before the Hon'ble Commission.



Prayers

TPCODL prays that the Hon'ble Commission may kindly be pleased to;

- a. Approve the Truing up for the Financial Year 2023-24 and 2024-25 as proposed by TPCODL.
- b. The Hon'ble Commission may kindly take into consideration the discrepancy in the figures of Interest on Working Capital allowed in Tariff Order FY 2023-24 dated 23.03.2023 (at Table -53 and 54) and also the fact the depreciation on old/inherited assets has to be adjusted according to the priority order stipulated at para 47 (a) (i) of the Vesting Order requiring a correction of Table-53 of the Tariff Order FY 2023-24 in which such adjustment has been done against the last priority item i.e. working capital even though the petitioner's claim of recovery of ASL payment are not yet fully recovered /approved (details provided at **Chapter 2** of this submission). The Hon'ble Commission may take these facts into consideration while approving interest on Working capital and recovery of ASL payment.
- c. That, the petitioner craves leave for submission of further/additional reply as and when required by the Hon'ble Commission.
- d. Grant any other relief as deemed fit and proper in the facts and circumstances of the case.



B. S. Wadlaw



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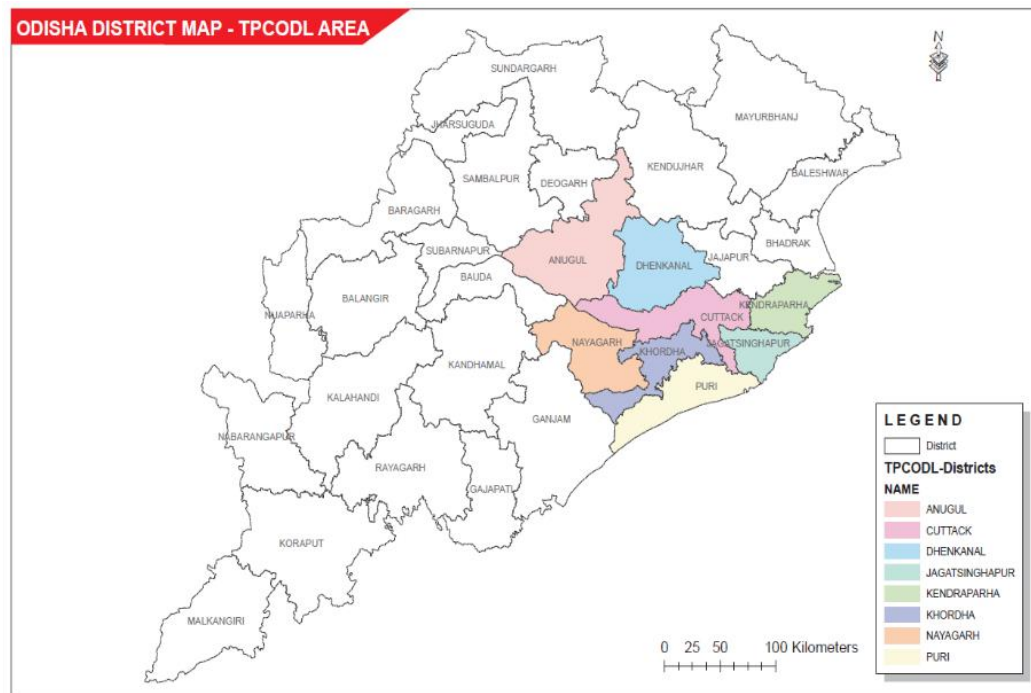
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1.1 Introduction of TPCODL

1. TP Central Odisha Distribution Limited (TPCODL) is a joint venture of Tata Power (51%) and Odisha Government (49%) on the Public-Private Partnership (PPP) model. On 1st June 2020, TPCODL took over the license to distribute electricity in the central part of Odisha, which was earlier served by erstwhile CESU, after being selected through a competitive bidding process. TPCODL's utility business is being governed by the provisions of license issued by Hon'ble OERC for Distribution and Retail Supply of Electricity in Central Odisha. The Hon'ble OERC regulates the working of the entire power sector of Odisha state, including determination of tariff chargeable to end consumers and establishing performance norms (mainly related to Loss reduction, Safety, Reliability of power supply and Consumer service delivery).
2. TPCODL's license area is spread over a geography of 29354 Sq.Km and it serves the registered consumer base of about 3.3 million. TPCODL procures power from GRIDCO which is a state owned company, engaged in the business of purchase of electricity in bulk from various generators for supply to all power distribution utilities, including TPCODL.
3. Further, TPCODL receives electrical power at a sub transmission voltage of 33KV from Odisha Power Transmission Company Limited's (OPTCL) 220/132/33 kV Grid Substations and then distributes the power at 33KV / 11KV / 440V / 230V depending on the load of the consumer. For effective operations; license area is divided in 5 circles (covering 8 districts) which is further sub divided in 20 Divisions and 65 Sub-division who manage the commercial and O&M activities in order to serve its consumer. The area belonging to TPCODL is as shown in Figure below

Figure 1-1: District Presence of TPCODL



1.2 History of formation of TPCODL

4. In exercise of powers U/s 19 of the Electricity Act, 2003 (the “Act”) the Hon'ble Commission revoked the license of Central Electricity Supply Company of Orissa Ltd. (the “CESCO”) with effect from 01.04.2005. An Administrator was appointed u/s 20(1)(d) of the Act vide Hon'ble Commission's Order dated 02.04.2005 which was subsequently revised vide their Order dated 18.04.2005.
5. The Hon'ble Commission thereafter formulated a Scheme called the Central Electricity Supply Utility of Orissa (Operation and Management) Scheme, 2006 (the “Scheme”) u/s 22 (1) of the Act for operation and management of the Utility wherein ‘Utility’ means the utility of CESCO, operated by the Chief Executive Officer & Administrator appointed vide Hon'ble Commission's order dated 18.04.2005. The utility of CESCO was renamed as the Central Electricity Supply Utility of Orissa (the “CESU”) under this Scheme and this came into force from 08.09.2006. After the formulation of Scheme, the Hon'ble Commission vide Order dated 27.10.2006, laid down the license conditions for CESU which became applicable with effect from 01.11.2006.
6. On 24.11.2017 bids were invited as per the terms of a Request for Proposal dated 24.11.2017 (the “RFP”) issued by the Hon'ble Commission. In response to the RFP, The Tata Power Company Limited (the “TPC”) submitted its bid on 14.09.2018 and the same was accepted by the Hon'ble Commission. The GoO vide its letter dated 13th December



2019 conveyed its decision to hold 49% equity shares in the SPV. Further, the GoO vide its letter dated 17th February 2020, conveyed that GRIDCO Limited (the “GRIDCO”) shall be the entity of the GoO which will hold the 49% equity shares in the SPV on behalf of the GoO.

7. The Hon'ble Commission then directed GRIDCO to incorporate the SPV to which the utility of CESU would be vested and license of CESU would be transferred. On 06.04.2020, TP Central Odisha Distribution Limited (the “TPCODL”) was incorporated as wholly owned subsidiary of GRIDCO with an authorized share capital of Rs. 1000 crores (Indian Rupee One Thousand crores only) and paid-up capital of Rs. 5 lakhs (Indian Rupee Five lakh only). TPC and GRIDCO would hold 51% and 49% equity shares respectively after the completion of sale.
8. A "Vesting order" dated 26th May 2020 in matter of Suo Moto proceedings in Case No 11 of 2020 was passed by the Hon'ble Commission vesting the utility to TPCODL and transferring the Fixed Assets and also other elements of the Balance Sheet at a particular costs to TPCODL along with the accumulated Depreciation in the Fixed Assets. In addition, many of employees of CESU, their terminal liabilities ("Employee Liabilities") towards pension, gratuity, leave encashment and provident funds were transferred. Further, security deposits from consumers, deposits from suppliers/contractors and deposits for electrification /service connection was transferred to TPCODL.
9. It is further submitted Section 21 (a) of the Act states that *“the utility shall vest in the purchaser or the intending purchaser, as the case may be, free from any debt, mortgage or similar obligation of the licensee or attaching to the utility”*. The Hon'ble Commission recognizing that certain current assets & liabilities pertaining to employees, consumers, suppliers and statutory payments, etc. which were not indicated in the opening balance sheet provided in RFP, were also passed on TPCODL since CESU did not have any revenue to fund the liabilities.
10. The audit of Accounts as on 31st May 2021 (i.e. just before the takeover on 1st June 2020 by TPCODL) of erstwhile CESU was completed on 11th June 2021. The audited accounts were subsequently submitted to the Hon'ble Commission for carving out the Opening Balance for TPCODL (i.e as on 1st June 2020) out of the accounts closed as on 31st May 2020. The Hon'ble Commission passed an order on 30th September 2021 on the same and approved the Opening Balance Sheet that is carved out for TPCODL.



1.3 Approach to filing of the present petition

11. The broad approach to the present filing would be on the following:

- a) The Opening Balance Sheet as on 01.06.2020 as approved by Hon'ble Commission in its Order dated 30.09.2021 has been taken as opening balance (e.g. GFA for depreciation calculation etc.)
- b) Treatment provided by the Hon'ble Commission in the Vesting Order followed by Carve Out Order for various elements.
- c) The Order dated 8th September 2020 in Case No 32 of 2020 passed by the Hon'ble Commission in the matter of approval of Capital Investment proposal of TPCODL for FY 2020-21 ("Capex Order for FY 2020-21).
- d) The Order dated 18th September 2021 in Case No 05 of 2021 passed by the Hon'ble Commission in the matter of approval of Capital Investment proposal of TPCODL for FY 2021-22 ("Capex Order for FY 2021-22").
- e) The Order dated 19th July 2022 in Case No-14/2022 in the matter of approval of Capital Investment plan of TPCODL for FY 2022-23 (" Capex Order for FY 2022-23").
- f) The Order dated 16th Dec 2022 in Case No-51/2022 in the matter of approval of Supplementary Capital Investment plan of TPCODL (" Supplementary Capex Order ").
- g) The Order dated 21st June 2023 in Case No-98/2022 in the matter of approval of Capital Investment plan of TPCODL for FY 2023-24 (" Capex Order for FY 2023-24 ").
- h) The Order dated 12th December 2023 in Case No-102/2023 in the matter of approval of Capital Investment plan of TPCODL for FY 2024-25 (" Capex Order for FY 2024-25 ").
- i) The Order dated 14th November 2020 in Case No 41 of 2020 passed by the Hon'ble Commission in the matter of approval of Operation and Maintenance (O&M) for FY 2020-21.

- j) The Hon'ble Commission 's letter dated 19th Feb 2022 approving Medical Allowance on revised pay scale for all the executives employees of the erstwhile CESU.
- k) The Hon'ble Commission 's letter dated 20th April 2022 approving HRA at 18% /20% on revised pay scale for all the executives employees of the erstwhile CESU.
- l) Total 1048 numbers of additional manpower recruitment till 31.03.2025 as approved by the Hon'ble Commission at Table -31 of the Tariff Order dated 13.02.2024.
- m) TPCODL vide its letters TPCODL/Regulatory/2023/76/2536 dated 17th April 2023 and TPCODL/Regulatory/2023/126/3646 dated 3rd June 2023 have submitted certain issues related to ARR FY 2023-24 approved in Tariff Order for FY 2023-24 dated 23.03.2023 for consideration of the Hon'ble Commission. One of the issue that was raised in the above letter was inadequate employee cost approved for FY 2023-24 especially the cost of CTC employees approved being inadequate and even the cost approved for FY 2023-24 (Rs. 95.8 Cr) being lower than the amount approved for FY 2022-23 (Rs.98.1 Cr).
- n) Against the submissions of the Discoms for reconsideration of certain expenses less approved in ARR FY 2023-24 in Tariff Order dated 23rd March 2023 , the Hon'ble Commission vide letter No-Secy/11-Corr-TPSODL/2023/963 dated 12th July 2023 has directed the Discoms to make submission in ARR FY 2024-25 for reconsideration of the Hon'ble Commission.
- o) The Conveyance allowance for the erstwhile employees (executive cadre) has been revised vide the Hon'ble Commission's letter no- Secy/11-Corr-/TPSODL/2023/1202 dated 17th August 2023.
- p) The Executive Cadre Restructuring of erstwhile employees was approved by the Hon'ble Commission vide letter no- SECY/09-Corr.-TPCODL/2023/1331 dated 19.11.2024.
- q) The Wage revision and Cadre Rearrangement of Non- Executive OSCR employees was approved w.e.f 01.04.2020 by the Hon'ble Commission vide letter no- SECY/09-Corr.-TPCODL/2023/234 dated 03.03.2025.



- r) The Hon'ble Commission at para 263 of the Tariff Order dated 24.03.2025 has stipulated that the Truing up for FY 2023-24 would be finalized along with ARR & Tariff determination exercise for the FY 2026-27. The relevant extract from the order is provided below.

263. All the four DISCOMs have submitted the truing up application for the FY 2023-24. However, the truing up exercise for all four DISCOMs could not be finalised by the Commission along with ARR for the FY 2025-26 in absence of sufficient information & data, which will be collected from each DISCOM in due course of time and the truing up exercise for the FY 2023-24 would be finalised along with ARR & Tariff determination exercise for the FY 2026-27.

- s) The incorporation of payment done under the category of Additional Serviceable Liability (ASL) and carrying cost on same as presented in the subsequent chapters.

Chapter 2. Issues related to Additional Serviceable Liability

2.1 Finalization of Additional Serviceable Liability (ASL) and inclusion in ARR

12. TPCODL has filed a petition for determination of Additional Serviceable Liability (ASL) under Paragraph 54 of the Vesting Order based on the balance sheet carved out for TPCODL under the Order of the Hon'ble Commission dated 30th Sep 2021. Further an independent audit was carried out on various aspects of the above petition. Based on the report submitted by the Auditor M/s SRB & Associates, a reworked ASL (amounting to Rs. 386.64 Cr) was submitted for the approval of the Hon'ble Commission vide letter dated 17th Feb 2022. The Vesting Order in clause 54 (e) provides the methodology for recovery of such liabilities
13. In accordance with the provisions of the Vesting Order for recovery of payments against such Liabilities, amount recovered from Current Assets or surplus cash available, if any, was supposed to be utilized to make such payments. It may be noted from the ASL worked out by the Hon'ble Commission as well as ASL petition and audited computation submitted by the petitioner as above, there was hardly any current assets which realized cash. Further, Cash and Bank balance appearing as a part of ASL computation was either specific to Govt Grant for which capital work was to be executed or against liability such as Deposit work/ Consumer Security Deposit. Therefore, equivalent cash was not available to discharge such pre take over liabilities. Hence these liabilities were funded through internal accruals/ Loans. In accordance with the provision of the Vesting Order, the repayment of such loan/ internal accrual has been done from the Depreciation available on Opening Assets or some liabilities are still being carried to be paid after submitting the updated status of ASL on 13.10.2025 which included proposed write off of unpaid liabilities . The residual amount left, in accordance with Clause 54 (e) of the Vesting Order, needs to be allowed to be recovered through ARR in the year in which the same is paid by the Discoms. It is worthwhile to point out that the Depreciation amount available for repayment of ASL liabilities is limited due to non-allowance in ARR of Depreciation on Assets funded out of Consumer Contribution/ Grant, and consequently, the residual Additional Serviceable Liability requiring recovery through ARR is higher.
14. Against TPCODL's submission in previous ARR and True up Petition on recovery of ASL payments, the Hon'ble Commission has remarked that the matter shall be dealt separately. The relevant extract from the Tariff Orders of FY 2022-23, FY 2023-24 and FY 2024-25 and FY 2025-26 are produced below in this regard.



Extract from FY-23 Tariff Order:

146. The Commission in this regard observes that a separate request filed by the TPCODL in this regard for revision of the ASL is under consideration of the Commission and this will be dealt separately. The Commission is therefore not inclined to consider any amount in the present ARR for FY2022-23 for TPCODL. The same will also be applicable to other three DISCOMs, TPWODL, TPSODL and TPNODL basing on their separate request, regarding revision of ASL

Extract from FY-24 Tariff Order:

151. The Commission in this regard observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider any amount in the present ARR for FY 2023-24 for TPCODL.

Extract from FY-25 Tariff Order:

Additional Serviceable Liabilities (ASL)

170. TPCODL in the ARR petition has submitted that the funding of ASL is to be considered which may be allowed in the ARR. TPCODL stated that it has filed a Petition for determination of ASL and subsequently an independent audit was carried out and a reworked ASL was submitted for the Commission's approval. TPCODL has estimated ASL payment of Rs.54.57 crore for FY 2023-24 and Rs.8 crore for FY 2024-25.

171. The Commission observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission.

The Commission is therefore not inclined to consider provision for ASL in the present ARR for FY 2024-25 for TPCODL.

Extract from FY-26 Tariff Order:

Additional Serviceable Liabilities (ASL)

229. The Commission observes that a separate request filed by the DISCOMs in this regard for revision of the ASL is under consideration of the Commission and the same will be dealt separately after the audit of all such liabilities are submitted to the Commission. The Commission is therefore not inclined to consider provision for ASL in the present ARR for FY 2025-26 for TPCODL.

15. With regards to above direction of the Hon'ble Commission, it is submitted that the Audit Report for ASL determination and payments and receipts from 1.06.2020 to 30.09.2021 has been submitted vide letter dated 17.02.2022 ,the Audit Report on payments and receipts with respect to ASL till 31.03.2023 has been submitted vide letter dated 28th July 2023 and the Audit Report till 31.03.2024 has been submitted vide letter dated 15th July 2024. Further a detailed updated status of ASL as on 31.03.2025 covering ASL to be considered in ARR, proposed write off unpaid liabilities/ unrecovered assets and remaining liabilities/assets to kept in balance sheet has been submitted vide our letter dated 13.10.2025. As directed in the interim order dated 18.11.2025 in the matter of Case No- 90 /2025, a fresh petition is being filed separately.
16. It is therefore submitted that for the purpose of an actual indication of Gap/Surplus of the Company, the cash payments made by the petitioner against ASL expenditure needs to be considered as it is effecting the cash flow or company is carrying the loans in its balance sheet. In this petition, TPCODL has shown ASL expenditure settled till closing of the FY i.e. 31.03.2025. To the extent the recovery of this principal ASL amount is not approved in True up till FY-2024-25 (as and when the matter of ASL is dealt with), the Hon'ble Commission may kindly allow the carrying cost on it till the time its repayment is allowed in the ARR. We are claiming the carrying cost on ASL till 31.03.2026 in our ARR petition for FY 2026-27.
17. The year wise movement of ASL and carrying cost till 31.03.2025 is provided in table below.

Table 2-1 : Year wise movement of ASL

<i>in Rs. Cr</i>						
Sr No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening ASL (incl. interest)	0.00	-178.75	-275.32	-257.24	-231.49
2	Receipts during the Financial Year	503.46	84.94	88.78	70.80	133.40
3	Payment / Adjustment during the Financial Year	709.43	194.09	83.66	61.10	283.95
4	Utilization of Opening Cash Available	20.69	0.00	0.00	0.00	38.64
5	Utilization of Depreciation on Opening Assets & Asset from Opening CWIP for the Financial Year	12.59	27.94	33.09	36.13	35.66
6=1+2-3+4+5	Net ASL at the closing of the Financial Year	-172.69	-259.96	-237.11	-211.42	-307.74
7	Applicable Interest Rate	7.02%	7.00%	7.86%	8.57%	8.88%
8= Average (1,6)×7	Interest during the Financial Year	-6.06	-15.36	-20.13	-20.07	-23.94
9	Total Interest till 31.03.2025					-85.57
9=6+8	Net ASL at the closing of the Financial Year (incl. interest)	-178.75	-275.32	-257.24	-231.49	-331.68



18. The Vesting Order at para 54(e) allows recovery of interest on ASL payment in ARR. The interest rate that has been used for computation of interest are as per para 2.11.5 of the Tariff Regulations, 2022. We are claiming the carrying cost (i.e. interest) on ASL till 31.03.2026 in our ARR petition FY 2026-27 .

Chapter 3. Performance Highlights for FY 2023-24 & 2024-25 and Item wise Truing up

3.1 Total Sales for FY 2023-24 and 2024-25 Actual Vs Approved

19. An overall growth of 15.9 % and 9.5 % observed in total sales of FY 2023-24 and FY 2024-25 respectively over previous year sales. The growth is primarily attributed to improved reliability, effective load booking, and increase in urbanization, industrialization and modernization. Further decline in EHT Sales in FY 2024-25 is attributable to new CGPs being commissioned and consumers shifting consumption to own generation.

Table 3-1 : Total Sales (MU) for FY 2023-24 & FY 2024-25

Category	Actual FY 2022-23 (Mus)	FY 2023-24			FY 2024-25		
		Approved for FY 2023-24 (Mus)	Actual FY-2023-24 (Mus)	Increase of FY 24 over FY 23 (%)	Approved for FY 2024-25 (Mus)	Actual FY-2024-25 (Mus)	Increase of FY 25 over FY 24 (%)
a	b	c	d	e=(d/b)-1 %	f	g	h=(g/d)-1 %
LT	4269	5064	4722	10.61%	5592	5371	13.74%
HT	1813	1946	2111	16.42%	2357	2327	10.23%
EHT	1556	1858	2020	29.79%	2163	1994	-1.30%
Total	7639	8868	8853	15.90%	10112	9692	9.47%

3.2 Revenues at the prevailing Tariff

20. The Gross Revenue Billed for the FY 2023-24 and FY 2024-25 as per the restive year's Audited Financial Statement are Rs. 5379.78 Cr and Rs. 5891.38 Crores respectively.

3.3 Revenue as per Annual Audited Accounts

21. Relevant extract from the Audited Financial Statement FY 2023-24 and FY 2024-25 are as provided below.

Extract 3-1: Extracts of Revenue from Audited Accounts of FY 2023-24

23.03 Revenue from Operations	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
Revenue from Operations		
Gross revenue as per tariff	5,379.78	4,687.33
Less: Cash discount	89.84	65.19
Revenue from Contract with Customers	5,289.94	4,622.14

Extract 3-2: Extracts of Revenue from Audited Accounts of FY 2024-25

24.03 Revenue from Operations		Year Ended March 31, 2025	Year Ended March 31, 2024
		₹ crore	₹ crore
Revenue from Operations			
Gross revenue as per tariff		5,891.38	5,379.78
Less: Cash discount		113.86	89.84
Revenue from Contract with Customers (Refer note 45)		5,777.52	5,289.94

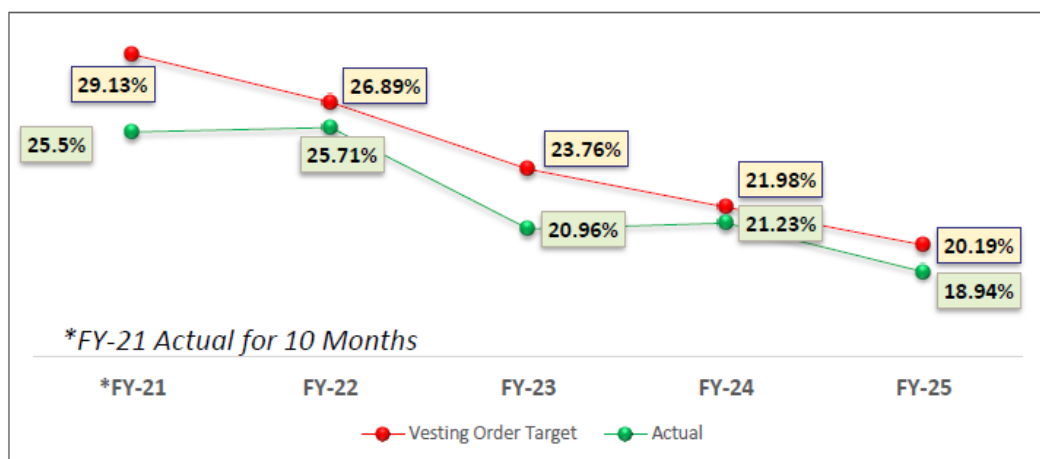
3.4 Aggregate Technical and Commercial (AT&C) Losses

22. TPCODL's achievement against the AT&C commitment Trajectory given in the Vesting order and Tariff Regulations, 2022 and the AT&C loss approved for FY 2023-24 and FY 2024-25 in the Tariff orders is as follows.

Table 3-2 : AT&C Loss achievement for FY 2023-24 and FY 2024-25

Sr No	Particulars	UoM	FY 2023-24		FY 2024-25	
			Approved in Tariff Order FY 2023-24	Actuals for FY 2023-24	Approved in Tariff Order FY 2024-25	Actuals for FY 2024-25
a	Total Sales	MU	8868	8853	10112	9692
b	Total Power Purchase / Input	MU	11256	11299	12513	11981
c	Billing Efficiency	%	78.78%	78.35%	80.81%	80.89%
d	Collection Efficiency	%	99%	100.53%	99.00%	100.21%
e	AT&C Loss	%	22.00%	21.23%	20.00%	18.94%

Figure 3-1: AT& C Loss Reduction Performance against Vesting Order Trajectory



23. As can be seen from the above chart , TPCODL has been able to meet the AT&C Loss Trajectory Commitment approved in the Vesting Order and also the Tariff Order for the FY 2023-24 and FY 2024-25.

3.5 Operational and Overall Performance:

24. Post its commencement of operation on 1st June 2020, TPCODL has taken various initiatives to achieve operational excellence. The Various initiatives undertaken by TPCODL for achieving operational excellence, superior customer services, and initiatives taken in the area of IT & Technology, Employee Connect and Engagement, Contribution to Society and glimpses of recognitions received by TPCODL are presented in Annexure-A Operational & Overall Performance Highlights.

3.6 Total Power Purchase Cost

25. The Power Purchase cost comprises a) Cost of Power purchased from GRIDCO at Bulk Supply Price (BSP) b) Transmission Charges paid to OPTCL and d) SLDC charges. The Total expenditure towards power purchase cost including Transmission and SLDC charges incurred by TPCODL for the FY 2023-24 and FY 2024-25 is as provided in table below.

Table 3-3: Total Power Purchase Cost (including Transmission and SLDC Charges) incurred by TPCODL for FY 2023-24

in Rs. Cr.			
Sr No	Particulars	Rebate Availed	Amount in Rs. Cr
A	Power Purchase Cost		3446.3
B	OPTCL Transmission Charges		271.00
C	SLDC Charges		1.74
D= A+B+C	Total Gross Power Purchase Cost including Transmission & SLDC Charges		3719.05
E	Less: Rebate		39.10
E1	Rebate on GRIDCO Power Purchase Bills	33.67	
E2	Rebate on OPTCL Transmission Charges Bills	5.41	
E3	Rebate on SLDC Bills	0.02	
F= D-E	Total Net Power Purchase Cost including Transmission & SLDC Charges (after Rebate)		3679.94

Remark / Reference to Audited Financial Statement FY 2023-24
Including inter-Discom Sale & Purchase of -Rs. 0.89 Cr
Note 25 of the Audited Financial Statement FY-24

Note -25 : OPTCL & SLDC Charges are combined under the head 'Transmission Charge'

Note -25 :

Refer to 'Cost of Power purchased & Transmission Charges' under (IV) Expenses of P&L Statement and Note 25



**Table 3-4: Total Power Purchase Cost (including Transmission and SLDC Charges)
incurred by TPCODL for FY 2024-25**

in Rs. Cr.				
Sr No	Particulars	Rebate Availed	Amount in Rs. Cr	Remark / Reference to Audited Financial Statement FY 2024-25
A	Power Purchase Cost		3774.2	Including inter-Discom Sale & Purchase of -Rs. 0.98 Cr Note 26 of the Audited Financial Statement FY-2024-25
B	OPTCL Transmission Charges		286.75	Note -26 : OPTCL & SLDC Charges are combined under the head 'Transmission Charge'
C	SLDC Charges		2.45	
D= A+B+C	Total Gross Power Purchase Cost including Transmission & SLDC Charges		4063.43	
E	Less: Rebate		43.01	Note -26 :
E1	Rebate on GRIDCO Power Purchase Bills	37.27		
E2	Rebate on OPTCL Transmission Charges Bills	5.71		
E3	Rebate on SLDC Bills	0.02		
F= D-E	Total Net Power Purchase Cost including Transmission & SLDC Charges (after Rebate)		4020.42	Refer to 'Cost of Power purchased & Transmission Charges' under (IV) Expenses of P&L Statement and Note 26

26. The month wise bills details are provided in **ANNEXURE 1: Details of Monthly Power Purchase for the FY 2023-24 & FY 2024-25**

3.6.1 Total Power Purchase Cost – Extracts from Audited Financial Statement

27. Note -25 of the Audited Financial Statement for FY 2023-24 and Note -26 of the Audited Financial Statement for FY 2024-25 may be referred to for total Power purchase cost incurred by TPCODL for FY 2023-24 and FY 2024-25 respectively . The relevant extract from the Audited Financial Statement FY 2023-24 and FY 2024-25 are as provided below.

Extract 3-3 Power Purchase Cost –Linkage with Audited Financial Statement FY 2023-24

25	Cost of Power purchased and Transmission charges	Year Ended March 31, 2024	Year Ended March 31, 2023
		₹ crore	₹ crore
	Power purchased	3,446.30	2,970.40
	Transmission charges	272.74	278.89
	Less: Rebate	(39.10)	(34.71)
		3,679.94	3,214.58

Extract 3-4 Power Purchase Cost –Linkage with Audited Financial Statement FY 2024-25

26	Cost of Power purchased and Transmission charges	Year Ended March 31, 2025	Year Ended March 31, 2024
		₹ crore	₹ crore
	Power purchased	3,774.23	3,446.30
	Transmission charges	289.20	272.74
	Less: Rebate	(43.01)	(39.10)
		4,020.42	3,679.94

3.7 Gains / (Loss) on account of achievement of AT&C Loss

28. With regards to Loss/ Gain on account of achievement of AT&C loss against the Vesting Order Target, the Hon'ble Commission has stipulated following in the Tariff Regulations, 2022.

*3.14.1. The Commission shall consider the AT&C loss reduction trajectory for tariff determination as provided in Annexure III of these Regulations as per the terms of the Vesting Orders. **The Distribution Licensees would be entitled to retain any additional gains resulting from its meeting and surpassing the AT&C loss targets. This would be over and above the return on equity allowed by the Commission as part of these Regulations and shall not be adjusted as other income or in any way appropriated through any truing up process or future Aggregate Revenue Requirement process.***

....

3.14.4. The Distribution Licensees shall adhere to the committed AT&C loss reduction trajectory for future years (Annexure III) as per the Vesting Orders. Any gains or loss arising from over-achievement or under achievement of AT&C loss reduction vis-a-vis the regulated AT&C loss provided for Tariff determination in Annexure-III shall be retained by Distribution Licensee.

29. Further, the Hon'ble Commission has provided the methodology of computation of gain / (loss) due to AT&C loss by way of an illustrative example at para 3.14.4 of the Tariff Regulations, 2022.

30. Accordingly, the gain / loss on account of achievement of AT&C loss for FY 2023-24 and FY 2024-25 is provided in table below.

Table 3-5: Gain / (Loss) due to achievement of AT&C Loss

Sr No	Particular	UoM	True up FY 2023-24	True up FY 2024-25
A	Approved AT&C Loss (AT&C Loss as per Trajectory for Tariff Determination)	%	22.00%	20.00%
B	Normative Collection Efficiency	%	99%	99%
C= 1- (1-A)/B	Normative Calculated Distribution Loss	%	21.21%	19.19%
D	Actual AT&C Loss Achieved	%	21.23%	18.94%
E	Actual Collection Efficiency	%	100.53%	100.21%
F	Actual Distribution Loss	%	21.65%	19.11%
G	Actual Sales	MU	8853	9692
H	Actual Power Purchase	MU	11299	11981
I=G/(1-C)	Normative Power Purchase	MU	11237	11993
J= I-H	Gain / (Loss) in Power Purchase quantum due to AT&C Achievement	MU	-62	12
K	Approved BSP for the Financial Year	Rs/kwh	3.05	3.15
L=J X K /10	Gain / Loss in Power Purchase Cost due to AT&C Achievement	Rs. Cr	-18.96	3.72
M	Amount eligible for Gain/(Loss) to be borne by the Distribution Licensee for the Financial Year	Rs. Cr	-18.96	3.72

31. The above gain / (loss) amount (i.e. Rs. -18.96. Cr for FY 2023-24 and Rs. 3.72 Cr for FY 2024-25) has been adjusted to the actual gross power purchase cost while claiming the total gross power purchase cost for True up FY 2023-24 and FY 2024-25 respectively.

3.8 Treatment of Rebate availed for payment of Power Purchase bills

32. The Hon'ble Commission in Tariff Regulations, 2022 has stipulated that the rebate earned on power purchase bills (GRIDCO, OPTCL and SLDC) shall be considered as Non-Tariff Income, the relevant extract from the Tariff Regulations, 2022 is as provided below. Accordingly the rebate on power purchase cost has been considered under Non-Tariff income .

3.12. Rebate

3.12.1. Any rebate earned by the Distribution Licensee on the last date of payment of bill for which it is eligible for getting rebate from GRIDCO, generation & transmission utilities, SLDC, RLDC etc. shall be considered as Non-Tariff Income for the Distribution Licensee(s);

33. As shown in the **Table 3-3: Total Power Purchase Cost** (including Transmission and SLDC Charges) incurred by TPCODL for FY 2023-24 **Table 3-3: Total Power Purchase Cost** (including Transmission and SLDC Charges) incurred by TPCODL for FY 202, and para **27** the rebate on Power Purchase Bills is **Rs 39.1 Crores** for FY 2023-24.
34. As shown in the **Table 3-4: Total Power Purchase Cost (including Transmission and SLDC Charges) incurred by TPCODL for FY 2024-25**, and para **27** the rebate on Power Purchase Bills is **Rs 43.01 Cr Crores** for FY 2024-25.

3.9 Progress of Capital Expenditure approved by the Hon'ble Commission

35. TPCODL had filed its proposal for approval of the Capital Expenditure for FY 2020-21 in July 2020 (registered as Case No-32/2020). The Hon'ble Commission in its order dated 8th September 2020 in the said matter approved Capex of Rs. 280.63 Cr for FY 2020-21. Thereafter, TPCODL submitted its Capex Investment plan for FY 2021-22 in January 2021 before the Hon'ble Commission for approval. The Hon'ble Commission has in its order dated 18.09.2021 in the matter of Case 05 /2021 approved Capex of Rs.298.73 Cr for FY 2021-22.
36. The Hon'ble Commission vide order dated 19.07.2022 in the matter of Case 14/2022 has approved Capex of Rs. 243.31 Cr for FY 2022-23. Further, a Supplementary Capex of Rs.



137.25 Cr was approved by the Hon'ble Commission vide Order dated 16.12.2022 in the matter of Case 51/2022.

37. The Hon'ble Commission vide order dated 21.06.2023 in the matter of Case - 98 / 2022 has approved Capex of Rs. 283.72 Cr for FY 2023-24.

38. The Hon'ble Commission vide order dated 12.12.2023 in the matter of Case - 102/ 2023 has approved Capex of Rs. 390.43 Cr for FY 2024-25

39. The Status of Capital Expenditure and Capitalization against the Capex approved for FY 2020-21, FY 2021-22, FY 2022-23 ,FY 2023-24 and FY 2024-25 as on 31.03.2025 is provided below.

Table 3-6: Status of Capex and Capitalization as on 31.03.2025

All Figures in Rs. Crores

Sr. No	Major Category	Capex Approved by the Hon'ble Commission						Actual as on 31.03.2025	
		For FY 2020-21	For FY 2021-22	For FY 2022-23	For FY 2023-24	For FY 2024-25	Total Approved (Cumulative)	Cumulative Capex as on 31.03.2025	Cumulative Capitalization as on 31.03.2025
		A	B	C	D	E	F=SUM(A:E)	G	H
1	Statutory & Safety	68.17	17.59	17.66	16.00	11.39	130.81	136.38	134.36
2	Loss Reduction	39.63	67.36	52.85	35.00	30.02	224.86	190.05	168.55
3	Reliability	72.48	114.42	131.63	115.00	196.83	630.36	599.22	554.87
4	Load Growth	9.00	30.52	118.26	50.00	87.04	294.82	282.12	259.68
5	Infrastructure	91.35	68.84	60.16	67.72	65.15	353.22	334.67	330.93
6	Total	280.63	298.73	380.56	283.72	390.43	1634.07	1542.44	1448.39

Note: The above is Hard Cost only ,excluding IDC,Employee Cost Capitalization

3.10 Total Capitalization for the period FY 2023-24 and FY 2024-25

40. TPCODL has executed Capital Expenditure and capitalized under four following heads

- Capital Expenditure approved by the Hon'ble Commission
- Capital Expenditure out of Opening CWIP existing at the time of Vesting i.e. on 1st June 2020
- Capital Expenditure under Government Funded Schemes
- Capital Expenditure against Consumer Contribution
- Investment in Meters which has not been considered for the purpose of working out RoE, Depreciation and Interest on Loan in the ARR/True up

41. In addition, to the above, Gridco as a part of its subscription towards equity , makes contribution in kind (instead of Cash). The same is explained in the section below

3.10.1 Additional Capitalization on account of GRIDCO's Equity Contribution in kind

42. The capital expenditure incurred by TPCODL capex Schemes would be required to be financed in the ratio of 70 % (Debt) and 30% (Equity) . Since TPCODL has the shareholding of Tata Power (51%) and GRIDCO (49%), in order to maintain 49% stake in the company, GRIDCO would be required to contribute 49% of such equity. In this matter, relevant extract of the approved Share Holder's Agreement (SHA) is mentioned below.

2.1 The amount of issued and paid up capital of OPERATING COMPANY may be varied from time to time as may be determined by the Board of Directors or the Shareholders of OPERATING COMPANY, provided that any issue of new shares shall be offered to GRIDCO and TPCL in a manner so as to ensure that GRIDCO and TPCL shall, at all times, hold 49% and 51% respectively of the issued, subscribed and paid up equity share capital of OPERATING COMPANY. The consideration paid by GRIDCO for subscription of equity shall be in cash, kind or any other form, as decided by GRIDCO and should be in compliance with the provisions of the Companies Act, 2013. In case consideration paid by GRIDCO is in any form other than cash, it should be of such nature that it is allowed by the Commission to be included in the fixed asset base for consideration in ARR. Such consideration may include the assets held in the books of the GoO which are being used by CESU utility and which shall continue to be used by the OPERATING COMPANY

43. However instead of contributing such equity, GRIDCO has preferred to contribute such equity in kind. The Extracts from letter of Gridco dated 15th April 2021 is as follows:

Sub:- Issuance of Shares by TPCODL.

Ref:- Your Letter No TPCODL/CS/01/2021 dtd.18/02/2021.

Sir,

With reference to issuance of equity shares for an amount aggregating to Rs.100 Crore having face value of Rs.10 each for the purpose of financing the capital expenditure by TPCODL, we would like to intimate our In-Principle consent to subscribe to the equity in the form of distribution assets created by way of Govt. funding.

44. No contribution in kind in lieu of equity has been received by TPCODL in FY 2020-21. Govt. Distribution Assets worth Rs. 99.94 Cr in FY 2021-22, Rs.42.03 Cr in FY 2022-23, Rs.56.35 Cr in FY 2023-24 and Rs. 84.77 Cr in FY 2024-25 in lieu of equity has been



transferred to TPCODL. These assets have been capitalized in books of accounts of TPCODL in the year of transfer.

3.10.2 Total Capitalization for FY 2023-24

45. Total Capitalization for FY 2023-24 as booked in the accounts is as given below. However, for the purpose of true up we have considered Capitalization that has been funded by TPCODL only for the purpose of claiming Depreciation, RoE and Interest on Loan.

Table 3-7: Total Capitalization for FY 2023-24 as booked in Accounts

Sr No	Asset Description	Additional OB Asset(As per Physical Verification of OB Assets 01.06.2020)	Out of Opening CWIP	Asset created from Govt Scheme	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind (Assets Transferred by Govt in lieu of GRIDCO's equity)	Assets Created from Meter Capex.	Total Capitalization FY-23-24
		a	b	c	d	e	f	g	h= sum(a:g)
1	Office Buildings	-	-	-	-	56.41	10.80	-	67.21
2	Energy Meters	-	-	-	-	14.15	-	100.46	114.62
3	Transformers	37.84	3.11	-	38.87	68.59	26.86	-	175.28
4	EHV Switch Gears	-	-	-	0.58	11.57	-	-	12.15
5	11KV Switch Gears	-	-	-	0.03	17.66	-	-	17.69
6	LT Switch Gears	-	-	-	-	6.99	-	-	6.99
7	SCADA/ Control & Instrumentation	-	-	-	-	14.27	-	-	14.27
8	Lightening Arrestors	-	-	-	-	0.05	-	-	0.05
9	Other Plant & Machinery	-	-	-	1.89	33.14	-	-	35.03
10	Computers	-	-	-	-	59.43	-	-	59.43
11	Bateries & Batery Chargers	-	-	-	-	0.17	-	-	0.17
12	Software	-	-	-	-	33.16	-	-	33.16
13	Overhead Lines	-	1.22	3.40	46.38	132.89	18.69	-	202.58
14	Underground Cables	-	-	3.79	6.03	11.67	-	-	21.49
15	Office Equipment	-	-	-	-	2.40	-	-	2.40
16	Furniture & Fittings	-	-	-	-	4.48	-	-	4.48
17	Vehicle LMV	-	-	-	-	7.67	-	-	7.67
18	Vehicle HMV	-	-	-	-	0.32	-	-	0.32
	Total	37.84	4.33	7.19	93.79	475.02	56.35	100.46	774.98

3.10.3 Capitalization as per Audited Financial Statement of FY 2023-24

46. Note 4.02 and 4.03 of the Audited Financial Statements for FY 2023-24 may be referred to for the total Capitalization done by TPCODL in FY 2023-24. The linkage to the audited accounts and relevant extract is as provided below.

Table 3-8 Summary of Capitalization for FY 2023-24 with linkage to Audited Financial Statements of FY 2023-24

Sr No	Particular	Amount (Rs. Cr)	Reference / Linkage to Audited Financial Statement FY 2023-24
1	GFA Addition -Property ,Plant & Equipment	735.05	Note 4.02 'Property ,Plant & Equipment'
2	GFA Addition -Intangible Assets	39.93	Note 4.03 'Intangible Asset'
3=1+2	Total GFA Addition/ Capitalization for FY 2023-24	774.98	



Extract 3-5 : Capitalization in Audited Financial Statements FY 2023-24

4.02 Property, plant and equipment (PPE):

Particulars	Gross Bl	
	As at April 01, 2023	Additions (Refer note 4.08)
Buildings	53.43	67.21
Plant and equipment including transmission lines & cable network	3,847.98	652.92
Motor Vehicles	3.42	8.04
Furniture & Fixtures	17.27	4.48
Office Equipments	7.48	2.40
Total	3,929.58	735.05

4.03 Intangible Assets

Particulars	Gross Bl	
	As at April 01, 2023	Additions
Software	48.96	39.93
Total	48.96	39.93

3.10.4 Total Capitalization for FY 2024-25

47. Total Capitalization for FY 2024-25 as booked in the accounts is as given below. However, for the purpose of true up we have considered Capitalization that has been funded by TPCODL only for the purpose of claiming Depreciation, RoE and Interest on Loan.

Table 3-9: Total Capitalization for FY 2024-25 as booked in Accounts

Sl No	Asset Description	Out of Opening CWIP	Asset created from Govt Scheme	Asset created from Consumer Contribution	Asset created from TPCODL Own Capex	Assets Created from Capex in Kind (Assets Transferred by Govt in lieu of GRIDCO's equity)	Assets Created from Meter Capex.	Grand Total
		a	b	c	d	e	f	g= sum(a:f)
1	Office Buildings	-	-	-	27.06	8.55	-	35.60
2	Energy Meters	0.49	4.04	-	18.78	-	82.89	106.19
3	Transformers	11.70	0.53	14.83	95.62	64.70	-	187.38
4	EHV Switch Gears	0.55	-	-	17.95	-	-	18.50
5	11KV Switch Gears	-	-	5.13	38.04	-	-	43.17
6	LT Switch Gears	-	-	0.23	22.59	-	-	22.81
7	SCADA/ Control & Ins	-	-	-	5.71	-	-	5.71
8	Lightening Arrestors	0.00	-	-	0.00	-	-	0.00
9	Other Plant & Machin	2.36	-	1.32	17.25	-	-	20.93
10	Computers	-	-	-	45.97	-	-	45.97
11	Bateries & Batery Ch	-	-	-	1.95	-	-	1.95
12	Software	-	-	-	10.09	-	-	10.09
13	Overhead Lines	12.07	2.56	51.66	134.24	11.38	16.75	228.65
14	Underground Cables	1.42	-	19.52	77.53	-	-	98.46
15	Office Equipment	-	-	-	2.59	-	-	2.59
16	Furniture & Fittings	-	-	-	5.52	0.15	-	5.67
17	Vehicle LMV	-	-	-	2.15	-	-	2.15
18	Vehicle HMV	-	-	-	-	-	-	-
Grand Total		28.59	7.13	92.68	523.05	84.77	99.63	835.85

3.10.5 Capitalization as per Audited Financial Statement of FY 2024-25

48. Note 4.02 and 4.03 of the Audited Financial Statements for FY 2024-25 may be referred to for the total Capitalization done by TPCODL in FY 2024-25. The linkage to the audited accounts and relevant extract is as provided below.

Table 3-10 Summary of Capitalization for FY 2024-25 with linkage to Audited Financial Statements of FY 2024-25

Sr No	Particular	Amount (Rs. Cr)	Reference / Linkage to Audited Financial Statement FY 2024-25
1	GFA Addition -Property ,Plant & Equipment	825.74	Note 4.02 'Property ,Plant & Equipment'
2	GFA Addition -Intangible Assets	10.09	Note 4.03 'Intangible Asset'
3=1+2	Total GFA Addition/ Capitalization for FY 2024-25	835.84	

Extract 3-6 : Capitalization in Audited Financial Statements FY 2024-25

4.02 Property, plant and equipment (PPE):

Particulars	Gross Block	
	As at April 01, 2024	Additions
Buildings	120.64	35.60
Plant and equipment including transmission lines & cable network	4,500.41	779.73
Motor Vehicles	11.34	2.15
Furniture & Fixtures	21.75	5.67
Office Equipments	9.88	2.59
Total	4,664.02	825.74

4.03 Intangible Assets

Particulars	Gross Block	
	As at April 01, 2024	Additions
Software	88.89	10.09
Total	88.89	10.09

3.10.6 Total Capitalization as Claimed in True up for RoE, Interest on Loan etc.purpose

49. The Total Capitalization considered for the purpose of computation of RoE, interest on loan etc in True up for FY 2023-24 and FY 2024-25 is **Rs 531.37 Crores and Rs. 607.82 Crores** respectively and the details are as provided below.

Table 3-11 Total Capitalization for True up FY 2023-24 & FY 2024-25

All Amount in Rs. Crores					
Sr No	Particular	True up FY 2023-24		True up FY 2024-25	
		Total Capitalization as booked in Accounts for FY 2023-24	Total Capitalization Claimed in True Up FY 2023-24 for RoE & Int. on Loan etc.purpose	Total Capitalization as booked in Accounts for FY 2024-25	Total Capitalization Claimed in True Up FY 2024-25 for RoE & Int. on Loan etc.purpose
1	Additional Opening Assets	37.84	0.00		0
2	Out of Opening CWIP	4.33	0.00	28.59	0
3	Asset created from Govt Scheme	7.19	0.00	7.13	0
4	Against Consumer Contribution	93.79	0.00	92.68	0
5	Against TPCODL's Own Capex Schemes i.e Capex approved by the Hon'ble Commission (Excluding Meters)	475.02	475.02	523.05	523.05
6	Against TPCODL's Capex Schemes (Meters)	100.46	0.00	99.63	0.00
7	Against GRIDCO Contribution in Kind	56.35	56.35	84.77	84.77
	Total	774.98	531.37	835.85	607.82

3.11 Decapitalization from Opening Assets

50. TPCODL has a well-defined decapitalization process ,accordingly certain decapitalization has been done In FY 2023-24 and FY 2024-25.

3.12 Depreciation

The depreciation for FY 2023-24 and FY 2024-25 is as given in the following paragraphs.

3.12.1 Depreciation on Existing Assets i.e. at the time of Effective Date

51. The audited financial statements as on 31st May 2020 was submitted to Hon'ble Commission based on which the Hon'ble Commission in its Order dated 30th September 2021 has approved the opening Balance Sheet for TPCODL as on 1st June 2020. The Opening Gross block as provided in the approved opening Balance sheet as on 1st June 2020 has been used for depreciation calculation (on the Depreciable amount of the inherited assets after considering subsequent year's movement in GFA i.e. addition/retirement). Further, the depreciation rates applicable would be as existing "pre- 92" rates. The relevant extract from the Tariff Regulations, 2022 is provided below.

3.8.4. For the assets of erstwhile DISCOMs transferred to the new Distribution Licensees through the Vesting Orders, the depreciation shall be calculated on the pre-up valued cost of assets at pre-1992 rate on the asset base approved by the Commission.

3.12.2 Depreciation on Assets created out of opening CWIP

52. The depreciation on these assets has been calculated at same rate that has been used for calculating depreciation on opening assets.

3.12.3 Depreciation on Assets created out of Capex incurred after the Effective date (i.e. 1st June 2020)

53. The Tariff Regulations, 2022 stipulates depreciation on assets created out of the Capex incurred after the Effective Date to be computed at rates mentioned at Annexure-II of the Tariff Regulations, 2022. The relevant extracts of the Tariff Regulations, 2022 is provided below.

3.8.5. For assets achieving date of commercial operation (COD) in this control period, depreciation shall be computed in the following manner:

a. The approved original cost of the project/fixed assets shall be the base value for calculation of depreciation;

*b. Depreciation shall be computed annually based on the straight-line method at the rates specified in the **Annexure II** to these Regulations:*

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 15 years from date of commercial operation shall be spread over the balance useful life of the assets:

Provided that the rate provided in Annexure II, are the upper ceiling of the rate of depreciation to be provided up to 15th year from the date of commercial operation and the Distribution Licensee shall have the option of indicating, while seeking approval for tariff, lower rate of depreciation, subject to the aforesaid ceiling and the same will be considered for computation of normative loan as per Regulations.

Provided also that the Distribution Licensee, shall submit all such details or documentary evidence, as may be required under these Regulations and as stipulated by the Commission, from time to time, to substantiate the above claims:

(Emphasis Supplied)

54. Accordingly, for all assets created after effective date i.e. 1st June 2020 depreciation has been calculated at rates as specified in **Annexure-II of Tariff Regulations, 2022.**

3.12.4 Total Depreciations booked in the Accounts for FY 2023-24 and FY 2024-25

55. The basis of Depreciation Calculation has been explained in above sections, the total depreciation as booked in the accounts for FY 2023-24 and FY 2024-25 are as provided in tables below.

Table 3-12: Total Depreciation booked in the Accounts for FY 2023-24

Depreciation booked in the Accounts for FY 2023-24 (in Rs. Cr)										
Sl No	Asset Description	Opening Assets/ Inherited Assets	Assets Created out of Opening CWIP	Assets Created from Govt. Funded Scheme	Assets Created from R-APDRP (Govt Loan)	Assets Created from Consumer Contribution	Assets Created from Own Capex (as approved by Hon'ble OERC)	Assets Created from Capex in Kind (GRIDCO's Contribution in lieu of equity)	Assets Created from Own Capex -Meters (To be recovered as Meter Rent)	Total Booked in Accounts of FY.2023-24
1	Office Buildings	0.39	-	-	-	-	1.53	0.27	-	2.20
2	Energy Meters	-	0.27	-	0.04	-	2.35	-	43.99	46.65
3	Transformers	51.93	3.45	0.52	0.02	6.98	2.34	5.04	-	70.28
4	EHV Switch Gears	-	0.07	-	-	0.01	1.09	-	-	1.17
5	11KV Switch Gears	-	0.06	-	-	0.03	2.37	-	-	2.45
6	LT Switch Gears	-	-	-	-	0.00	1.92	-	-	1.92
7	SCADA/ Control & Instrumentation	-	4.26	-	1.24	-	2.14	-	-	7.65
8	Lightening Arrestors	-	0.00	-	-	-	0.01	-	-	0.01
9	Other Plant & Machinery	-	0.03	-	-	0.04	4.09	-	-	4.17
10	Computers	-	-	-	-	-	34.28	-	-	34.28
11	Bateries & Batery Charger	-	-	-	-	-	0.22	-	-	0.22
12	Software	-	-	-	-	-	1.39	-	-	1.39
13	Overhead Lines	35.96	7.40	12.88	0.06	5.97	6.77	1.43	-	70.47
14	Underground Cables	-	0.13	0.79	-	0.72	1.15	-	-	2.79
15	Office Equipment	0.02	-	-	-	-	0.49	-	-	0.51
16	Furniture & Fittings	0.00	0.50	-	-	-	0.52	-	-	1.02
17	Vehicle LMV	-	-	-	-	-	0.79	-	-	0.79
18	Vehicle HMV	-	-	-	-	-	0.03	-	-	0.03
TOTAL		88.30	16.16	14.19	1.36	13.77	63.49	6.74	43.99	248.0

Table 3-13: Total Depreciation booked in the Accounts for FY 2024-25

Depreciation booked in the Accounts for FY 2024-25 (in Rs. Cr)										
Sl No	Asset Description	Opening Assets/ Inherited Assets	Assets Created out of Opening CWIP	Assets Created from Govt. Funded Scheme	Assets Created from R-APDRP (Govt Loan)	Assets Created from Consumer Contribution	Assets Created from Own Capex (as approved by Hon'ble OERC)	Assets Created from Capex in Kind (GRIDCO's Contribution in lieu of equity)	Assets Created from Own Capex -Meters (To be recovered as Meter Rent)	Grand Total
1	Office Buildings	0.39	-	-	-	-	3.08	0.63	-	4.10
2	Energy Meters	-	0.28	0.02	0.01	-	0.51	-	54.03	54.84
3	Transformers	47.77	3.94	0.54	0.02	8.74	6.29	6.44	-	73.73
4	EHV Switch Gears	-	0.07	-	-	0.03	1.83	-	-	1.93
5	11KV Switch Gears	-	0.06	-	-	0.15	3.49	-	-	3.70
6	LT Switch Gears	-	-	-	-	0.01	2.46	-	-	2.47
7	SCADA/ Control & Ins	-	4.17	-	1.23	-	2.60	-	-	8.01
8	Lightening Arrestors	-	0.00	-	-	-	0.01	-	-	0.01
9	Other Plant & Machin	-	0.11	-	-	0.13	5.36	-	-	5.60
10	Computers	-	-	-	-	-	35.88	-	-	35.88
11	Bateries & Batery Ch	-	-	-	-	-	0.25	-	-	0.25
12	Software	-	-	-	-	-	10.48	-	-	10.48
13	Overhead Lines	35.69	7.83	13.07	0.06	8.78	13.05	2.27	1.33	82.08
14	Underground Cables	-	0.17	0.94	-	1.44	2.45	-	-	5.01
15	Office Equipment	0.02	-	-	-	-	0.65	-	-	0.66
16	Furniture & Fittings	0.00	0.50	-	-	-	0.82	0.00	-	1.32
17	Vehicle LMV	-	-	-	-	-	1.53	-	-	1.53
18	Vehicle HMV	-	-	-	-	-	0.03	-	-	0.03
Total		83.86	17.13	14.56	1.31	19.27	90.78	9.34	55.37	291.63

3.12.5 Depreciation as per Audited Financial Accounts

56. Relevant extract from the Audited Financial Accounts FY 2023-24 and FY 2024-25 are as provided below.



Extract 3-7 : Depreciation in Audited Financial Statements FY 2023-24

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024			
Particulars	Notes	Year Ended	Year Ended
		March 31, 2024	March 31, 2023
		₹ crore	₹ crore
(I) Revenue from operations	23	5,507.65	4,820.67
(II) Other income	24	121.83	82.84
(III) Total income (I+II)		5,629.48	4,903.51
(IV) Expenses			
Cost of power purchased & transmission charges	25	3,679.94	3,214.58
Employee benefits expense (net)	26	799.21	760.59
Finance costs	27	90.83	106.83
Depreciation and amortisation expenses	4	248.00	181.55
Other expenses	28	663.39	583.56
Total expenses (IV)		5,481.37	4,847.11

Extract 3-8 : Depreciation in Audited Financial Statements FY 2024-25

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025			
Particulars	Notes	Year Ended	Year Ended
		March 31, 2025	March 31, 2024
		₹ crore	₹ crore
(I) Revenue from operations	24	6,008.48	5,507.65
(II) Other income	25	121.09	121.83
(III) Total income (I+II)		6,129.57	5,629.48
(IV) Expenses			
Cost of power purchased & transmission charges	26	4,020.42	3,679.94
Employee benefits expense (net)	27	886.75	799.21
Finance costs	28	105.51	90.83
Depreciation and amortisation expenses	4	291.62	248.00
Other expenses	29	720.30	663.39
Total expenses (IV)		6,024.60	5,481.37

3.12.6 Total Depreciation claimed in True up FY 2023-24 and FY 2024-25

57. The Vesting Order does not permit recovery of Depreciation on assets created out Government Grants. The extracts from Vesting Order are as follows:

iii. No depreciation shall be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to TPCODL or not.

The Tariff Regulations, 2022 also stipulates the same. The relevant extract is provided below.

3.8.2

....

a. No depreciation shall be allowed to be recovered on assets created out of Government grants irrespective of whether the corresponding grant is transferred to the Distribution Licensee or not.

58. Further, the Tariff Regulations 2022 exclude the depreciation to be considered from assets created out of Consumer Contribution and also Government Grants. The relevant extracts are as under

3.8.6

...

Provided that depreciation shall not be allowed on assets funded by consumer contribution (i.e., any receipts from consumers that are not treated as revenue), capital subsidies/grants:

Provided that depreciation on assets funded by Central/State Govt. except the assets transferred towards contribution against equity participation by GRIDCO as approved by the Commission shall not be allowed to the Distribution Licensee:

59. We have therefore not considered the depreciation on Government Funded Assets, Asset created out of Consumer Contribution (booked in accounts under 'Amortization of Consumer Contribution & Capital Grant'). Further, since the Metering Capex is to be recovered through monthly meter rents, hence depreciation on meters has not been claimed for True up.

60. Summary of total Depreciation for truing up FY 2023-24 & FY 2024-25 is as provided below.

Table 3-14: Total Depreciation for Truing Up FY 2023-24 & FY 2024-25

<i>in Rs. Crore</i>			
Particular	True up FY 2023-24	True up FY 2024-25	Reference to Audited Financial Statement
Total Depreciation Booked in Accounts	248.00	291.62	Note 4.05
Less: Depreciation on Meters	43.99	54.03	FY-25: Part of above total Depreciation Amount (Rs.55.37 Cr) Less Depreciation on Meter Cable (Rs. 1.34 Cr) whose corresponding income has been offered under Non Tariff Income
Less: Amortization on Assets Created against Consumer Contribution and Grants	97.65	101.82	Note 23.03 of Audited Financial Statement FY 2023-24. Note 24.03 of Audited Financial Statement FY 2024-25
A Total Depreciation for True up	106.36	135.77	

61. Out of the above, the Depreciation on Assets created out of TPCODL's own capex i.e. capex approved by the Hon'ble OERC (including assets created against GRIDCO's contribution in kind) has been used towards repayment of capital loan and the balance amount has been used towards funding of ASL. The use of net depreciation claimed in True up is as provided below.

Table 3-15 : Use of Depreciation claimed for True up FY-2023-24 & FY 2024-25

in Rs. Crores

Sr No	Particular	True up FY 2023-24	True up FY 2024-25	Remark/Usage
A	Total Depreciation Claimed in True up	106.36	135.77	
B	Depreciation on Asset Created out of Own Capex i.e Capex approved by the Hon'ble Commission (including Assets transferred in kind and exluding Meters)	70.23	100.12	For Repayment of Capital Loan
C= A-B	Total Depreciation Available for Funding ASL	36.13	35.66	For Funding ASL

3.13 Loss on Retirement of Fixed Assets

62. The Tariff Regulation, 2022 allows recovery of loss on retirement /decapitalization of assets through ARR, the relevant extract of the Tariff Regulation, 2022 is provided below.

3.8.6

...

Provided further that asset shall normally be not retired before completion of the useful life and the Distribution Licensee shall take prior approval of the Commission in case of retiring any asset before its useful life:

Provided further that any loss on such retirement/decapitalisation shall be allowed to be recovered through ARR subject to approval of the Commission for such retirement/ decapitalisation.

63. TPCODL has done certain retirement/decapitalization of fixed assets in FY 2023-24 and FY 2024-25. These retirements have been done as per the laid down decapitalization process of TPCODL duly approved by the Board of Directors after recommendation of Auditors/ Gridco and Audit Committee .The loss on account of such retirement (amounting to Rs. 0.37 Cr for FY 2023-24 and Rs. 20.47 Cr for FY 2024-25) has been booked under the head 'Other Expenses ' . Note -28 of the Audited Financial Statement FY-2023-24 and Note-29 of the Audited Financial Statement FY-2024-25 may be referred to in this regard.

Interest Cost and Financing Cost

3.14 Interest on Capital Loans

64. As per the Tariff Regulations, 2022, for the purpose of truing up, the normative average loan of the year shall be considered on the basis of the actual asset capitalization and the interest rate applicable would be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of the year. The relevant extracts from the Tariff Regulations is as under

Extract 3-9: Interest on Loan Capital as per Tariff Regulations

3.7. Interest and finance charges on Loan Capital

*3.7.1. The loans arrived at in the manner indicated in these Regulations on the **assets put to use**, shall be considered as **gross normative loan for calculation of interest on loan**:*

Provided that interest and finance charges on capital works in progress shall be excluded:

3.7.2. The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission up to 31st March of the previous year.

Provided that the assets of erstwhile DISCOMs as on effective date in terms of the provisions of Vesting Orders shall not be eligible for calculation of interest on loan.

3.7.3. The normative repayment for the year during the Control Period shall be deemed to be equal to the depreciation allowed for that year.

3.7.4. Notwithstanding any moratorium period availed by the Distribution Licensee the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

3.7.5. The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Distribution Licensee:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Distribution Licensee shall be considered as the rate of interest:

.....

3.7.6. The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest:



Provided that at the time of truing up, the normative average loan of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

Provided further that neither penal interest nor overdue interest shall be allowed for computation of Tariff. **(Emphasis Supplied)**

65. In the Tariff order for FY 2023-24, the Hon'ble Commission has approved Rs. 38.55 Cr towards interest on Capital loan (at Table-50 of the Tariff order FY 2023-24) while observing that any variance with actual amount would be addressed at the time of True up. The relevant extract from the Tariff Order FY 2023-24 is as produced below.

*134. The Commission had asked for additional information on latest position of the yearwise actual CAPEX loan availed by the each DISCOM. From the replies of the DISCOMs it is observed that all the DISCOMs have availed CAPEX loan till the date of submission. The OERC Wheeling & Retail Supply Tariff Regulation, 2022 provides that **the loan taken for the assets put to use shall be considered as gross normative loan for calculation of interest.** The interest and finance charges on CWIP shall be excluded. The normative loan outstanding as on 1st April shall be worked out by deducting the cumulative normative repayment as admitted by the Commission upto 31st March of the previous year. The rate of interest shall be weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year as applicable to the respective distribution licensee. **The interest on loan shall be calculated based on the weighted average rate of interest at the time of truing up on the normative average loan of the year and the actual asset capitalisation approved by the Commission for the year.***

*135. The Commission after a prudent verification allows following amounts to the respective DISCOMs towards interest on loan. **Any variances with the actual amount shall be addressed at the appropriate stage of truing up.***

Table – 50
Interest on Loan approved for FY 2023-24

Source	TPWODL	TPNODL	TPSODL	TPCODL
Interest on Capex loan / long term debt	45.57	31.47	28.34	38.55

(Emphasis Supplied)

66. Similarly , in the Tariff order for FY 2024-25, the Hon'ble Commission has approved Rs. 75.55 Cr towards interest on Capital loan (at Table-55 of the Tariff order FY



2024-25) while observing that any variance with actual amount would be addressed at the time of True up. The relevant extract from the tariff order is provided below.

Table – 55
Interest on Loan approved for FY 2024-25

Source	(Rs. in Cr.)			
	TPWODL	TPNODL	TPSODL	TPCODL
Assets (net of Govt/ consumer contribution) at the beginning of 2024-25	976.43	594.30	856.68	1,412.30
30% considered as Equity	292.93	178.29	257.00	423.69
70% considered as Loan	683.50	416.01	599.68	988.61
Less: Repayment (Dep. Allowed in ARR 2024-25)	61.79	45.47	59.23	85.96
Normative Loan considered	621.71	370.54	540.44	902.65
Actual interest rate	9.00%	8.03%	8.37%	8.37%
Interest allowed on capex loan	55.95	29.75	45.23	75.55

156. Commission further observes that *any variances with the actual amount shall be addressed at the appropriate stage of truing up.*

(Emphasis Supplied)

67. For the purpose of financing the Capital Expenditure, TPCODL has secured term loan from State Bank of India (SBI), UBI, Canara Bank, IDBI and Bank of Baroda. The weighted average rate of interest on the actual loan portfolio for FY 2023-24 and FY 2024-25 works out to 8.48% and 8.64% respectively. The relevant extract from the Sanction letter is provided below.

Extract 3-10: Extract from SBI Capital Loan Sanction Letter

Particulars	Proposed Terms
Borrower	TP Central Odisha Distribution Limited
Promoter	The Tata Power Co Ltd (TPCL)
Capex Cost	Rs.353 crores
Term Debt Facility (Amount)	Rs.247 crores
Purpose	For funding of approved capital expenditure.
Promoters contribution	For capex: the promoters' contribution will be 30% of the Capex requirement.
Upfront Fee	1.10% of the Term Loan Facility Amount plus applicable taxes payable upfront at the time of sanction.
Tenor of loan	Door to Door tenor of 15 years with Average Maturity of 7.87 years. Repayment Schedule starting from June 2021 till September 2036 is given below this table Repayments will be made as 4 equal quarterly payments at the end of each quarter.
External Credit Rating	External Credit Rating from any rating agencies approved by RBI to be obtained. Company will be permitted timeline upto 3 months for obtention of External Credit Rating from the date of first disbursement of credit facilities advised letter no. CAG/AMT-4/2020-21/690 dated 07.10.2020 and accepted by the company.
Rate of Interest	Applicable Rate of Interest shall be equivalent to SBI 6 month MCLR (Applicable Benchmark) prevailing at the time of first disbursement under the RTL + Spread. The proposed spreads for different levels of initial credit rating of the Facility are given below: if AA bucket MCLR + 0.75% i.e., 7.70% pa. if A bucket MCLR + 0.90% i.e., 7.85% pa. Applicable Benchmark rate as on date is 6.95% Applicable Benchmark will be reset at end of 6 months from first disbursement under the Facility and thereafter on 6 months intervals. Applicable Spread for SBI shall remain constant throughout the tenor of the Facility. Till the time, ECR is obtained by the company, interest rate as applicable for A+/A/A- would be applicable for the facility. All disbursements till next reset of Applicable Benchmark shall be linked to same Applicable



Extract 3-11: Extract from UBI Capital Loan Sanction Letter

Subject: Sanction of Term Loan in favour of M/s TP Central Odisha Distribution Ltd (TPCODL)

We are pleased to inform that the following Term Loan has been sanctioned in favour of TPCODL by the competent authority with terms & conditions and other details as under:

1	DATE OF SANCTION	:	28.09.2022
2	VALIDITY OF SANCTIONS	:	27.03.2023
3	PURPOSE OF LOAN	:	Funding of Capex to carry out various improvements and safety activities in its area of operation.
4	DUE DATE FOR REVIEW/RENEWAL	:	27.09.2023

DETAILS OF LIMITS WITH MARGIN/INTEREST/SECURITY:

(Rs. in Crore)

Nature of Limit	Amount		Interest / Commission	Margin	Security
	Existing	Proposed			
Fund Based					
Term Loan	0.00	245.14	3 Months MCLR i.e. 7.35% p.a. at present	30%	<p>Prime Security: First pari passu charge on the entire movable fixed assets of the company, both present and future, including on the assets created /to be created out of our bank finance under the capex project excluding assets transferred to the company from CESU vide vesting orders of OERC and any other assets as specified by OERC from time to time along with other Banks under MBA.</p> <p>Collateral Security: Second pari passu charge on the entire current assets of the company, both present and future, excluding regulatory deposits and any other assets as specified by OERC from time to time. "Regulatory Deposits" includes customer security deposits and Govt. deposits</p>



Extract 3-12: Extract from Canara Bank Capital Loan Sanction Letter

Particulars	Terms
Borrower	TP Central Odisha Distribution Limited (TPCODL)
Promoter	The Tata Power Company Limited (TPCL)
Capex Cost	Rs 357.14 Crore
Term Loan Amount	Rs.250.00 Crore (Rupees Two hundred fifty Crore only)
Project/ Purpose	For funding of approved capital expenditure up to FY 2022-23
Means of Finance/ Promoter Contribution	The Capex shall be funded 70% from debt and 30% from promoter contribution i.e. DER of 2.33:1 to be maintained.
Tenor of Facility	Door to Door tenor of 14 Years
Repayment	In 12 years ie. 48 Quarterly equal Installments post moratorium period of 2 years payable on 15 th of first month of each quarter, from the date of first disbursement. Interest to be paid as and when due.(Due on last day of the month)
Availability Period	Up to 31.03.2023.
Upfront Fees	Nil
Documentation charges	Not applicable
Rate of Interest	One year MCLR i.e. Presently 7.35% p.a.
Reset of ROI	The rate of interest is subject to annual reset from date of first disbursement. Interest to be paid as and when due. Further bank shall reserve the right to review the rate of interest in case of the following: - In case of any adverse deviation in the External rating or internal rating of the Borrower. - Changes in interest rate policy, etc. made by the Reserve Bank of India /

LCB Bhubaneswar, Plot no 2282, Laxmisagar, Puri Cuttack Road,
Bhubaneswar-751006, E-Mail ID:cb7026@canarabank.com,

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Extract 3-13: Extract from IDBI Bank Capital Loan Sanction Letter

1. Rupee Term Loan (RTL)

S/n	Particulars	Terms & conditions
i	Type of Facility	Rupee Term Loan
ii	Amount/Limit	Rs.2,50,00,00,000/- (Rupees Two hundred fifty Crore only)
iii	Purpose	To meet capital expenditure.
iv	Rate of Interest	At Policy Repo Rate + Base Spread + CSS [Present effective: 8.15% p.a.], payable monthly. [Present Policy Repo Rate-6.50%, Base Spread-165 bps, CSS- nil]
v	Interest reset	<u>Reset of External Benchmark (Policy Repo rate)</u> : Policy repo rate shall be revised as and when revised by RBI. <u>Reset of Base Spread</u> : Reset of spread shall be once at the end of the 3 years as per extant RBI guidelines for the said Rupee Term loan. <u>Reset of CSS</u> : Reset of CSS shall laid down to the extant guidelines of IDBI Bank [i.e. increase/decrease in rate on down-gradation/up-gradation of rating or at the occurrence of FOD as stipulated in the sanction]
vi	Further interest	In the event of default in payment of interest on the financial assistance and all other monies on respective due dates, such defaulted amount shall carry interest / further interest at the rate of interest as mentioned at item (iii) or (iv) above, computed from the respective due dates and shall become payable upon the footing of compound interest with monthly rests.
vii	Additional Interest	Final security to be created /perfected within 90 days from the date of first disbursement. Disbursement made pending perfection of final security as stipulated, shall carry additional interest @2% per annum from the expiry of timeline till perfection of such security.
viii	Liquidated Damages	In case of default in payment of any instalment of principal amount of the financial assistance, interest thereon or other monies (except liquidated damages) becoming due on their respective due dates, you shall pay on such defaulted

Extract 3-14: Extract from Bank of Baroda Capital Loan Sanction Letter



Name of Borrower	M/s. TP Central Odisha Distribution Limited
CIN / PAN / LEI	CIN: U40109OR2020PLC032901 PAN: AAHCT8404D LEI: 3358002QOI6UTHZK8986
Facility-1	Term Loan I (Review)
Borrower	TP Central Odisha Distribution Limited (TPCODL)
Holding Company	The Tata Power Company Ltd.
Purpose of the Facility	To carry out various system improvement and safety activities in its area of operation as per OERC Approved Capex up to FY 2024-25
Facility amount	Rs.250.00 Crores (including reimbursement of Capex incurred since October 2023 onwards, if any)
Margin	30% The company to ensure that the margin/ equity/ promoters contribution is in accordance with the stipulated terms.
Tenor	Door to Door Tenor: -14 ½- Years (i.e. -174- months) from date of first disbursement. Moratorium: 1 ½ Years (i.e. -18- months) Repayment : Principal to be repaid in -13- Years (i.e.-156- months), payable in -52- equal quarterly instalments. Interest to be serviced as and when due, on monthly rests.
Availability period	Up to 31.03.2026
Rate of Interest & Spread Rest	Overnight MCLR without S.P. i.e. 7.95% p.a. at present with monthly rest. Interest will be serviced as and when charged in the account. The Bank reserves the right to review the pricing in case of change in External Credit rating, RBI directives, occurrence of an event of default as the Bank deems fit.
Security	Primary: ➤ First pari-passu charge (with other Term loan lenders) over entire movable fixed assets of the company, both present and future, including the assets created /to be created out of our bank finance under the Capex Project [excluding all government and consumer funded assets both present and future* & assets transferred to the company from CESU vide vesting order of OERC dated 26.05.2020] and as per the conditions stipulated in vesting order of OERC and any other assets as may be specified by OERC from time to time, along with the other banks under Multiple banking arrangements. ➤ Second Pari passu charge (with other Term lenders) over entire current assets of the company, both present and future, excluding restricted deposits as per vesting order dated 26.05.2020 and any other asset as may be specified by OERC from time to time. (Restricted deposits include customer security deposits and Govt. deposits received in form of grant, subsidy, relief fund etc.) & as per the conditions stipulated in vesting order of OERC along with the other banks under multiple banking arrangements. Collateral: Nil Personal/Corporate Guarantee: Nil
Other terms and conditions	All other terms and conditions of original/subsequent sanctions to remain unchanged unless specifically modified/ waived.

*The modification in the primary security is subject to similar approval by other lenders of the company.

68. The Hon'ble Commission in the ARR has approved Rs. 38.55 Cr for FY 2023-24 and Rs. 75.55 Cr for FY 2024-25 towards interest on capital loan.

69. Based on the Debt Equity Ratio for the capitalization in FY 2023-24 and FY 2024-25 , the Interest on Debt computation for FY 2023-24 and FY 2023-24 is as provided in the table below:

Table 3-16: Debt Component considered for Interest on Loan Computation

in Rs. Crore

Sr No	Capitalization & Debt	FY-21 (June'20 - Mar'21)	FY-22	FY-23	FY-24	FY-25
a	Capitalization excluding meters from TPCODL's own capex(including IDC & Emp Cost)	66.13	236.85	252.89	472.22	521.03
b	GRIDCO's Contribution in kind in lieu of Equity	0.00	99.94	42.03	56.35	84.77
c=a+b	Total Capitalization	66.13	336.79	294.92	528.57	605.80
d	Total Debt = 70% of C	46.29	235.75	206.45	370.00	424.06
e	Total Equity = 30% of C	19.84	101.04	88.48	158.57	181.74
f=d+e	Total Debt + Equity	66.13	336.79	294.92	528.57	605.80

Table 3-17: Interest on Capital Loan for True up FY 2023-24 and FY 2024-25

SL No	Particulars	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
A	Opening Debt Balance	-	43.56	266.00	437.89	737.66
B	Addition of Debt for current year	46.29	235.75	206.44	370.00	424.06
C	Repayment = Depreciation on Assets created out of own Capex excluding Meters	2.73	13.31	34.56	70.23	100.12
D=A+B-C	Closing Debt Balance	43.56	266.00	437.89	737.66	1,061.60
E=(A+D)/2	Average Debt Balance				587.77	899.63
F	Weighted Average Interest Rate				8.48%	8.64%
G=E*F	Interest Amount				50	78
Deployment of Internal Accruals						
H	Actual Term Loan outstanding at beginning of year				393.43	546.39
I	Actual Term Loan outstanding at end of year				546.39	831.33
J=(H+I)/2	Average Term Loan outstanding for the year				469.91	688.86
K=E-J	Deployment of Internal Accruals at end of year (Shareholder Funds)*				117.86	210.77
L	Other Equity in audited balance sheet (Note 15)				112.11	262.25

*As per the above calculation, Actual term loan drawal for capex is less than the required amount as the Company has deployed its internal accruals i.e. Shareholder Funds. The Company is eligible to earn interest income on internal accruals. Hence the Hon'ble OERC should either allow interest income on internal accruals or allow normative interest on Capex loan instead of actual interest on capex loan.

70. In view of the above, the Hon'ble Commission is requested to approve **Rs. 50 Cr** and **Rs. 78 Cr** towards interests on Capital Loan for FY 2023-24 and FY 2024-25 respectively as per provisions of Tariff Regulations, 2022.

3.15 Interest on Working Capital and associated Financing Costs

71. As per the Tariff Regulation 2022, the Working Capital and the Interest on Working Capital would be worked out as follows

3.10. Interest on Working Capital

3.10.1. The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Wheeling and Retail supply business for the Financial Year. The working capital for the purpose of ARR calculation shall be computed as follows:

- a. Operation and maintenance expenses for one month; plus*
- b. Maintenance spares @ twenty (20) % of average R&M expense for one month; plus*
- c. Power Purchase Cost for one (1) month*

Working Capital requirement of the Distribution Licensees may be met through depreciation allowed by the Commission on the assets of erstwhile DISCOMs in a manner mentioned in the Vesting Orders and as approved by the Commission.

*Shortfall in meeting the working capital requirement as mentioned above shall be allowed. The interest on the working capital shall be at a rate equal to the SBI Base Rate or any replacement thereof by SBI from time to time (being in effect applicable for 1 year period) as **applicable as on 1st April of the Financial Year (for which Truing***



Up shall be done) plus 300 basis points or actual weighted average rate of interest towards loan for meeting working capital requirement availed by the Distribution Licensee(s), whichever is lower:

Provided that at the time of truing up for any year, the working capital requirement shall be re-calculated on the basis of the components of working capital approved by the Commission.

Provided that, the variation between the normative interest on working capital recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors.

(Emphasis Supplied)

72. The Hon'ble Commission has approved Rs. 36.28 Cr towards interest on working capital against TPCODL's submission of Rs. 46.87 Cr in Table – 53 of the Tariff Order FY 2023-24 (extract from the Tariff Order FY 2023-24 is provided below).

Table - 53

Approved Interest on Working Capital FY 2023-24				
Source	TPWODL	TPNODL	TPSODL	TPCODL
O&M for 1 month	81.45	69.78	63.08	98.95
Spares 20% of R&M (1month)	4.70	3.57	2.54	4.66
Power Purchase Cost (1 month)	433.96	209.60	86.1	286.09
Total	520.11	282.95	151.73	389.70
Less: Depreciation allowed on old assets				
FY 2022-23	32.15	30.94	16.11	15.66
FY 2023-24	27.52	21.08	14.71	52.96
Net Working Capital	460.44	230.93	120.91	321.07
Interest on Working Capital	11.70%	11.70%	11%	11.30%
Total Interest on Working Capital	53.87	27.02	13.66	36.28

73. Further while computing the interest on working capital for FY 2023-24 , the Hon'ble Commission has adjusted the depreciation on old / inherited assets for FY 2022-23 and FY 2023-24 at Table -53 of the Tariff Order FY 2023-24 (as shown above).

74. It is submitted that the Vesting Order clearly stipulates the priority order for utilization of deprecation on the inherited assets. The relevant extract from the Vesting Order is provided below



47. Depreciation on assets transferred to TPCODL

(a)

.....

*i. For the purpose of determination of Aggregate Revenue Requirement, the **depreciation on the opening Gross Fixed Assets of TPCODL**, as determined by the Commission subject to prudence check, shall be utilized as per the following **priority order**:*

*a. **Funding of Additional Serviceable Liabilities as per para 54 of this order***

*b. **Capital Investment***

*c. **Working Capital requirement computed as per Tariff Regulations***

(Emphasis Supplied)

75. As is evident from above provision of the Vesting Order, working capital comes as the last priority item for adjustment of Depreciation on inherited assets. In compliance to above provision of the Vesting order, TPCODL has been adjusting the depreciation on inherited assets against ASL claims. The Hon'ble Commission may take note of this and may make appropriate adjustment while approving True up for FY 2023-24 & FY 2024-25 and APR FY 2025-26 and ARR FY 2026-27.

76. It is submitted that the computation of interest on working capital in this submission is in line with all our earlier submission in previous ARR and True up petitions which is strictly as per provision stipulated at para 47 (a) (i) of the Vesting Order. In other words, we have continued to adjust depreciation on old / inherited assets against ASL payments as our claims on recovery of ASL payments are not 100% approved/ recovered yet and hence depreciation on old/inherited assets have not been utilized for adjustment against working capital. The Hon'ble Commission may kindly take note of this fact and make necessary correction of Table -53 of the Tariff Order FY 2023-24 while approving the interest on working capital for True up FY 2023-24 and subsequent years.

77. Further , while the Hon'ble Commission has computed and approved interest on working capital of Rs. 36.28 Cr at Table-53, but erroneously Rs. 26.28 Cr has been mentioned at Table -54 and the same is also part of the approved ARR FY 2023-24 at Annexure-A of the Tariff Order FY 2023-24 which may kindly be corrected. The relevant extract from the Tariff Order FY 2023-24 is provided below for ease of reference.

Table - 53

Approved Interest on Working Capital FY 2023-24				
Source	TPWODL	TPNODL	TPSODL	TPCODL
O&M for 1 month	81.45	69.78	63.08	98.95
Spares 20% of R&M (1month)	4.70	3.57	2.54	4.66
Power Purchase Cost (1 month)	433.96	209.60	86.1	286.09
Total	520.11	282.95	151.73	389.70
Less: Depreciation allowed on old assets				
FY 2022-23	32.15	30.94	16.11	15.66
FY 2023-24	27.52	21.08	14.71	52.96
Net Working Capital	460.44	230.93	120.91	321.07
Interest on Working Capital	11.70%	11.70%	11%	11.30%
Total Interest on Working Capital	53.87	27.02	13.66	36.28

140. Accordingly the total interest on loan proposed by DISCOMs under various loan components such as capex loan, interest on security deposits and interest on working capital loan and approved by the Commission for FY 2023-24 is summarized below:

Table - 54
Total Annual Interest approved for the FY 2023-24

Source	(Rs. in Cr.)			
	TPWODL	TPNODL	TPSODL	TPCODL
Interest on capex loan/long term debt	45.57	31.47	28.34	38.55
Interest on security deposit	72.06	51.83	21.78	60.82
Interest on WC loan	53.87	27.02	13.66	26.28
Total interest before capitalization	171.50	110.32	63.78	125.65

78. It is submitted that the Hon'ble Commission may kindly consider the above discrepancy in Tariff Order FY 2023-24 while approving the True up for FY 2023-24.

79. The Hon'ble Commission at Table-59 of the Tariff Order for FY 2024-25 has approved interest on working capital of Rs. 41.77 Cr against the proposed amount of Rs. 53.89.

80. The quantum of normative working capital has been computed as per clause 3.10.1 of the Tariff Regulations, 2022. Further, the cumulative surplus till 31.03.2024 and 31.03.2025 has been adjusted against this normative working capital to arrive at the net working capital on which interest on working capital (normative) has been computed. The cumulative surplus till 31.03.2024 & 31.03.2025 has been discussed in **Chapter 6**.

81. The actual weighted average rate of interest on working capital loan drawn during FY 2023-24 is 7.40 % whereas the normative interest rate is 13.1% (i.e. SBI Base rate as on 1st April 2023 (10.1%) + 300 basis points) . Hence as per Tariff Regulation the rate of interest for the purpose of True up is lower of the two i.e. 7.40 %.

82. The actual weighted average rate of interest on working capital loan drawn during FY 2024-25 is 7.50 % whereas the normative interest rate is 13.25% (i.e. SBI Base rate as on 1st April 2024 (10.25 %) + 300 basis points) . Hence as per Tariff Regulation the rate of interest for the purpose of True up is lower of the two i.e. 7.50 %.

83. Accordingly the Normative interest on Working Capital for True up of FY 2023-24 and FY 2024-25 is as worked out in table below.

Table 3-18: Interest on Working Capital (Normative) for FY 2023-24 & FY 2024-25

Rs. Crore							
Sr No.	Particulars	UoM	Approved in FY-2023-24 Tariff Order	Approved in FY-2024-25 Tariff Order	True Up FY 2023-24	True Up FY 2024-25	Remark
1	O&M Expenses for One Month	Rs. Cr			105.83	120.49	
2	Power Purchase Cost for One Month (incl. Transmission & SLDC Charges)	Rs. Cr			309.92	338.62	
3	Maintenance Spares at 20% of R&M expenses for one Month	Rs. Cr			4.64	5.63	
4=1+2+3	Total Working Capital	Rs. Cr			420.40	464.74	
5	Less: Cumulative Surplus utilized till 31.03.2024 and FY 2024-25	Rs. Cr			262.85	200.90	Please refer Table-6-1
6=4-5	Net Working Capital	Rs. Cr			157.54	263.85	
7	Applicable Interest Rate	%			7.40%	7.50%	
8= 6 x 7	Interest on Working Capital (Normative)	Rs. Cr	36.28	41.77	11.66	19.79	

3.16 Efficiency Gains

A. Efficiency Gain on Working Capital

84. The Tariff Regulations 2022 consider

2.12.2. For the purpose of these Regulations, the term “controllable factors” shall include, but are not limited to, the following:

....

....

d. Variations in interest on working capital;

85. Further, as per Clause 3.10.1, of the Tariff Regulations 2022 the difference between Normative Interest on Working Capital and Actual Interest on Working Capital shall be considered as Efficiency Gains. The relevant extracts are presented below.

3.10.1

.....

*Provided that, the **variation between the normative interest on working capital recomputed at the time of Truing-up and the actual interest on working capital incurred by the Distribution Licensee**, substantiated by documentary evidence, shall be considered as an **efficiency gain or efficiency loss**, as the case may be, on account of controllable factors.*
(Emphasis Supplied)

86. The actual interest on working capital incurred by TPCODL in FY 2023-24 is Rs. 5.08 Cr and in FY 2024-25 is Rs. 3.24 Cr. Based on the above provision of the Tariff Regulations, 2022 the Efficiency Gains to be claimed in the True up for FY 2023-24 and FY 2024-25 is as follows

Table 3-19: Efficiency Gains on Working Capital and Claim in True up FY 2023-24 & FY 2024-25

in Rs. Crores				
Sr No	Particulars	True Up FY 2023-24	True Up FY 2024-25	Remark
1	Normative Interest on Working Capital	11.66	19.79	Refer Table 3-18
2	Actual Interest on Working Capital	5.08	3.24	
3	Gain	6.58	16.55	

87. In view of the above, the Hon'ble Commission is requested to approve the above actual interest on working capital of **Rs. 5.08 Cr** for FY 2023-24 and **Rs.3.24 Cr** for FY 2024-25 and the efficiency gains as computed in above table as per above mentioned provisions of the Tariff Regulations ,2022.

B. Efficiency Gain on Refinancing of Loan

88. The Tariff Regulations,2022 allows efficiency gain on account of refinancing of high cost loan with low cost loan. The relevant extract from the regulations is provided below.

*2.14.2. The Distribution Licensee, if makes profit on account of improved performance in the areas (other than improved AT&C loss, O&M expense (comprising of Employee Expense, A&G expense & R&M Expense) and incentive on account of recovery of past arrears), **including but not limited to refinancing of high-cost loan with low-cost loan**, the Commission shall treat the profit beyond the approved return in the following manner.*
(Emphasis Supplied)

89. The petitioner has taken efforts for refinancing of high cost loan , the saving/gain resulting out of which is provided in table below.

Table 3-20: Efficiency Gains on refinancing of high cost loan

FY 2023-24 Short Term Loan

S. No	Bank Name	Date	Amount (Rs. Cr)	Effective ROI	Revised ROI after Refinancing/ Interest rate restructuring	Saving in FY-2024-25 (Rs.Cr)	Remarks
1	State Bank of India	29-08-2023	250	8.45%	7.10%	1.99	Interest Restructuring
A	Sub Total					1.99	

FY-2024-25 - Capex term loan

S. No	Bank Name	Date	Amount (Rs. Cr)	Effective ROI	Revised ROI after Refinancing/ Interest rate restructuring	Saving in FY-2024-25 (Rs.Cr)	Remarks
1	State Bank of India	09-02-2025	191.60	9.35%	7.90%	0.34	Refinancing
2	Union Bank of India	28-03-2025	245.14	8.55%	8.30%	0.01	Interest Restructuring
3	IDBI Bank	30-06-2024	237.09	8.80%	8.35%	0.32	Interest Restructuring
B	Sub Total					0.67	
A+B	Total Savings					2.66	

C. Total Efficiency Gain for True up FY 2023-24 and FY 2024-25

90. After taking into account the efficiency gain on working capital and refinancing of high cost loan as explained in above paragraphs, the total efficiency gain for True up FY 2023-24 and FY 2024-25 is provided in table below.

Table 3-21: Total Efficiency Gains for True up FY 2023-24 and FY 2024-25

<i>in Rs. Crores</i>				
Sr No	Particulars	True Up FY 2023-24	True Up FY 2024-25	Remark
1	Efficiency Gain on Working Capital (Saving in Actual Interest on Working Capital against Normative)	6.58	16.55	Please refer Table 3-19
2	Efficiency Gain on Refinancing of High Cost Loans resulting in lower interest rate and hence lower interest cost	0.00	2.66	Please refer Table- 3-20
3=1+2	Total Efficiency Gain	6.58	19.21	
4= 3 x (1/3)	Efficiency Gain allowed to TPCODL	2.19	6.40	
5= 3 x(1/3)	Efficiency Gain offered to Consumers	2.19	6.40	
6= 3 x (1/3)	Efficiency Gani to be kept in Tariff Balancing Reserve	2.19	6.40	

3.17 Interest on Consumer Security Deposits

91. The Tariff Regulations, 2022 permits recovery of interest on Security Deposit in the ARR. The relevant extract from the Tariff Regulation is provided below.

3.7.11 The Distribution Licensee(s) shall adjust interest on the amount held as security deposit (held in cash or cash equivalent) from Distribution System Users and



Retail consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed in their monthly bills.

Provided that Interest on security deposits, in excess of the above rate specified by the Commission shall be considered as non-Tariff income of the Licensees.

Provided further that Interest on security deposits, in deficit of the above rate specified by the Commission shall be considered as Uncontrollable Cost of the Licensees and shall accordingly be allowed in their ARR.

92. The Hon'ble Commission at Table -51 in the Tariff order for FY 2023-24 has approved Rs. 60.82 Cr towards interest on Consumer Security Deposit, against which Rs. 54.28 Cr has been booked in the Audited Accounts for FY 2023-24. The extract from the Audited Financial Statement for FY 2023-24 is provided below.

Extract 3-15: Interest on Security Deposit-Linkage with Audited Financial Statement FY 2023-24

27	Finance costs	Year Ended	Year Ended
		March 31, 2024	March 31, 2023
		₹ crore	₹ crore
	Interest on loans carried at amortised cost - banks	45.02	47.38
	Interest on consumer security deposits carried at amortised cost	54.28	61.67
	Other borrowing costs (commitment charges, processing fees, etc)	1.02	1.92
	Gross finance costs	100.32	110.97
	Less: Interest cost capitalized	(9.49)	(4.14)
	Net finance costs	90.83	106.83

93. The Hon'ble Commission at Table -56 in the Tariff order for FY 2024-25 has approved Rs. 76.18 Cr towards interest on Consumer Security Deposit, against which Rs. 56.06 Cr has been booked in the Audited Accounts for FY 2024-25. The extract from the Audited Financial Statement for FY 2024-25 is provided below.

Extract 3-16: Interest on Security Deposit-Linkage with Audited Financial Statement FY 2024-25

28	Finance costs	Year Ended	Year Ended
		March 31, 2025	March 31, 2024
		₹ crore	₹ crore
	Interest on loans carried at amortised cost - banks	58.49	45.02
	Interest on consumer security deposits carried at amortised cost	56.06	54.28
	Other borrowing costs (commitment charges, processing fees, etc)	2.37	1.02
	Gross finance costs	116.92	100.32
	Less: Interest cost capitalized	(11.41)	(9.49)
	Net finance costs	105.51	90.83

94. The Hon'ble Commission is requested to kindly approve Rs. 54.28 Cr for FY 2023-24 and Rs. 56.06 Cr for FY 2024-25 towards interest on Consumer Security Deposit that has been booked in the Audited Financial Statement for FY 2023-24 and Audited Financial Statement for FY 2024-25 respectively.

3.18 Financing Cost (Other Borrowing Charges):

95. The Hon'ble Commission in Tariff Regulations, 2022 has stipulated that financing charges other than refinancing charges incurred by the DISCOMs shall be allowed at the time of True up subject to prudence check. The relevant extract from the Regulations is as provided below.

3.7.8 The finance charges other than the refinancing charges, incurred for obtaining loans or Payment Security mechanism from financial institutions or guarantee fee payable to Government for any Year shall be allowed by the Commission at the time of Truing up, subject to prudence check.

96. TPCODL has incurred an expenditure of Rs. 1.02 Cr for FY 2023-24 and Rs. 2.37 Cr for FY 2024-25 towards upfront payment fees, commitment charges, processing charges levied by Banks for Lending as well as Credit Rating charges and annual Surveillance charges etc. which are over and above the interest rate charged by banks. The break up of expenditure booked towards Finance Cost / Other Borrowing Charges is as provided below.

Table 3-22 : Break up of Finance /Borrowing Cost booked in FY 2023-24 and FY 2024-25

in Rs. Crores

Sr No.	Particulars	True up FY 2023-24	True up FY 2024-25
1	Upfront Fees on SBI Term Loan	0.12	1.45
2	Processing Fees	0.40	0.60
3	Commitment Charges, Surveillance, Inspection & Other Charges	0.50	0.32
4	Grand Total	1.02	2.37

97. The relevant extract from the audited financial statement for FY 2023-24 and FY 2024-25 is as produced below.

Extract 3-17: Financing Cost / Other Borrowing Charges in Audited Accounts of FY 2023-24

27	Finance costs	Year Ended	Year Ended
		March 31, 2024	March 31, 2023
		₹ crore	₹ crore
	Interest on loans carried at amortised cost - banks	45.02	47.38
	Interest on consumer security deposits carried at amortised cost	54.28	61.67
	Other borrowing costs (commitment charges, processing fees, etc)	1.02	1.92
	Gross finance costs	100.32	110.97
	Less: Interest cost capitalized	(9.49)	(4.14)
	Net finance costs	90.83	106.83

Extract 3-18: Financing Cost / Other Borrowing Charges in Audited Accounts of FY 2024-25

28	Finance costs	Year Ended	Year Ended
		March 31, 2025	March 31, 2024
		₹ crore	₹ crore
	Interest on loans carried at amortised cost - banks	58.49	45.02
	Interest on consumer security deposits carried at amortised cost	56.06	54.28
	Other borrowing costs (commitment charges, processing fees, etc)	2.37	1.02
	Gross finance costs	116.92	100.32
	Less: Interest cost capitalized	(11.41)	(9.49)
	Net finance costs	105.51	90.83

98. It is clarified that the above financing / borrowing costs have not been factored in the interest costs computation and need to be allowed separately. The Hon'ble Commission may kindly approve this expenditure.

3.19 Return on Equity

99. As per the Vesting Order, the Return on Equity would be available as follows:

56. Return on equity:

As per the terms of RFP, the Commission shall allow return on equity, as per the Tariff Regulations, to TPCODL on the equity capital of Rs. 300 crore (Indian Rupees Three hundred crore only) which was the reserve price of the utility of CESU specified in the RFP.

RELAXATION OF CONDITIONS RELATED TO RETURN ON EQUITY

68. As provided in para 56 of this order, the Commission shall allow to TPCODL return on equity, as per the regulations, on the equity capital of Rs. 300 crore (Indian Rupee Three hundred crore only) which was the reserve price of the utility of CESU specified in the RFP.

69. The above provision of the RFP is not in conformity with clause 7.51 of the Tariff Regulations

70. In the RFP, a return on equity on the reserve price of Rs. 300 crores (Indian Rupee Three hundred crore only) is assured in order to encourage investor participation by providing certainty on returns.

100. The Tariff Regulations, 2022 stipulates the guidelines for allowance of Return on Equity at para 3.6. The Tariff Regulations, 2022 allows return on equity on the approved reserve price of the utility as on effective date at 16% per annum (post tax) as per the Vesting Order. The Tariff Regulations, 2022 also allow return on equity on the asset put to use after effective date up to date of applicability of the new Tariff Regulations as per the provision of the Tariff Regulations, 2014 and its amendment thereof. The relevant extract from the Tariff Regulation, 2022 is as provided below.

3.6.1

....

Return on equity shall be allowed on the approved reserve price of the utility from the effective date of operation at the rate of 16% per annum (post tax), in Indian Rupee terms on pro-rata basis as per Vesting Order.

3.6.2 Return on equity on the assets put to use after Effective Date up to date of applicability of these Regulations:

Return on equity on assets put to use after Effective Date up to date of applicability of these Regulations shall be eligible to get return as per Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and its amendments thereof.(emphasis supplied)

101. The Tariff Regulations, 2022 also stipulate the guidelines for determination of return on equity on assets put to use, relevant extract of which is as produced below.

3.6.3. Return on equity on the assets put to use under instant Regulations:

Return on equity on assets put to use under these Regulations shall be computed on the paid-up equity capital determined in accordance with these Regulations and shall be allowed at the rate of 16% per annum (post tax), in Indian Rupee terms:



*Provided further that for the purpose of **truing up** for the Distribution Licensee, return on equity shall be allowed from the date of commercial operation **on pro-rata basis based on documentary evidence provided for the assets put to use during the year in absence of which the assets shall be considered to be added in the mid of the year.***

Provided further that asset funded by consumer contributions, capital subsidies/ Government grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

*a. The premium if any, raised by the Distribution Licensee while issuing share capital and **investment of internal resources created out of free reserve**, if any, shall also be **reckoned as paid-up capital** for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure, **and are within the ceiling of 30% of capital cost approved by the Commission.***

b. In case of foreign currency brought as capital, the Commission may consider a separate rate of return if foreign exchange variation is allowed as a pass through.

c. The tax only to the extent of the tax on return is provided as pass through.

*3.6.4. The return on equity shall be calculated on **the normative average equity** of the year.*

*Provided that **at the time of truing up**, the normative average equity of the year shall be considered **on the basis of the actual asset capitalisation approved by the Commission for the year.***

3.6.5. The assets transferred to Distribution Licensee(s) in lieu of equity investment by GRIDCO shall be allowed in fixed asset base for determination of tariff, after prudence check,

*Provided that the assets transferred are distribution assets. **(emphasis supplied)***

102. The Hon'ble Commission at Table -60 of the Tariff Order for FY 2023-24 has approved RoE of Rs 80.63 Crores for FY 2023-24 against TPCODL's submission of Rs. 131.96 Cr.



103. For FY 2024-25, the Hon'ble Commission has approved RoE of Rs. 115.79 Cr against TPCODL's submission of Rs.118.93 Cr at Table -66 of the Tariff Order for FY 2024-25.

104. The Hon'ble Commission while approving the RoE has not provided any computation of the same in the Tariff Order FY 2023-24. We have vide our letter TPCODL/Regulatory/2023/76/2536 dated 17th April 2023 requested the Hon'ble Commission for sharing the computation, Relevant extract from our letter is provided below.

ii. Request for details on computation of Depreciation, Interest on Long Term Loans and Return on Equity

It is requested that detailed basis for allowance of Depreciation, Interest on Long Term Loans and Return on Equity may kindly be provided to enable us to prepare our Regulatory records on appropriately. In the absence of details of GFA and its financing as considered by the Hon'ble Commission, we are unable to align our Regulatory records and computation with that of the Hon'ble Commission,

105. With reference to the observation of the Hon'ble Commission on the matter of actual equity infusion in Tariff Order of FY 2023-24 and FY 2024-25, the relevant extract from the Audited Financial Statement for FY-2024-25 is produced below showing the actual equity share capital of the company along with other equity (retained earnings) as on 31.03.2025 and 31.03.2024.

Extract 3-19 : Extract from Audited Financial Statement FY-25 showing actual Equity Share Capital & Other Equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025		
A. Equity Share Capital		
	No. of Shares	Amount (₹ crore)
Balance as at April 1, 2023	58,97,34,600	589.73
Issued during the year	11,50,00,000	115.00
Balance as at March 31, 2024	70,47,34,600	704.73
Balance as at April 1, 2024	70,47,34,600	704.73
Issued during the year	17,30,00,000	173.00
Balance as at March 31, 2025	87,77,34,600	877.73
B. Other Equity		
Description	Retained Earnings ₹ crore	Total ₹ crore
Balance as at April 1, 2023	49.47	49.47
Profit for the year	62.64	62.64
Other comprehensive income for the year	-	-
Total Comprehensive Income	62.64	62.64
Balance as at March 31, 2024	112.11	112.11
Balance as at April 1, 2024	112.11	112.11
Profit for the year	150.14	150.14
Other comprehensive income for the year	-	-
Total Comprehensive Income	150.14	150.14
Balance as at March 31, 2025	262.25	262.25

Note-14 Share Capital



c. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2025		As at March 31, 2024		% Change in holding during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Equity shares of ₹ 10 each fully paid					
Name of the Shareholder					
A. The Tata Power Company Ltd (Holding Company)	44,76,44,646	51%	35,94,14,646	51%	0%
B. GRIDCO Ltd (Company having significant influence)	43,00,89,954	49%	34,53,19,954	49%	0%
Total	87,77,34,600	100%	70,47,34,600	100%	0%

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

The Company has allotted 28,30,89,954 equity shares (including 8,47,70,000 equity shares allotted during the year) till March 31, 2025 (March 31, 2024: 19,83,19,954) as fully paid for considerations received in form of Distribution Assets, pursuant to shareholder's agreement and the Government of Odisha notifications. The value of distribution assets have been determined by an independent valuer.

e. Shareholding of Promoters

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

Name of Promoter	Nos of share (As at April 01, 2024)	Changes during the year	Nos of share (As at March 31, 2025)	% of total shares	% changes during the year
A. The Tata Power Company Ltd	35,94,14,646	8,82,30,000	44,76,44,646	51%	0%
B. GRIDCO Ltd	34,53,19,954	8,47,70,000	43,00,89,954	49%	0%
Total	70,47,34,600	17,30,00,000	87,77,34,600	100%	0%

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

Name of Promoter	Nos of share (As at April 01, 2023)	Changes during the year	Nos of share (As at March 31, 2024)	% of total shares	% changes during the year
A. The Tata Power Company Ltd	30,07,64,646	5,86,50,000	35,94,14,646	51%	0%
B. GRIDCO Ltd	28,89,69,954	5,63,50,000	34,53,19,954	49%	0%
Total	58,97,34,600	11,50,00,000	70,47,34,600	100%	0%

106. As can be observed the actual equity share capital (infused by Tata Power and GRIDCO in the ratio of 51% to 49%) stands at Rs. 877.73 Cr as on 31.03.2025 (Rs. 704.73 Cr as on 31.03.2024). Further, the other equity (retained earnings) stands at Rs. 262.25 Cr as on 31.03.2025 (Rs. 112.11 Cr as on 31.03.2024).

107. The Tariff Regulations, 2022 observes investment of internal resources created out of free reserve be reckoned as paid-up capital for purpose of computing RoE. The relevant extract is again produced below.

3.6.3.

...

a. The premium if any, raised by the Distribution Licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid-up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure, and are within the ceiling of 30% of capital cost approved by the Commission. (emphasis supplied)

108. Accordingly, the RoE for FY 2023-24 and FY 2024-25, based on the relevant provisions of the Vesting Order and Tariff Regulations 2022, has been computed in table below. The Hon'ble Commission is requested to approve RoE of **Rs. 94.15 Cr** in True up FY 2023-24 and **Rs. 121.35 Cr** in True up FY 2024-25.

Table 3-23: Computation of Return on Equity

in Rs. Crore

Sr No	Equity Addition & RoE	Approved in Tariff Order FY 2023-24	Approved in Tariff Order FY 2024-25	For True up				
				FY-21 (June'20 - Mar'21)	FY-22	FY-23	For True up FY-24	For True up FY-25
a	Capitalization excluding meters from TPCODL's own capex i.e capex approved by the Hon'ble Commission (including IDC & Emp Cost)			66.13	236.85	252.89	472.22	521.03
b	GRIDCO's Contribution in kind in lieu of Equity			0	99.94	42.03	56.35	84.77
c	Less: Decapitalization (Own Assets)					0.66	0.12	0.70
d=a+b-c	Total Net Capitalization			66.13	336.79	294.26	528.45	605.10
e	Total Equity = 30% of D			19.84	101.04	88.28	158.54	181.53
	RoE							
1	Opening Equity			300	320	421	509	668
2	Addition			19.84	101.04	88.28	158.54	181.53
3=1+2	Closing Equity			320	421	509	668	849
5	Period (Years)			0.83	1	1	1	1
6	RoE = Average (1,3) X 5 x 16%	80.63	115.79				94.15	121.35

3.20 O&M Expenditure

109. The O&M Expenditure has been categorized under three major heads viz a) Employee Expenditure b) Repairs and Maintenance (R&M) and c) Administration and General (A & G).

3.20.1 Employee Expenditure

3.20.1.1 Employee Expenses of erstwhile CESU employees

110. It is submitted that the Hon'ble Commission has been approving the Salaries and Wages for existing employees (erstwhile CESU Employees) on the date of takeover on the basis of the revisions made by the Government of Odisha from time to time. Such revisions were incorporated by the Hon'ble Commission in earlier tariff orders on the basis of the estimates then made. The Hon'ble Commission has approved the employee cost for FY 2023-24 and FY 2024-25 in the Tariff Order for FY 2023-24 and FY 2024-25 respectively.

111. Subsequent to the issue of above tariff orders, the following additional approvals have also been accorded by the Hon'ble Commission.

- The Conveyance allowance for the erstwhile employees (executive cadre) was revised vide the Hon'ble Commission's letter no- Secy/11-Corr-/TPSODL/2023/1202 dated 17th August 2023.
- The Executive Cadre Restructuring of erstwhile employees was approved by the Hon'ble Commission vide letter no- SECY/09-Corr.-TPCODL/2023/1331 dated



19.11.2024. The estimated financial impact for FY 2024-25 as per this letter was Rs 3.21 Cr for TPCODL.

- c. The Wage revision and Cadre Rearrangement of Non- Executive OSCR employees was approved w.e.f 01.04.2020 by the Hon'ble Commission vide letter no- SECY/09-Corr.-TPCODL/2023/234 dated 03.03.2025. The estimated financial impact for FY 2024-25 as per this letter was Rs 54.10 Cr for TPCODL.

- **Treatment of Employee Liabilities of erstwhile CESU employees**

112. The Vesting Order of 26th May 2020 and the Tariff Regulations 2022 stipulates the treatment of employee cost of erstwhile CESU Employees. The relevant extract from the Tariff Regulation, 2022 are as provided below.

Employee Expenses

Employees of erstwhile DISCOMs

3.9.4. The Employee Expenses such as Salary, Terminal benefit and Liabilities of erstwhile DISCOMs, shall be serviced as per terms and conditions of the Vesting Orders.

3.9.5. As all the employees of erstwhile DISCOMs have been transferred to new Distribution Licensees from the effective date as per the Vesting Orders, the corresponding liabilities towards pension, gratuity, leave encashment and provident fund of such employees (the "Employees' Liabilities") have also been transferred to new Distribution Licensees.

3.9.6. The Employees' Pension Trust, Employees' Gratuity Trust, Employees' Provident Fund Trust and Rehabilitation Trust (the "Trusts") are managing funds against pension, gratuity, provident fund and rehabilitation liabilities respectively.

3.9.7. By the end of each month, respective Trusts except Employees Provident Fund Trust raise a requisition to Distribution Licensees to disburse the balance amount required towards Employees' Liabilities for such month after deducting the interest earned by the Trust on its investments. The contribution towards provident fund shall be remitted by the Distribution Licensees without the requirement of any requisition from the Employees Provident Fund Trust. Such amount is remitted to the respective Trusts for disbursement to the beneficiaries covered under the Trusts. The same mechanism shall continue from the Effective Date and new DISCOMs shall be responsible to remit such amounts to the Trusts towards Employees' Liabilities.

3.9.8. The Trusts, their investments as well as Employees' Liabilities shall be dealt with in the manner specified below as per terms of Vesting Orders:

- i. All the Trusts shall continue to exist, and investments made by the Trusts shall not be liquidated without prior approval of the Commission.*

ii. New DISCOMs shall disburse the Employees' Liabilities to Trusts as per the Vesting Order.

iii. Of the total Employees' Liabilities disbursed by new DISCOMs, the Commission shall allow as part of the Aggregate Revenue Requirement the actual cash out go for new DISCOMs for every year on account of pension, gratuity, leave encashment and rehabilitation liabilities.

iv. For provident fund liabilities, the Commission shall allow as part of the Aggregate Revenue Requirement, only the Employer's contribution towards provident fund made to Provident Fund Trust.

v. Except as provided in (iii) and (iv) above, no amount shall be allowed in Aggregate Revenue Requirement of new DISCOMs for contribution to the Trusts for increasing their corpus fund or investments.

vi. Investments made by the Trust shall be appropriately disclosed in the accounts of new DISCOMs as per the applicable accounting standards.

113. The Employee Cost of Erstwhile CESU employee for FY 2023-24 is as follows:

Table 3-24: Breakup of expenditure of Erstwhile CESU Employees for FY 2023-24

		in Rs. Crore	
Sr No	Particulars	Approved in Tariff Order FY 2023-24	Actual Incurred for FY 2023-24
A	Erstwhile CESU Employees	Approved	Actual
1	Basic + Grade Pay		200.77
2	Dearness Allowance (DA)		91.56
3	Reimbursement of House Rent Allowance (HRA)		37.34
4	Medical Allowance / Reimbursement of Medical Expenses		9.79
5	Terminal Benefit (On cash outgo basis) [Gratuities,Pension,Contribution to Provident Fund,Others under Contribution to Provident & Other Fund (EDLI , etc.),Compensated Absences / Leave Encashment]		246.92
6	Ex-Gratia		10.05
7	Staff Welfare Expenses + Other Staff Cost		18.16
8	Other Allowance		6.75
A	Total Erstwhile CESU Employees Cost	642.54	621.35

114. The Employee Cost of Erstwhile CESU employee for FY 2024-25 is as follows:

Table 3-25: Breakup of expenditure of Erstwhile CESU Employees for FY 2024-25

					in Rs. Crore	
Sr No	Particulars	Approved in Tariff Order FY 2024-25	Additional Approval Received after Tariff Order FY 2024-25	Total Approved for FY 2024-25	Actual Incurred for FY 2024-25	Remark
A	Erstwhile CESU Employees	Approved (A)	Approved(B)	Approved(A+B)	Actual	
1	Basic + Grade Pay				214.43	
2	Dearness Allowance (DA)				107.05	
3	Reimbursement of House Rent Allowance (HRA)				37.64	
4	Medical Allowance / Reimbursement of Medical Expenses				10.00	
5	Terminal Benefit (On cash outgo basis) [Gratuities,Pension,Contribution to Provident Fund,Others under Contribution to Provident & Other Fund (EDLI , etc.),Compensated Absences / Leave Encashment]				257.53	
6	Ex-Gratia				10.50	
7	Staff Welfare Expenses + Other Staff Cost				17.64	
8	Other Allowance				37.67	
9	Executive Cadre Restructuring		3.21			Approved vide the Hon'ble Commission's Letter no- SECY/09-Corr.-TPCODL/2023/1331 dated 19.11.2024
10	Wage revision and Cadre Rearrangement of Non- Executive OSCR employees w.e.f 01.04.2020		54.10			Approved vide the Hon'ble Commission's Letter SECY/09- Corr.-TPCODL/2023/234 dated 03.03.2025
						Variance of Rs. 5.86 Cr is mainly on account of Increase in Medical Expenses due to increase in medical insurance premium because of high claim ratio and medical inflation and lower ex-gratia cost approved in FY-25 .(We have already requested additional cost with detailed justification vide our letter dated 4th Oct 2024. Please refer table below
A	Total Erstwhile CESU Employees Cost	629.29	57.31	686.60	692.46	

Reasons for increase in Cost of erstwhile CESU employees

115. As can be observed from table above that, the cost of erstwhile CESU employees for FY 2024-25 has exceeded the approved amount ,the reason are explained in following paragraphs.

Table 3-26: Reason for increase in cost of Erstwhile CESU Employees for FY 2024-25

Sr No	Particulars	Amount (Rs. Cr)	Remark
1	Cost of erstwhile CESU Employees approved in ARR FY 2024- 25	629.29	
	<i>Additional Approvals Received after Tariff Order --></i>		
2	Executive Cadre Restructuring	3.21	Approved vide the Hon'ble Commission's Letter no- SECY/09-Corr.-TPCODL/2023/1331 dated 19.11.2024
3	Wage revision and Cadre Rearrangement of Non- Executive OSCR employees w.e.f 01.04.2020	54.10	Approved vide the Hon'ble Commission's Letter SECY/09- Corr.-TPCODL/2023/234 dated 03.03.2025
4=1+2+3	Total Approval for FY 2024-25	686.60	
5	Actual Cost incurred for FY 2024-25	692.46	
6= 5-4	Variance	5.86	Reason for this variance is majorly on account of : a. Increase in Medical Expenses due to increase in medical insurance premium because of high claim ratio and medical inflation and lower ex-gratia cost approved in FY-25 .(We have already requested additional cost with detailed justification vide our letter dated 4th Oct 2024

116. In view of the above, the Hon'ble Commission may kindly approve the actual cost incurred towards erstwhile CESU employees for FY 2024-25.

3.20.1.2 Inherited Outsourced Employee Costs

117. The cost of Inherited Outsourced Employees (inherited from erstwhile CESU) incurred for FY 2023-24 is **Rs.63.97 Crores** and for FY 2024-25 is **Rs. 75.02 Cr.**

118. The actual cost incurred for FY 2023-24 is within the amount approved in ARR FY 2023-24. However the actual cost incurred for FY 2024-25 (i.e. Rs. 75.02 Cr) has exceeded the amount of Rs. 65 Cr approved in ARR FY 2024-25.

119. The increase in cost for FY 2024-25 is mainly on account of followings.

a. No escalation allowed for FY 2024-25 over FY 2023-24 approved amount:

Cost approved under this head for FY 2023-24 was Rs. 64.90 Cr against which Rs.63.97 Cr was actually incurred. However for FY 2024-25, the cost that was approved was Rs. 65 Cr i.e. no escalation over FY-2023-24 approved amount was allowed.

b. **Impact of increase in Minimum Wages :**

The percentage increase in minimum wages on account of Govt. of Odisha notifications (enclosed as Annexure- 2 & 3) is provided below.

Table 3-27: Increase in Minimum wages in FY 2024-25

% Increase in Minimum Wages					
Category of Skill	Minimum Wages Rate 17th Jul-24 (Rs.)	Increase Minimum Wages Rate w.e.f 18th Jul-24 (Rs.)	VDA increased w.e.f 1st Oct 2024 (Rs.)	Total Diff Rates/Per Day (Rs.)	% of Increase in Minimum Wages
	A	B	C	D =(B+C-A)	E =(D/A)
Un-Skilled	352	450	2.00	100	28.41
Semi-Skilled	392	500	2.00	110	28.06
Skilled	442	550	2.00	110	24.89
High Skilled	502	600	2.00	100	19.92

Further, as per the provisions of the Tariff Regulations, 2022 and para 137 of the Tariff Order dated 13.02.2024 (extract given below),the financial impact is pass through in ARR being an uncontrollable cost.

137. The Commission further observes that in case of any statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the true up for FY 2024-25.

We have in our ARR petition for FY 2025-26 submitted the estimated cost of Rs. 78.27 Cr for FY 2024-25 towards outsourced employees after taking into account the impact of minimum wages revision at Table-2-10 (page 19) of the petition as part of APR FY 2024-25.

120. The actual incurred cost for FY 2024-25 (i.e. Rs. 75.02 Cr) is within the estimated cost of Rs. 78.27 Cr submitted for FY 2024-25 in our ARR petition FY 2025-26.

121. The actual cost incurred under this head for FY 2023-24 was Rs.63.97 Cr and the actual cost that has incurred in FY 2024-25 is Rs. 75.02 Cr. The increase in Rs. 11 Cr cost in FY 2024-25 (i.e. Rs. 75.02 – Rs. 63.97 Cr) is attributable to increase in minimum wages as explained in table below. The minimum wages for skilled employees has increased by 24.89% as can be observed from above **Table 3-27**, and this increase was applicable for 8.5 months of FY 2024-25 as the increase in minimum wages was effective from 18th July 2024.

Table 3-28: Impact of Minimum Wages increase on Inherited Outsourced Employee Cost FY 2024-25

Sr No	Particular	Amount (Rs. Cr)	Remark
1	Actual Cost incurred towards Inherited Outsourced Employees in FY 2023-24	64	
2	Actual Cost incurred towards Inherited Outsourced Employees in FY 2024-25	75	
3=2-1	Increase in Cost for FY 2024-25	11	
	<i>Impact of increase in Minimum Wages causing above cost increase --></i>		
4= 1/12	Average Monthly Cost for FY 2023-24	5.33	
5= 4 x 24.89% x 8.5	Impact of increase in Minimum Wages by 24.89% for 8.5 Months of FY 2024-25	11	Increase in Minimum wages was effective from 18th July 2024 (i.e effective for ~ 8.5 months of FY 2024-25). Increase in minimum wages to Rs.552 from Rs. 442 per day for skilled workers (i.e. 24.89% increase)

122. In view of the explanation provided above, the Hon'ble Commission is requested to kindly approve the actually incurred cost towards inherited outsourced employees for true up FY 2023-24 and FY 2024-25.

3.20.1.3 Employee Expenses of Additional Employees (CTC Structure Employees recruited after Effective date)

123. TPCODL has been recruiting manpower as per the approval accorded by the Hon'ble Commission. The Hon'ble Commission has approved recruitment of 1048 manpower till 31.03.2025. TPCODL has been recruiting manpower as per the approval accorded by the Hon'ble Commission and total manpower addition is well within the approved limit.

Cost of CTC employees for FY 2023-24

124. The Hon'ble Commission in Tariff Order for FY 2023-24 has approved Rs.95.8 Cr towards new Employee cost (CTC employees) against TPCODL's submission of Rs.132.7 Cr.

125. TPCODL vide its letters TPCODL/Regulatory/2023/76/2536 dated 17th April 2023 and TPCODL/Regulatory/2023/126/3646 dated 3rd June 2023 have submitted before the Hon'ble Commission that the approved Cost of New CTC Employees is inadequate as the cost approved for FY 2023-24 (Rs. 95.8 Cr) is even lower than the amount approved for FY 2022-23 (Rs.98.1 Cr).

126. Against the submissions of the Discoms for reconsideration of certain expenses less approved in ARR FY 2023-24 in Tariff Order dated 23rd March 2023 , the Hon'ble Commission vide letter No-Secy/11-Corr-TPSODL/2023/963 dated 12th July 2023 has directed the Discoms to make submission in ARR FY 2024-25 for reconsideration of the Hon'ble Commission. The relevant extract from the above letter of the Hon'ble Commission is provided below.

The Commission therefore opines that TPSODL, TPCODL and TPNODL may make their submission with regard to any reconsideration of the approved expenses, allowed in the ARR FY 2023-24, along with the submission for the ARR FY 2024-25. The Commission may accordingly take a suitable view for any reconsideration of the approved amounts, under these heads for FY 2023-24, while pronouncing the order for FY 2024-25.

127. In compliance to the above directive of the Hon'ble Commission , TPCODL at para 80 of its ARR petition for FY 2024-25 has submitted that estimated cost towards the CTC employees would be Rs. 127.5 Cr for FY 2023-24. The relevant extract from TPCODL's ARR FY 2024-25 petition is provided below.

*80. It is worthwhile to submit the actual cost booked in FY 2023-24 H-1 for New employees is **Rs. 59.55 Cr**, with some major cost like performance pay incentive etc are going to be booked in H-2 of FY 2023-24. Further, the recruitment made in H1 of FY 2023-24 as well as the recruitment made in H2 of FY 2023-24 would result in the H2 of FY 2023-24 being higher than H1. Based on this, the estimated cost would work out to **Rs 67.92 Crores** i.e a total of **Rs 127.5 Crores** for FY 2023-24.*

128. It is submitted that the actual cost of CTC employees for FY 2022-23 was Rs. 109.7 Cr (the same has been approved in True up FY 2022-23 in Tariff Order dated 13.02.2024) which included partial impact of new manpower recruited (89 numbers after accounting for separation) in staggered manner in FY 2022-23. Because of the staggered recruitment, the impact was partial in FY 2022-23, however the 100% impact was booked in FY 2023-24. Further, TPCODL has made effective recruitment of 131 (i.e. after accounting for separation) in FY 2023-24. It is submitted that the total manpower addition is well within the approved limit.

129. It is submitted the actual cost of CTC employees incurred in FY 2023-24 is Rs. 127.07 Cr.

130. Considering the actual cost of Rs. 109.7 Cr booked in FY 2022-23, escalation in salary of existing employees, 100% impact of the 89 recruitment done in FY-23 and partial impact of 131 effective recruitment done in FY-24 the actual cost of Rs. 127.07 Cr booked in FY 2023-24 towards new CTC employees is quite reasonable and the Hon'ble Commission is requested to kindly approve the same.

131. Based on the above explanation, we request the Hon'ble Commission to approve the above actual expenditure of Rs. 127.07 Cr towards New (CTC) Employees for FY 2023-24

Cost of CTC employees for FY 2024-25

132. The Hon'ble Commission in Tariff Order for FY 2024-25 has approved Rs.120 Cr towards new Employee cost (CTC employees) against TPCODL's submission of Rs.153 Cr.

133. It is submitted that TPCODL vide letter TPCODL / Regulatory/ 2024/7 dated 11th January 2024 has submitted its response to the queries raised by the Hon'ble Commission related to TPCODL's ARR petition for FY 2024-25. In this letter, while



responding to the queries of the Hon'ble Commission, TPCODL has submitted that the actual cost incurred towards CTC employees for April 2023 to Nov 2023 (i.e. 8 months) was Rs.79.86 Cr. It appears the Hon'ble Commission has just prorated this cost to 12 months thereby approving Rs. 120 Cr (i.e. $79.86 \times (12/8)$) for FY 2024-25. This approach of prorating the 8 months employee cost has resulted into following factors not being taken into account.

- a. No escalation is allowed to salary of existing CTC employees.
- b. TPCODL has made effective recruitment of 131 (i.e. after accounting for the separations) in FY 2023-24 after the due approval from the Hon'ble Commission. These recruitment has been done in a staggered manner throughout the year with majority of the recruitment happening in the 2nd half of FY 2023-24. The actual expenses towards CTC employees was Rs. 127.07 Cr in FY 2023-24 including the cost of new recruitment done in staggered manner. So the impact of these new recruitment was partial in FY 2023-24 and the 100% impact of these newly recruited employees will happen only in FY 2024-25. The above proration approach adopted by the Hon'ble Commission has not taken into account this impact.
- c. Impacts of the recruitments done in FY 2024-25 against the approved manpower not taken into account.

134. Taking into account above factors and increase in 'medical benefit' expenses on account of increase in Insurance Premium resulting out of higher claims outgo and normal inflation on medical cost, TPCODL in its ARR petition for FY 2025-26 has submitted that the estimated cost towards CTC employees for FY 2024-25 would be Rs. 148.37 Cr.

135. It is also worthwhile to submit here that, vide our letter dated TPCODL/Regulatory/2024/109/6590 dated 4th Oct 2024, the above matter has already been submitted before the Hon'ble Commission. In this said letter, we have represented reconsideration of this issue and approval for Rs. 148.37 Cr for FY 2024-25 so that issue stands closed.

136. The actual expenditure incurred towards cost of CTC employees in FY 2024-25 is Rs. 143.35 Cr.

137. Considering the actual cost of Rs. 127.07 Cr booked in FY 2023-24, escalation in salary of existing employees, 100% impact of the 131 effective recruitment done in FY-2023-24 (Addition: 206 – Separation: 75) and partial impact of 6 effective recruitment done in FY-2024-25 (Addition: 59 – Separation: 53) the actual cost of Rs. 143.35 Cr booked in FY 2024-25 towards new CTC employees is quite reasonable and the Hon'ble Commission is requested to kindly approve the same.

138. Based on the above explanation, we request the Hon'ble Commission to approve the above actual expenditure of Rs. 143.35 Cr towards New (CTC) Employees for FY 2024-25.

3.20.1.4 Capitalization of Employee Cost

139. TPCODL has established process for segregating employees working towards projects works and accordingly employee cost of Rs. 26.3 Cr has been capitalized in FY 2023-24 and Rs. 28.93 Cr has been capitalized in FY 2024-25.

3.20.1.5 Summary of the Employee Expenditure for True-Up of FY 2023-24 & FY 2024-25

140. The summary of the Employee Expenditure is as follows:

Table 3-29: Summary of Employee Expenditure for FY 2023-24

Sr No	Particulars	in Rs. Crore		Remark
		Approved in Tariff Order FY 2023-24	Actual Incurred for FY 2023-24	
A	Erstwhile CESU Employees	Approved	Actual	
1	Basic + Grade Pay		200.77	
2	Dearness Allowance (DA)		91.56	
3	Reimbursement of House Rent Allowance (HRA)		37.34	
4	Medical Allowance / Reimbursement of Medical Expenses		9.79	
5	Terminal Benefit (On cash outgo basis) [Gratuities,Pension,Contribution to Provident Fund,Others under Contribution to Provident & Other Fund (EDLI , etc.),Compensated Absences / Leave Encashment]		246.92	
6	Ex-Gratia		10.05	
7	Staff Welfare Expenses + Other Staff Cost		18.16	
8	Other Allowance		6.75	
A	Total Erstwhile CESU Employees Cost	642.54	621.35	
B	New TPCODL Employees (CTC Employees)	95.80	127.07	Actual Cost for FY 2022-23 was Rs. 109.7 Cr. The balance cost of Rs. 17.37 Cr (Rs. 127.07 - Rs. 109.7 Cr) is majorly due to (1) annual escalation in salary of existing employees (2) 100% impact of the 89 manpower recruited in FY-23 in staggered manner (3) Partial impact of 131 effective recruitment done in FY 2023-24 . Total recruitment done is well within the approved limit.
C	Outsourced Employee Cost	64.90	63.97	
D	Total Gross Employee Cost	803.2	812.38	
E	Less: Employee Cost Capitalized	26.3	26.3	
F= D-E	Net Employee Cost	776.93	786.08	

Table 3-30: Summary of Employee Expenditure for FY 2024-25

Sr No	Particulars				in Rs. Crore		Remark
		Approved in Tariff Order FY 2024-25	Additional Approval Received after Tariff Order FY 2024-25	Total Approved for FY 2024-25	Actual Incurred for FY 2024-25		
A	Erstwhile CESU Employees	Approved (A)	Approved(B)	Approved(A+B)	Actual		
1	Basic + Grade Pay				214.43		
2	Dearness Allowance (DA)				107.05		
3	Reimbursement of House Rent Allowance (HRA)				37.64		
4	Medical Allowance / Reimbursement of Medical Expenses				10.00		
5	Terminal Benefit (On cash outgo basis) [Gratuities,Pension,Contribution to Provident Fund,Others under Contribution to Provident & Other Fund (EDLI , etc.),Compensated Absences / Leave Encashment]				257.53		
6	Ex-Gratia				10.50		
7	Staff Welfare Expenses + Other Staff Cost				17.64		
8	Other Allowance				37.67		
9	Executive Cadre Restructuring		3.21				Approved vide the Hon'ble Commission's Letter no- SECY/09-Corr.-TPCODL/2023/1331 dated 19.11.2024
10	Wage revision and Cadre Rearrangement of Non- Executive OSCR employees w.e.f 01.04.2020		54.10				Approved vide the Hon'ble Commission's Letter SECY/09- Corr.-TPCODL/2023/234 dated 03.03.2025
A	Total Erstwhile CESU Employees Cost	629.29	57.31	686.60	692.46		Variance of Rs. 5.86 Cr is mainly on account of Increase in 'Medical ' Expenses ' due to increase in medical insurance premium because of high claim ratio and normal inflation.(We have already requested additional cost on this ground vide our letter dated 4th Oct 2024
B	New TPCODL Employees (CTC Employees)	120.00		120.00	143.35		Actual Cost for FY 2023-24 was Rs. 127.07 Cr. The balance cost of Rs. 16.28 Cr (Rs. 143.35- Rs. 127.07) is majorly due to (1) annual escalation in salary of existing employees (2) 100% impact of the 131 effective recruitment (Addition: 206 – Separation: 75) done in FY-2023-24 in staggered manner (3) Partial impact of 3 effective recruitment (Addition: 59 – Separation: 53) done in FY 2024-25 . Total recruitment done is well within the approved limit.
C	Outsourced Employee Cost	65.00		65.00	75.02		Factors justifying the cost increase over approved: a. No escalation allowed for FY 2024-25 over FY 2023-24 Approved amount of Rs. 64.90 Cr. b. Impact of increase in Minimum Wages. Both these factors justifies the cost escalation. (Refer Table3-28) Estimated cost for FY 2024-25 (after taking into account minimum wages increase impact) submitted in ARR FY 2025-26 as a part of APR FY 2024-25 was Rs. 78.27 Cr
D	Total Gross Employee Cost	814.3		871.6	910.83		
E	Less: Employee Cost Capitalized	28.93		28.93	29.03		
F= D-E	Net Employee Cost	785.36		842.67	881.80		

3.20.2 Employee Expenditure of FY 2023-24 as per Annual Accounts

141. The relevant extracts from the Audited Financial Statements for FY 2023-24 is as provided below.

Extract 3-20 : Employee Cost – Linkage with Audited Financial Statements FY 2023-24

26 Employee benefits expense (net)

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
Salaries, wages and bonus	462.34	459.76
Contribution to provident and other funds (Refer Note 22)	253.70	239.10
Gratuity & exgratia (Refer Note 22)	29.84	32.08
Compensated absences (Refer Note 22)	50.88	29.54
Share based payments to employees (Refer Note below)	0.76	-
Staff welfare expenses	27.99	24.05
Gross employee benefit expenses	825.51	784.53
Less: Employee cost capitalization	(26.30)	(23.94)
Net employee benefit expenses	799.21	760.59

Outsourced Employee Cost
28 Other expenses

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
Repairs and maintenance to buildings and civil Works	6.37	4.82
Repairs and maintenance to plant and machinery	248.14	209.94
Repairs and maintenance to furniture, vehicles, etc	24.10	20.08
Loss on retirement of property, plant and equipment	0.37	5.75
Rental of land, buildings, plant and equipment, etc	6.43	4.28
Electricity consumption expenses	4.92	4.33
Telephone expenses	1.42	2.12
Foods and conveyance	1.44	1.02
Cost of service expenses	63.97	56.39
Bank and other charges	4.71	6.90
Office expenses	5.63	5.05
Travelling and conveyance	3.89	6.22
Insurance premium	6.30	4.06
Legal and professional charges	11.23	12.85
Allowance for doubtful debts and advances (Net)	139.58	136.07
Advertisement and marketing expenses	3.42	2.25
Tariff balancing reserve	1.88	-
CSR expenditure (refer note no. 28.02)	1.80	1.17
Metering and billing expenses	90.95	82.84
Printing and stationary	2.03	2.09
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	34.81	15.14
Miscellaneous expenses	0.00	0.19
Total	663.39	583.56

Extract 3-21 : Employee Cost – Remeasurement of Definite Benefit Plan
30 Other Comprehensive Income

	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
<u>Items that will not be reclassified to profit and loss</u>		
Re-measurement gains / (losses) on defined benefit plans	(21.82)	(20.03)
Net Movement in regulatory deferral balances	21.82	20.03
Total other comprehensive income	-	-

142. Based on the above, the reconciliation between the Audited Accounts and amount claimed in the ARR for True-up for FY 2023-24 is as follows:

Table 3-31: Reconciliation of Employee Expenditure for FY 2023-24

Reconciliation of Employee Cost as per Audited Accounts and True up FY 2023-24			
Sr No	Particular	Amount (Rs. Cr)	Remark / Reference to Audited Financial Statement FY 2023-24
1	Net Employee Benefit Expenses booked in P&L	799.21	P&L, Note -26
2	Remeasurement of Definite Benefit Plan	21.82	Note 30 , Appearing under Other Comprehensive Income/(Expenses)
3 =1+2	Total	821.03	
4=4.a+4.b	Less: Actuarial Valuation of Terminal Benefits (Erstwhile CESU Employees) included above	98.92	
4.a	Actuarial Valuation included in Net Employee Benefits Expenses, (1) above	78.4	
4.b	Re-measurement of the defined benefit plans, (2) above	20.51	
5=3-4	Total	722.12	
6	Outsourced Employee Cost	63.97	Note-28, Booked as 'Cost of Service Expenses' under 'Other Expenses'
7=5+6	Total Employee Cost	786.08	
8	Employee Cost Capitalized	26.30	Note-26
9=7+8	Gross Employee Cost on Cash Out go Basis	812.38	
10=9-8	Net Employee Cost on Cash Out go Basis	786.08	

3.20.3 Employee Expenditure of FY 2024-25 as per Annual Accounts

143. The relevant extracts from the Audited Financial Statements for FY 2024-25 is as provided below.

Extract 3-22 : Employee Cost – Linkage with Audited Financial Statements FY 2024-25

27	Employee benefits expense (net)	Year Ended March 31, 2025	Year Ended March 31, 2024
		₹ crore	₹ crore
	Salaries, wages and bonus	536.53	462.34
	Contribution to provident and other funds (Refer Note 23)	261.94	253.70
	Gratuity & ex gratia (Refer Note 23)	29.59	29.84
	Compensated absences (Refer Note 23)	56.08	50.88
	Share based payments to employees (Refer Note below)	2.36	0.76
	Staff welfare expenses	29.28	27.99
	Gross employee benefit expenses	915.78	825.51
	Less: Employee cost capitalization	(29.03)	(26.30)
	Net employee benefit expenses	886.75	799.21

Outsourced Employee Cost

29 Other expenses

Repairs and maintenance to buildings and civil Works	
Repairs and maintenance to plant and machinery	
Repairs and maintenance to furniture, vehicles, etc	
Provision for non moving / obsolete inventory including capex inventory	
Loss on retirement of property, plant and equipment	
Rental of land, buildings, plant and equipment, etc	
Electricity consumption expenses	
Telephone expenses	
Foods and conveyance	
Cost of service expenses	
Bank and other charges	
Office expenses	
Travelling and conveyance	
Insurance premium	
Legal and professional charges	
Allowance for doubtful debts and advances (Net) (Refer note 10.02)	
Advertisement and marketing expenses	
Tariff balancing reserve	
CSR expenditure (refer note 29.02)	
Metering and billing expenses	
Printing and stationary	
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	
Miscellaneous expenses#	

Year Ended March 31, 2025	Year Ended March 31, 2024
₹ crore	₹ crore
3.50	6.37
309.31	248.14
25.09	24.10
25.08	-
20.47	0.37
9.01	6.43
15.55	4.92
1.70	1.42
1.36	1.44
75.02	63.97
4.56	4.71
4.09	5.63
4.36	3.89
8.57	6.30
21.23	11.23
48.07	139.58
3.43	3.42
2.41	1.88
3.05	1.80
125.45	90.95
2.30	2.03
6.68	34.81
0.01	0.00
720.30	663.39

Extract 3-23 : Employee Cost – Remeasurement of Definite Benefit Plan

31 Other Comprehensive Income

Items that will not be reclassified to profit and loss
Re-measurement gains / (losses) on defined benefit plans
Net Movement in regulatory deferral balances
Total other comprehensive income

Year Ended March 31, 2025	Year Ended March 31, 2024
₹ crore	₹ crore
(110.92)	(21.82)
110.92	21.82
-	-

144. Based on the above, the reconciliation between the Audited Accounts and amount claimed in the ARR for True-up for FY 202 is as follows:

Table 3-32: Reconciliation of Employee Expenditure for FY 2024-25

Reconciliation of Employee Cost as per Audited Accounts and True up FY 2024-25			
Sr No	Particular	Amount (Rs. Cr)	Remark / Reference to Audited Financial Statement FY 2024-25
1	Net Employee Benefit Expenses booked in P&L	886.75	P&L, Note -27
2	Remeasurement of Definite Benefit Plan	110.92	Note 31 , Appearing under Other Comprehensive Income/(Expenses)
3=1+2	Total	997.67	
4=4.a+4.b	Less: Actuarial Valuation of Terminal Benefits (Erstwhile CESU Employees) included above	190.89	
4.a	Actuarial Valuation included in Net Employee Benefits Expenses, (1) above	80.92	
4.b	Re-measurement of the defined benefit plans, (2) above	109.97	
5=3-4	Total	806.78	
6	Outsourced Employee Cost	75.02	Note-29, Booked as 'Cost of Service Expenses' under 'Other Expenses'
7=5+6	Total Employee Cost	881.80	
8	Employee Cost Capitalized	29.03	Note-27
9=7+8	Gross Employee Cost on Cash Out go Basis	910.83	
10=9-8	Net Employee Cost on Cash Out go Basis	881.80	

3.20.4 R&M Expenditure

3.20.4.1 R&M Expenditure for True up FY 2023-24

145. The Hon'ble Commission in the Tariff Order for FY 2023-24 has approved R&M Cost of Rs. 279.38 Cr. The actual R&M expenditure incurred by TPCODL in FY 2023-24 is Rs.279 Cr as provided below. The Hon'ble Commission may kindly approve this amount which is within the approved cost.

Table 3-33: R&M Costs for FY 2023-24

In Rs. Crore

Particular	Approved for FY 2023-24	Actuals for FY 2023-24	Reference /Linkage to Audited Financial Statement for FY 2023-24
R&M Expenditure	279.38	279	Note 28: Appearing under 'Other Expenses' (First Three Items)

3.20.5 R&M Expenditure as per Audited Financial Statement

146. The extracts from the Audited Financial Statement for R&M is provided below. As can be seen, the total expenditure for FY 2023-24 works out to Rs 279 Crores

Extract 3-24 R&M Cost- Linkage with Audited Financial Statement FY 2023-24

28 Other expenses	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
Repairs and maintenance to buildings and civil Works	6.37	4.82
Repairs and maintenance to plant and machinery	248.14	209.94
Repairs and maintenance to furniture, vehicles, etc	24.10	20.08
Loss on retirement of property, plant and equipment	0.37	5.75
Rental of land, buildings, plant and equipment, etc	6.43	4.28
Electricity consumption expenses	4.92	4.33
Telephone expenses	1.42	2.12
Foods and conveyance	1.44	1.02
Cost of service expenses	63.97	56.39
Bank and other charges	4.71	6.90
Office expenses	5.63	5.05
Travelling and conveyance	3.89	6.22
Insurance premium	6.30	4.06
Legal and professional charges	11.23	12.85
Allowance for doubtful debts and advances (Net)	139.58	136.07
Advertisement and marketing expenses	3.42	2.25
Tariff balancing reserve	1.88	-
CSR expenditure (refer note no. 28.02)	1.80	1.17
Metering and billing expenses	90.95	82.84
Printing and stationary	2.03	2.09
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	34.81	15.14
Miscellaneous expenses	0.00	0.19
	663.39	583.56

3.20.5.1 R&M Expenditure for True up FY 2024-25

147. The Hon'ble Commission vide the Tariff Order dated 13.02.2024 has allowed the Repair and Maintenance ("R&M") Expenditure of Rs. 261.52 Crores for FY 2024-25, against the Petitioner's claim of Rs 358 Crores.

148. The petitioner vide its petition in Case No-25/2024 and letter TPCODL/Regulatory/2024/46/2825 dated 9th April 2024 submitted before the Hon'ble Commission the issue of short allowance of R&M Cost for FY 2024-25 and requested for approval of the amount not allowed in Tariff Order FY 2024-25. The Summary of the submission is provided in table below.

Table 3-34: Key issues of ARR FY-2024-25 on which relief is sought from the Hon'ble OERC

Sr. No	Issue
1	Short Allowance of R&M Cost due to exclusion of Assets that have reached 10% of their GFA from total GFA but still in use. Further, all assets (GFA) on the Balance Sheet and the all the assets which are not in the Balance Sheet but maintained by Discom need to be considered for applying the norm of R&M
2	Disallowance of Special R&M towards additional shifts in all Rural Areas and Uniform for Business Associates Employees that are being implemented as per the directive of the Hon'ble Commission given in Annual Performance Review FY-23 and SAC meeting dated 24.07.2023

149. Against the above submission of TPCODL , the Hon'ble Commission vide order dated 05.11.2024 in the matter of Case 25/2024 has directed to submit such claims in ARR and RST application for FY 2025-26 for consideration of the Hon'ble Commission.

150. In compliance to the above directive of the Hon'ble Commission we have in our ARR petition for FY 2025-26 made a detailed submission along with all data , supporting document and audit report in para 78 (Page No-37) to para 103 (Page No-46).

151. It is submitted that the Petitioner had proposed the R&M cost for FY 2024-25 in line with the provision of the Tariff Regulations, 2022 after considering the present condition of network to maintain all its assets in a healthy condition for providing reliable power supply and to ensure longevity of the electrical equipment. The relevant extract of the Tariff Order FY 2024-25 is reproduced herein below for the ready reference of this Hon'ble Commission:

"147. ...The approved R&M for FY 2024-25 is accordingly shown in the following table:

Table – 52
R&M Approved for FY 2024-25

(Rs. in Cr.)

R&M for FY 2024-25	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
DISCOM's Gross fixed assets (GFA) as on 01.04.2024(pre vesting)	1963.30	1787.49	2199.41	1917.91	1000.58	832.92	3365.46	2328.08
DISCOM's Gross fixed assets (GFA) as on 01.04.2024(post vesting)	1943.59	1126.43	1395.61	1146.00	1194.9	890.19	2981.54	2411.80
Total GFA as on 01.04.2024	3906.89	2913.92	3595.02	3063.91	2195.48	1723.11	6347.00	4739.88
Rate of R & M on GFA	4.20%	4.20%	4.50%	4.20%	4.50%	4.50%	4.00%	4.00%

R&M on GFA	164.09	122.38	161.78	128.68	98.80	77.54	253.88	189.60
Govt. (Funded/Grant) Assets as on 01.04.2024	4359.15	3728.42	3700.07	3051.85	2590	2590	2064.00	2064.00
Rate of R & M on Govt. (Funded/Grant) Assets	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R&M on Govt. funded Assets	130.77	111.85	111.00	91.56	77.70	77.70	61.92	61.92
Disaster Resilient Fund		10.00		10.00		10.00		10.00
Additional R&M	42.00		48.67		35.50		42.00	
Total R & M incl. Spl. R & M	336.86	244.24	321.45	230.24	212.00	165.24	357.80	261.52

148. The Commission observes that the DISCOMs shall make the expenses under R&M in a prudent manner and achieve the objectives for which these expenses are being made. The expenses in R&M shall reflect in achieving a robust and reliable system network, lower network down time, desirable voltage profile and automation of Substations. The Commission will take into account such parameters while scrutinizing R&M expenses through data verification, field visits and third-party audit. **Accordingly, the Commission approves R&M expenses in the ARR for the FY 2024-25."**

[Emphasis Supplied]

152. That this Hon'ble Commission considered the Gross Fixed Asset ("GFA") for the calculation the R&M Expenditure after excluding the assets that have reached their 10% of the GFA. However, it is pertinent to note that the that such assets are still being used to serve the consumers and have not removed from the network despite these assets reaching at 10% WDV. Further, the Tariff Regulations, 2022 does not allow for such exclusions of assets. The relevant extract of the Tariff Regulations, 2022 is reproduced hereinbelow for the ready reference of this Hon'ble Commission:

"Repairs and Maintenance (R&M) Expenses

3.9.19. Repair and Maintenance expenses shall be allowed as a % of opening Gross Fixed Assets (GFA) only on assets owned by the distribution company, for each year of the Control Period as provided in the table below:

DISCOMs	TPCODL	TPWODL	TPNODL	TPSODL
FY 23-24	4.20%	4.50%	4.50%	5.40%
FY 24-25	4.00%	4.20%	4.20%	4.50%
FY 25-26	3.50%	4.00%	4.00%	4.20%
FY 26-27	3.00%	3.00%	3.00%	3.50%
FY 27-28 & onwards as per the directives of the Commission	3.00%	3.00%	3.00%	3.00%

3.9.20. The Distribution Licensee(s) shall prepare a plan and budget for periodic preventive maintenance of distribution network including emergency repairs and restoration works under each division.

3.9.21. The Distribution Licensee(s) shall provide the breakup details of R&M expenses in the ARR for the Financial Year along with requirement of annual maintenance spares for smooth operation with minimum down time of the system.

3.9.22. The Commission shall allow an amount for maintenance of assets added under State and Central Government Schemes @ 3.00% of the opening GFA of such assets. The Distribution Licensee(s) shall be required to separately submit to the Commission along with ARR, the details of assets taken into service under these Schemes.

3.9.23. The Commission may also allow special R&M, in order to enable the Distribution Licensee to undertake critical activities which are not covered under Capital Investment plan approved by the Commission.

Provided the Commission shall undertake a prudence check before allowing such expenditure.

3.9.24. The R&M expense shall be allowed on normative basis in the ARR for ensuing year and shall be subject to True-Up.

Provided that, in case the actual R&M expense is lower than the approved R&M expense, the actual R&M expense shall be considered for True-Up purpose.

Provided that, in case the actual R&M expense is more than the approved R&M expense, the approved R&M expense shall be considered for True-Up purpose.



3.9.25. Under the R&M expense, Distribution Licensees shall keep provision for annual maintenance spares and material bank to meet any exigencies & faster restoration of supply under natural calamities like cyclone, flood etc.”

[Emphasis Supplied]

153. Thus, as evident from the above, that neither the Tariff Regulations, 2022 does provide for any exclusions of assets from the GFA of the DISCOM for allowing the normative R&M nor discom can remove these assets from the network. Removing these assets from the network is a matter of time, huge capital investment and in phased manner.

154. Further, it is submitted that the above assets worth Rs. 1,037 Crores (i.e. Rs. 3,365.06 – Rs. 2,328.08 as per Table 52 of the Tariff Order dated 13.02.2024) which have reached the 10% of GFA and have been deducted by this Hon’ble Commission for computing the R&M are also in service and need to be maintained for ensuring the power supply to the consumers.

155. These assets are part of the total GFA as reflected in the audited Financial Statement of TPCODL.

156. Further, an independent auditor was engaged by TPCODL to establish the quantum of assets that have depreciated 90% or above and their physical verification and active use in supply of electricity. The findings of the Audit report (enclosed as **Annexure-4** to this submission) established that assets worth Rs. 1045.12 Cr have depreciated 90% and above as on 30.06.2024 and are in active use for supply of electricity. The extract from the Audit report showing the findings of the audit with regards to physical availability and active use (i.e. connectivity to the network for supply electricity to the consumers) is provided below.

Extract 3-25 : Extract from the Audit Report on availability of fixed assets as on 30.06.2024 (that has depreciated 90 % or above as on 30.06.2024)

*Based on our examination, as above, and the information and explanations given to us, we report that the Statement (**Annexure-A**) is in agreement with the books of account and other records of the Company as produced to us for our examination in respect of its physical presence and its connectivity to the network supplying the electricity to consumers.*

157. Further, Annexure-A of the Audit report showing break up of these assets is provided below.

Extract 3-26 : Annexure-A from the Audit Report on availability of fixed assets as on 30.06.2024 (that has depreciated 90 % or above as on 30.06.2024)

Annexure-A

Details of Assets depreciated 90% and above as on 30.06.2024	Rs. in Crore
Asset class	
11 KV OH	122.40
33 KV OH	59.37
DSS	390.92
LT OH	147.67
IT & Other Assets	30.99
PSS	288.97
UG Cable	4.80
Grand Total	1,045.12

158. It is further submitted that, for FY 2023-24, no such treatment was provided i.e. the entire GFA was considered while calculating the allowable R&M Expenditure. In this regard, the relevant extract from the Tariff Order is provided hereinbelow:

Table – 47
R&M Approved for FY 2023-24

R&M for FY 2023-24	(Rs. in Cr.)							
	TPWODL		TPNODL		TPSODL		TPCODL	
	Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
DISCOM's Gross fixed assets (GFA) as on 01.04.2023(pre vesting)	1963.30	1963.30		2199.41		1000.58		3365.46
DISCOM's Gross fixed assets (GFA) as on 01.04.2023(post vesting)	1046.14	704.34		668.61		488.00		1607.87
Total GFA as on 01.04.2023	3009.44	2667.64	2778.83	2868.02	1499.08	1488.58	5256.99	4973.33
Rate of R & M on GFA	5.40%	4.50%	4.50%	4.50%	5.40%	5.40%	4.20%	4.20%
R&M on GFA	162.51	120.04	125.05	129.06	80.95	80.38	220.79	208.88
Govt. (Funded/Grant) Assets as on 01.04.2023	3398.17	3398.17	2033.26	1675.95	2406.38	2406.38	2350.04	2350.04
Rate of R & M on Govt. (Funded/Grant) Assets	5.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
R&M on Govt. funded Assets	183.50	101.95	61.00	50.28	72.19	72.19	70.50	70.50
Additional R & M		60.00	71.14	35.00				
Total R & M including Special R & M	346.01	281.99	257.19	214.34	153.14	152.57	291.29	279.38

159. These Assets are in use and the Discom need to carry out R&M of these Assets to ensure smooth Power Supply to the Consumers and also the Tariff Regulations, 2022 stipulates allowable R&M on total GFA. **Such disallowance under R&M entitlement will on the other hand encourage utilities to replace such assets when they are**

beyond their “depreciated life” but are still serviceable and put additional burden on consumers in terms of additional cost to replace with new assets instead of focusing on life enhancement of existing assets through R&M. If such assets worth Rs.1037 Cr are to be replaced with new assets today then it would cost more than Rs.10,000 Cr considering the fact that these assets are very old (more than 15-20 years). We therefore request the Hon’ble Commission to kindly allow R&M on these assets (that have depreciated 90% and above but still in active use for supply of electricity) **(Emphasis supplied)**

160. In addition to the aforementioned disallowance relating to assets that have reached 10% of their GFA, following additional activities are also being undertaken by TPCODL as per the directive of the Annual Performance Review for FY 2022-23 dated 12.07.2023 and SAC Meeting dated 24.07.2023.

- I. FCC manning of all rural areas in two shifts without any distinction between ‘rural’ and ‘extremely rural’ areas.
- II. Introduction of uniforms for Business Associates (“BA”) for easy identification and association with the Petitioner.

161. In its ARR petition for FY 2025-26, the petitioner has requested 12 Cr towards above activities under ‘Special R&M’

162. Further, the R&M for FY 2024-25 was allowed in tariff order dated 13.02.2024 based on the estimated GFA as on 1.04.2024. As FY 2023-24 is over and audited financial statement for FY 2023-24 is available, we are producing below the GFA as on 31.03.2024 as per audited Financial statement for FY 2023-24.

Table 3-35: GFA as on 31.03.2024 as per Audited Financial Statement for FY 2023-24

Sr No	Particulars	Amount (Rs.Cr)	Reference to Audited Financial Statement FY-2023-24
1	Gross Block of Property, plant and equipment (PPE)	4664.02	Note 4.02
2	Gross Block of Intangible Assets	88.89	Note 4.03
3	Opening Accumulated Depreciation of inherited Assest as on 1.06.2020	1349.77	Note 4.04
4	Less:Accumulated Depreciation of Assets retired till FY-23	23.41	Note 4.04
5	Less:Accumulated Depreciation of Assets retired in FY-24	0.23	Note 4.04
6	Less:Accumulated Depreciation of Opening Assets retired in FY	16.00	Note 4.08 (Adjusted /part of Rs.37.84 Cr)
7=sum(1:3)-sum(4:6)	Total GFA as on 31.03.2024	6063.05	

163. It is further submitted that there are significant assets arising out of many Government funded schemes, ownership of which have not been transferred to



TPCODL however these assets are being used by TPCODL for supply of power to the consumers and these assets are being maintained by TPCODL.

164. For the purpose of computing GFA of such assets, we have relied upon the data provided by OPTCL on status of Govt. funded projects as on 31.03.2024 that are being implemented under OPTCL (enclosed as **Annexure- 5**).

165. Further, there are certain schemes which were executed by Central agencies (PGCIL and NTPC) , details of assets created under these projects are provided in the MoM of 1st meeting of committee for development of protocol for asset management of GOI/GoO funded scheme held on 12.10.2023 (enclosed as Annexure-6).

166. Based on the above data, the GFA of Govt. funded assets as on 31.03.2024 that are not in the books of TPCODL but maintained by TPCODL is provided in table below.

Table 3-36: GFA of Govt. Assets (Asset not in books of TPCODL but maintained by TPCODL) as on 31.03.2024

<i>in Rs. Crores</i>					
SI No	Name of Scheme	Completed	WIP	Total	Remark
1	Odisha Distribution System Strengthening Project (ODSSP) (Net of Assets Transferred by GRIDCO in lieu of equity)	606.29	205.73	812.02	As per data received from OPTCL
2	State Capital Region Improvement in Power System (SCRIPS)	622.06	136.35	758.41	
3	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	289.97		289.97	
4	Integrated Power Development Scheme (IPDS)	217.73		217.73	
5	Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya	168.99		168.99	
6	Nabakalebar	158.83		158.83	
7	Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY)	38.93		38.93	
8	Odisha Dedicated Agriculture & Fishery Feeder Project (ODAFFP)	59.24	7.21	66.45	
9	Biju Gram Jyoti Yojana(BGJY)	153.33		153.33	
10	DDUGJY 11th Plan (Executed by PGCIL)	369.22		369.22	As per MoM of 1st meeting of committee for development of protocol for asset management of GOI/GoO scheme held on 12.10.2023
11	DDUGJY 12th Plan (Executed by PGCIL)	439.88		439.88	
12	DDUGJY 10th Plan (Executed by NTPC)	194.32		194.32	
13	DDUGJY 11th Plan (Executed by NTPC)	62.3		62.3	
14	DDUGJY 12th Plan (Executed by NTPC)	372.96		372.96	
15	Total Govt Asset as on 31.03.2024	3,754.05	349.29	4,103.34	

167. One of the major cause of cost escalation in R&M cost is due to revision in minimum wages by the Govt. of Odisha. The percentage increase in minimum wages



on account of the notification of Govt. of Odisha dated 18.07.2024 and 30.09.2024 (enclosed as **Annexure- 2 &3**) is provided in table below.

% increase in Minimum Wages					
Category of Skill	Minimum Wages Rate 17th Jul-24 (Rs.)	Increase Minimum Wages Rate w.e.f 18th Jul-24 (Rs.)	VDA increased w.e.f 1st Oct 2024 (Rs.)	Total Diff Rates/Per Day (Rs.)	% of Increase in Minimum Wages
	A	B	C	D =(B+C-A)	E =(D/A)
Un-Skilled	352	450	2.00	100	28.41
Semi-Skilled	392	500	2.00	110	28.06
Skilled	442	550	2.00	110	24.89
High Skilled	502	600	2.00	100	19.92

168. Acknowledging the impact of minimum wages revision, the Hon'ble Commission has stipulated following (extract given below) in tariff order dated 13.02.2024. Further, as per provisions of Tariff Regulations, 2022 the financial impact is pass through in ARR being an uncontrollable cost.

137. The Commission further observes that in case of any statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the truing up for FY 2024-25.

169. As the revision in minimum wages is not a normal factor , the simple normative R&M allowance will not be able to accommodate this impact , hence special approval is requested by way of additional allowance .

170. In view of the details provided in above paragraphs and directives issued in the order in the matter of Case 25 /2024, the petitioner has submitted before the Hon'ble Commission for approval of R&M expenditure of Rs. 377.14 Cr for FY 2024-25 in its ARR petition for FY 2025-26. The relevant extract from the petitioner's ARR FY 2025-26 petition is provided below.

Extract 3-27 : Extract from TPCODL's ARR petition FY 2025-26 showing estimated R&M cost for FY 2024-25

Table 2-25: R&M cost for FY 2024-25 against approval received in Tariff Order dated 13.02.2024

Sr No	Particulars	UoM	Proposed in ARR FY 2024-25	Approved in Tariff Order dated 13.02.2024	Present Submission	Remark
1	GFA of Inherited Assets as on 01.04.2024	Rs. Cr	3365.06	2328.08		
2	DISCOM Asset-Post Vesting as on 01.04.2024	Rs. Cr	2981.54	2411.80		
3	Total GFA as on 01.04.2024	Rs. Cr	6346.60	4739.88	6063.05	As per Audited Accounts ,Please refer to Table-2-23
4	Rate of R&M for FY 2024-25	%	4%	4%	4%	
5=3 x4	R&M on GFA in books	Rs. Cr	253.86	189.60	242.52	
6	Govt. Funded Assets (assets not in books of TPCODL but maintained by TPCODL) as on 01.04.2024	Rs. Cr	2064	2064	3,754.05	Actual as on 01.04.2024 , Please refer to Table -2-24
7	Rate of R&M on Govt. Assets for FY 2024-25	%	3%	3%	3%	
8=6 x7	R&M on Govt. Funded Assets (assets not in books of TPCODL but maintained by TPCODL)	Rs. Cr	61.92	61.92	112.62	
9	Disaster Resilient Fund	Rs. Cr	0	10	10	
10	Special R&M	Rs. Cr	42	0	12	Activities as directed by the Hon'ble Commission (FCC manning of all rural areas in two shifts ,Uniform for Business Asscoaites employees)
11	Total R&M for FY 2024-25 (5+8+9+10)	Rs. Cr	357.78	261.52	377.14	

TPCODL's Submission for approval of R&M for True up FY 2024-25 against its entitlement

171. Considering the following factors, the actual R&M entitlement of TPCODL for FY 2024-25 as per Tariff Regulations,2022 and the actual incurred cost being claimed for FY 2024-25 is provided in table below.

- Actual GFA as on 31.03.2024
- Actual impact on account of abnormal factor of increase in minimum wages
- Actual impact on account of additional initiatives (FCC manning of all rural areas in two shifts as as per the directive of the Annual Performance Review for FY 2022-23 dated 12.07.2023 and SAC Meeting dated 24.07.2023) under taken under 'Special R&M'.

Table 3-37: R&M claim for True up FY 2024-25 against entitlement based on actuals as per Tariff Regulations,2022

Sr No	Particulars	UoM	Proposed in ARR FY 2024-25 Petition	Approved in Tariff Order dated 13.02.2024	R&M Entitlement for FY 2024-25 based on Actuals as per Tariff Regulations,2022	Claimed in instant True up Petition FY 2024- 25 based on actuals	Remark
			A	B	C	D	
1	GFA of Inherited Assets as on 01.04.2024	Rs. Cr	3365.06	2328.08			
2	DISCOM Asset-Post Vesting as on 01.04.2024	Rs. Cr	2981.54	2411.80			
3	Total GFA as on 01.04.2024	Rs. Cr	6346.60	4739.88	6063.05		Remark for Coulmn C: Actual GFA as on 01.04.2024 is As per Audited Accounts ,Please refer to Table-3-35
4	Rate of R&M for FY 2024-25	%	4%	4%	4%		
5=3 x4	R&M on GFA in books	Rs. Cr	253.86	189.60	242.52		
6	Govt. Funded Assets (assets not in books of TPCODL but maintained by TPCODL) as on 01.04.2024	Rs. Cr	2064	2064	3,754.05		Remark for Coulmn C: Actual as on 01.04.2024 , Please refer to Table -3-36
7	Rate of R&M on Govt. Assets for FY 2024-25	%	3%	3%	3%		
8=6 x7	R&M on Govt. Funded Assets (assets not in books of TPCODL but maintained by TPCODL)	Rs. Cr	61.92	61.92	112.62		
9	Disaster Resilient Fund	Rs. Cr	0	10	10		
10	Additional /Special R&M -Statutory & Mandatory Directives	Rs. Cr	42	0	34.8		Remark for Coulmn C: 1. Impact due to increase in Minimum Wages : Rs. 24 Cr (Please refer table below) 2. Activities as directed by the Hon'ble Commission (FCC manning of all rural areas in two shifts : Rs. 10 Cr (Please refer table below) 3.Regular Night Patrolling in Elephant movement area as per PCCF directive:Rs. 0.5 Cr
11	Total R&M for FY 2024-25 (5+8+9+10)	Rs. Cr	357.78	261.52	399.94	337.90	Remark for Coulmn D: Appearing under 'Other Expenses' (First Three Items) of Note-29 of the Audited Financial Statement of FY 2024-25

172. As per the directive received in the SAC meeting of July 2023 and Annual Performance Review dated 12.07.2023, TPCODL has implemented the FCC manning of all Rural Areas in two shifts across 220 nos extremely rural FCC i.e. 1 Lineman & 1 Helper per shift. The impact of this, considering average wages as per AMC work order is Rs. 10 Cr as per computation provided below.

Table 3-38: Impact of FCC manning of all Rural arears in two shifts

Sr No	Category of Employees	Monthly Average Cost (Rs.)	Count of Manpower at 220 Nos of Rural FCC (No)	Total Impact (Rs. Cr)
1	Helper at FCC	19519	220	5
2	Lineman at FCC	19519	220	5
3=1+2 Total Impact				10

173. The impact of increase in Minimum Wages for 8.5 Months of FY 2024-25 is provided below.

Table 3-39: Impact of Increase in Minimum Wages

Sr No	Manpower Arrangement	Category of Manpower (Nos)				Average Monthly Cost before increase in Minimum Wages (Rs.)	Average Monthly Cost after increase in Minimum Wages (Rs.)	Monthly Impact on account of increase in Minimum Wages (Rs.)	Total Impact for 8.5 Months of FY 2024-25 (Rs. Cr)
		Highly Skilled	Lineman	Helper	Total				
		A	B	C	D=A+B+C	E	F	G=F-E	H=(D x G)/10^7
1	Distribution Services	267	2600	2420	5287	19520	24566	5047	22.68
2	Sub Transmission Services	52	163	125	340	28817	34372	5555	1.61
3=1+2	Total	319	2763	2545	5627				24.29

174. It can be observed from the above **Table 3-37** that the actual R&M cost for FY 2024-25 is well within the entitlement of the petitioner based on actuals as per the Tariff Regulations, 2022. Hence the Hon'ble Commission may kindly approve this expenditure.

3.20.6 R&M Expenditure as per Audited Financial Statement FY 2024-25

175. The extracts from the Audited Financial Statement for R&M is provided below. As can be seen, the total expenditure for FY 2024-25 is Rs 338 Crores

Extract 3-28 R&M Cost- Linkage with Audited Financial Statement FY 2024-25

29 Other expenses	Year Ended March 31, 2025	Year Ended March 31, 2024
	₹ crore	₹ crore
Repairs and maintenance to buildings and civil Works	3.50	6.37
Repairs and maintenance to plant and machinery	309.31	248.14
Repairs and maintenance to furniture, vehicles, etc	25.09	24.10
Provision for non moving / obsolete inventory including capex inventory	25.08	-
Loss on retirement of property, plant and equipment	20.47	0.37
Rental of land, buildings, plant and equipment, etc	9.01	6.43
Electricity consumption expenses	15.55	4.92
Telephone expenses	1.70	1.42
Foods and conveyance	1.36	1.44
Cost of service expenses	75.02	63.97
Bank and other charges	4.56	4.71
Office expenses	4.09	5.63
Travelling and conveyance	4.36	3.89
Insurance premium	8.57	6.30
Legal and professional charges	21.23	11.23
Allowance for doubtful debts and advances (Net) (Refer note 10.02)	48.07	139.58
Advertisement and marketing expenses	3.43	3.42
Tariff balancing reserve	2.41	1.88
CSR expenditure (refer note 29.02)	3.05	1.80
Metering and billing expenses	125.45	90.95
Printing and stationary	2.30	2.03
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	6.68	34.81
Miscellaneous expenses#	0.01	0.00
	720.30	663.39

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

3.20.7 A&G Expenditure

3.20.7.1 A&G Expenditure for True up FY 2023-24

176. The Hon'ble Commission in the Tariff Order for FY 2023-24 has approved A&G Cost of Rs. 142.01 Cr against TPCODL's submission of Rs. 163.5 Cr. Further, no additional A&G cost was approved to TPCODL for FY 2023-24.

177. The actual expenditure for FY 2023-24 against the approval is provided in table below.

Table 3-40 Actual vs approved A&G Expenditure for FY 2023-24

in Rs. Cr

Sr No	Particular	Approved in ARR for FY 2023- 24	Actual Booked in Audited Accounts FY 2023-24	Actual claimed in True up FY 2023-24	Remark
1	Normal A&G	142.01	144.47	144.47	
2	Pre-Vesting Period related expenditures	0	34.53	34.53	Pre-Vesting Period related expenditures incurred against approval received from the Hon'ble Commission and Vesting Order provision
3	Total (A&G + Pre- Vesting Period related expenses)	142.01	179.00	179.00	

178. The detailed item wise break of actual cost incurred for FY 2023-24 is provided in table below.

Table 3-41 Actual A&G Expenditure for FY 2023-24

in Rs. Crore

Sr No	Particular	Approved for FY 2023-24	Total A&G cost as booked in Financial Statement FY'24(Note 28'Other Expenses')	Pre-Vesting Period related Expenditure that are part of A&G Cost booked in Accounts FY 2023-24	Normal A&G Cost for FY 2023-24	Claimed in True up FY 2023-24	Reference/Linkage to Audited Financial Statement for FY-24
		A	B	C	D =B-C	D=B	
1	Rental of land, buildings, plant and equipment, etc		6.43		6.43	6.43	
2	Electricity consumption expenses		4.92		4.92	4.92	
3	Communication & Telephone expenses		1.42		1.42	1.42	
4	Foods and conveyance		1.44		1.44	1.44	
5	Bank & other charges		4.71		4.71	4.71	
6	Office expenses		5.63		5.63	5.63	
7	Travelling expenses		3.89		3.89	3.89	
8	Insurance premium		6.30		6.30	6.30	
9	Legal and professional charges		11.23	5.32*	5.92	11.23	
10	Advertisement & marketing expenses		3.42		3.42	3.42	
11	Metering and billing expenses		90.95		90.95	90.95	
12	Printing and stationary		2.03		2.03	2.03	
13	Other expenses		36.63	29.2**	7.4	36.63	
	Total	142.01	179.00	34.53***	144.47	179.00	

* Part of total Legal and Professional Charges of Rs. 11.23 Cr
 ** Part of total Other expenses of Rs. 36.63 Cr
 *** Part of total A&G cost of Rs. 179 Cr

Note 28: Appearing
under 'Other
Expenses'

179. The additional expenditure of Rs. 2.46 Cr (i.e. Rs. 144.47 – Rs. 142.01 Cr) was incurred mainly on following activities because of which we have exceeded the approved A&G cost. Since these activities were initiated good in numbers during Financial Year 2023-24, so impact of same were not included in past normative allowance.

- i. The rental of Bidyut Seva Kendras which were earlier running on temporary sheds or non-designated places in villages causing great amount of inconveniences not only to maintenance staffs posted at there but also consumers. So basis feedback received from consumers we have taken small rooms on rent. Cost towards such initiative was not part of A&G expenses for earlier financial years and hence appearing as excess cost in this financial year.
- ii. Further, we have initiated various consumer awareness program for consumer engagement with respect to better service delivery, safety awareness and promoting renewable energy. Such events requires expenditure on print materials, publicity materials and logistic costs. The frequency and numbers of such events have increased, therefore additional cost has incurred which required to be passed through in ARR over and above the norms as in earlier years such events were less in numbers.
- iii. In all the TPCODL offices including FCCs and rest of the other offices , we have incurred substantial cost for putting signage boards of various types so that consumers are able to locate our offices conveniently

180. In view of this we request Hon'ble Commission to approve Rs. 2.46 Cr and make it part of normative allowances henceforth.

3.20.7.1.1 Pre-Vesting period related Expenditure for FY 2023-24

181. It is submitted that TPCODL has made certain payments amounting to Rs. 34.53 Cr pertaining to the pre-vesting period. It is request that these payment should be considered in ARR as the actual cash flow has been made else it will cause a cash stress on the discom. The details of these expenditure are provided in table below. These payments have been done after taking due approval of the Hon'ble Commission and as per provisions of the Vesting Order.

Table 3-42 Expenditure incurred in FY 2023-24 pertaining to Pre-Vesting Period

Sr No	Particular	Amount (Rs. Cr)
1	Payment to Franchisee (M/s ENZEN)	23.83
2	Purchase of Energy Saving Certificate for under achievement of target T&D Loss by erstwhile CESU under PAT Cycle-II	3.38
3	Legal Expenses for matters pertaining to Pre-Vesting Period	5.02
4	Compensation in matters pertaining to Pre-Vesting Period	1.41
5	Others	0.89
6	Total	34.53

182. These expenditures were charged to P&L under the head of “Other” Expenditure of the Financial Statements FY 2023-24.

183. It is submitted that the even Accounting Standards do not provide for a nomenclature such as “ASL”. Thus, in order to align to the Accounting Standards, and to avoid cash flow mismatch, the Hon’ble Commission may kindly approve these Pre-Vesting period related expenditures actually incurred for FY 2023-24 (against the approvals of the Hon’ble Commission and as per provision of the Vesting Order).

184. In this regard, it is submitted that the Tariff Regulations, 2022 also provides for additional A&G expenses, relevant extract of which is provided below.

“Administrative and General (A&G) Expenses

3.9.16. The normal A&G Expenses for each subsequent year will be determined by escalating the approved A&G Expenses (excluding additional or special A&G expense) for the previous year, at the escalation factor of 7 % to arrive at permissible A&G expenses for each year of the Control Period.

3.9.17. The Commission, in addition to the normal A&G expenses may allow additional expenses, under this head for special measures to be undertaken by the distribution licensees which are not covered under Capital Investment plan approved by the Commission.

Provided the Commission will undertake a prudence check before allowing such expenditure.

3.9.18. The A&G expense shall be allowed on normative basis in the ARR for ensuing year and shall be subject to True-Up.

Provided that, in case the actual A&G expense is lower than the approved A&G expense, the actual A&G expense shall be considered for True-Up purpose.

Provided that, in case the actual A&G expense is more than the approved A&G expense, the approved A&G expense shall be considered for True-Up purpose.”

(Emphasis Supplied)

185. In this regard, it is submitted that the Hon’ble Commission may kindly approve the normal A&G expenditure of Rs. 144.47 Cr and Pre-Vesting Period related expenditure of Rs. 34.53 Cr (Total amounting to Rs. 179 Cr) booked in the audited accounts of FY 2023-24.

3.20.7.1.2 A&G Expenditure as per Audited Financial Statement for FY 2023-24 (incl. Pre-Vesting Period related expenses)

186. In the Audited Financial Statements, Note 28 of the Audited Financial Statements for FY 2023-24 may be referred to. The relevant extract from the Audited Financial Statements for FY 2023-24 showing A&G cost items is as provided below

Extract 3-29 : A&G Cost- Linkage with Audited Financial Statement FY 2023-24 (incl. Pre-Vesting Period related expenses)

28 Other expenses	Year Ended March 31, 2024	Year Ended March 31, 2023
	₹ crore	₹ crore
Repairs and maintenance to buildings and civil Works	6.37	4.82
Repairs and maintenance to plant and machinery	248.14	209.94
Repairs and maintenance to furniture, vehicles, etc	24.10	20.08
Loss on retirement of property, plant and equipment	0.37	5.75
Rental of land, buildings, plant and equipment, etc	6.43	4.28
Electricity consumption expenses	4.92	4.33
Telephone expenses	1.42	2.12
Foods and conveyance	1.44	1.02
Cost of service expenses	63.97	56.39
Bank and other charges	4.71	6.90
Office expenses	5.63	5.05
Travelling and conveyance	3.89	6.22
Insurance premium	6.30	4.06
Legal and professional charges	11.23	12.85
Allowance for doubtful debts and advances (Net)	139.58	136.07
Advertisement and marketing expenses	3.42	2.25
Tariff balancing reserve	1.88	-
CSR expenditure (refer note no. 28.02)	1.80	1.17
Metering and billing expenses	90.95	82.84
Printing and stationery	2.03	2.09
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	34.81	15.14
Miscellaneous expenses	0.00	0.19
	663.39	583.56

3.20.7.2 A&G Expenditure for True up FY 2024-25

187. The Hon’ble Commission had approved an expenditure of Rs 151.95 Crores against an amount of Rs 234 Cr requested by the petitioner in FY 2024-25 in the ARR petition



for FY 2024-25. In addition, it is also submitted that TPCODL was not given the Special A&G Expenditure of Rs 54 Crores which was sought in the Petition.

188. Further , the petitioner in its ARR FY 2025-26 petition as part of its APR for FY 2024-25 ,has submitted estimated A&G cost of Rs. 210 Cr for FY 2024-25.

189. This estimate of Rs. 210 Cr worked out on zero based budgeting , includes abnormal factor i.e. (a) Impact of Minimum Wages revision amounting to Rs. 14 Cr for 8.5 months of FY 2024-25 and (b) Pre-Vesting Period related payments against approval received from the Hon'ble Commission & Vesting Order provision : Rs. 16 Cr. These expenditure total amount to Rs. 30 Cr was claimed as 'Additional A&G ' as per provision stipulated at para 3.9.17 of the Tariff Regulations,2022, extract of which is given below and para 137 of the Tariff Order FY 2024-25.

190. The actual expenditure for FY 2024-25 against the approval and against the estimated submitted as part of APR FY 2024-25 (in ARR FY 2025-26 petition) is provided in table below.

Table 3-43 Actual vs approved A&G Expenditure for FY 2024-25

in Rs. Cr

Sr No	Particular	Approved in ARR for FY 2024-25	Estimate for FY 2024-25 submitted in ARR FY 2025-26 petition	Actual Booked in Audited Accounts FY 2024-25	Actual claimed in True up FY 2024-25	Remark
		A	B	C	D	E
1	Normal A&G	151.95	180	183.68	183.68	1. Increase in MBC Contract : Rs. 22 Cr 2. Own Electricity Consumption : Rs. 10 Cr (Please refer Note -A (Para 193) for details on above items)
2	Additional A&G (Statutory impact)	0	14	13.50	13.50	On account of following abnormal (statutory)factor: 1. Increase in Minimum Wages : Rs. 13.5 Cr (Please refer Note -B (para 194 -198) for detailed justification).
A	Total A&G	151.95	194	197.18	197.18	0
B	Pre-Vesting Period related expenditures		16	14.17	14.17	Pre-Vesting Period related expenditures incurred against approval received from the Hon'ble Commission and Vesting Order provision: Rs. 14.17 Cr (Please refer Note-C para 199 -203 for detailed justification)
C	Total (A&G + Pre-Vesting Period related expenses)	151.95	210	211.35	211.35	

191. The detailed item wise break up of actual cost incurred for FY 2024-25 is provided in table below.

Table 3-44 Actual A&G Expenditure for FY 2024-25

in Rs. Crore

Sr No	Particular	Approved for ARR FY 2024-25	Estimate for FY 2024-25 submitted in ARR FY 2025-26 petition	Total A&G cost as booked in Financial Statement FY 2024-25 (Note 29 'Other Expenses')	Pre-Vesting Period related Expenditure that are part of A&G Cost booked in Accounts FY 2024-25	Impact on Increase in Minimum Wages for FY 2024-25	Normal A&G Cost for FY 2024-25	Claimed in True up FY 2024-25 (A&G + Pre-Vesting Period Related Expenses)	Reference/Linkage to Audited Financial Statement for FY-2024-25
		A	B	C	D	E	F = C-D-E	G=C	
1	Rental of land, buildings, plant and equipment, etc			9.01			9.01	9.01	Note 29: Appearing under 'Other Expenses'
2	Electricity consumption expenses			15.55			15.55	15.55	
3	Communication & Telephone expenses			1.70			1.70	1.70	
4	Foods and conveyance			1.36			1.36	1.36	
5	Bank & other charges			4.56			4.56	4.56	
6	Office expenses			4.09			4.09	4.09	
7	Travelling and conveyance expenses			4.36			4.36	4.36	
8	Insurance premium			8.57			8.57	8.57	
9	Legal and professional charges			21.23	13.24 *		7.99	21.23	
10	Advertisement & marketing expenses			3.43			3.43	3.43	
11	Metering and billing expenses			125.45		13.5***	111.95	125.45	
12	Printing and stationary			2.30			2.30	2.30	
13	Other expenses			9.75	0.93 **		8.82	9.75	
	Total	151.95	210.00	211.35	14.17 ****	13.5****	183.68	211.35	

* Part of total Legal and Professional Charges of Rs. 21.23 Cr

** Part of total Other expenses of Rs. 9.75 Cr, *** Part of Metering and Billing expenses of Rs. 125.25 Cr

**** Part of total A&G cost of Rs. 211.35 Cr

192. As can be observed the actual incurred cost for FY 2024-25 matches with the estimate provided as part of APR FY 2024-25 in ARR petition for FY 2025-26.

A. Explanation for Normal A&G Cost

3.20.7.2.1 Other Increase in A&G Cost

193. Other factors that have contribution to increase in A&G cost for FY 2024-25 above approved cost is as provided below.

a. Increase in MBC Cost amounting to Rs. 22 Cr. :

To align with statutory compliance, Ensure uniformity and transparency in wage disbursement to field manpower, Improve operational efficiency and accountability through better manpower management and Change in category from semi-skilled to skilled category, to enhance the OCR coverage, reduction in provisional billing, efficient meter reading and collection of consumers which has resulted in improved Billing Efficiency and Collection Efficiency.

b. Own Electricity Consumption to Rs. 10 Cr. :

Previously, around 50% of offices/sub-stations/other installations of CESU (subsequently TPCODL) were metered and booked under own consumption. For better accounting, all offices/sub-stations/ installations were metered and regularised in FY 2024-25. This is a one-time impact after regularization

and corresponding effect in FY 2024-25 , next year onwards this would reflect natural growth.

B. Explanation for Statutory Impact of Minimum Wages Revision

3.20.7.2.2 Impact of Increase in Minimum Wages

194. One of the major cause of cost escalation is due to revision in minimum wages by the Govt. of Odisha. The percentage increase in minimum wages on account of the notification of Govt. of Odisha dated 18.07.2024 and 30.09.2024 (enclosed as Annexure- 2 & 3) is provided in table below.

% increase in Minimum Wages					
Category of Skill	Minimum Wages Rate 17th Jul-24 (Rs.)	Increase Minimum Wages Rate w.e.f 18th Jul-24 (Rs.)	VDA increased w.e.f 1st Oct 2024 (Rs.)	Total Diff Rates/Per Day (Rs.)	% of Increase in Minimum Wages
	A	B	C	D =(B+C-A)	E =(D/A)
Un-Skilled	352	450	2.00	100	28.41
Semi-Skilled	392	500	2.00	110	28.06
Skilled	442	550	2.00	110	24.89
High Skilled	502	600	2.00	100	19.92

195. Acknowledging the impact of minimum wages revision, the Hon'ble Commission has stipulated following (extract given below) in tariff order dated 13.02.2024. Further, as per provisions of Tariff Regulations, 2022 the financial impact is pass through in ARR being an uncontrollable cost.

137. The Commission further observes that in case of any statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the truing up for FY 2024-25.

196. As the revision in minimum wages is not a normal factor , the simple normative A&G allowance will not be able to accommodate this impact , hence special approval is requested by way of additional allowance.

197. The above impact is not normal expenditure and cannot be accommodated within the normal A&G cost approved by the Hon'ble Commission and needs to be approved under 'Additional A&G cost' as per provision stipulated at para 3.9.17 of the Tariff Regulations,2022 and para 137 of the Tariff Order for FY 2024-25. Relevant extract from the Tariff Regulations ,2022 and Tariff Order for FY 2024-25 are provided below.

Extract from Tariff Regulations,2022

3.9.17. The Commission, in addition to the normal A&G expenses may allow **additional expenses**, under this head for special measures to be undertaken by the distribution licensees which are not covered under Capital Investment plan approved by the Commission.

Provided the Commission will undertake a prudence check before allowing such expenditure.

Extract from Tariff Order FY 2024-25

137. The Commission further observes that in case of any **statutory revision by the Government towards minimum wages during the year, the Commission shall take into consideration such wage revision expenses during the truing up for FY 2024-25.**

(Emphasis Supplied)

198. In view of the above the Hon'ble Commission is requested consider this abnormal factor and to approve the impact of Rs. 13.5 Cr for FY 2024-25.

C. Explanation for Pre-Vesting Period related expenditures

3.20.7.2.3 Pre-Vesting Period related Payments against approval of the Hon'ble Commission

199. It is submitted that TPCODL has made certain payments amounting to Rs. 14.17 Cr which pertains to Pre-Vesting Period . The details of these expenditure are provided in table below. These payments have been done after taking due approval of the Hon'ble Commission and as per provisions of the Vesting Order.

Table 3-45 Pre-Vesting Period related Expenditure incurred in FY 2024-25

Sr No	Particular	Amount (Rs. Cr)
1	Legal Expenses for matters pertaining to Pre-vesting period	13.24
2	Compensation in matters pertaining to Pre-Vesting period	0.79
3	Others	0.14
4	Total	14.17



200. These expenditures were charged to P&L under the head of “Other” Expenditure of the Financial Statements FY 2024-25.

201. It is submitted that the even Accounting Standards do not provide for a nomenclature such as “ASL”. Thus, in order to align to the Accounting Standards, and to avoid cash flow mismatch, the Hon’ble Commission may kindly approve these Pre-Vesting period related expenditures actually incurred for FY 2024-25 (against the approvals of the Hon’ble Commission and as per provision of the Vesting Order).

202. In this regard, it is submitted that the Tariff Regulations, 2022 also provides for additional A&G expenses, relevant extract of which is provided below.

“Administrative and General (A&G) Expenses

3.9.16. The normal A&G Expenses for each subsequent year will be determined by escalating the approved A&G Expenses (excluding additional or special A&G expense) for the previous year, at the escalation factor of 7 % to arrive at permissible A&G expenses for each year of the Control Period.

3.9.17. The Commission, in addition to the normal A&G expenses may allow additional expenses, under this head for special measures to be undertaken by the distribution licensees which are not covered under Capital Investment plan approved by the Commission.

Provided the Commission will undertake a prudence check before allowing such expenditure.

3.9.18. The A&G expense shall be allowed on normative basis in the ARR for ensuing year and shall be subject to True-Up.

Provided that, in case the actual A&G expense is lower than the approved A&G expense, the actual A&G expense shall be considered for True-Up purpose.

Provided that, in case the actual A&G expense is more than the approved A&G expense, the approved A&G expense shall be considered for True-Up purpose.”

(Emphasis Supplied)

203. As this is not a normal expenditure cannot be accommodated within the normal A&G cost and hence needs to be approved as ‘Additional A&G cost’ over and above the normal A&G cost per above mentioned provision of the Tariff Regulations, 2022.

3.20.7.2.4 Final Submission for True up FY 2024-25

204. In this regard, it is submitted that the Hon'ble Commission may kindly approve the normal A&G expenditure of Rs. 197.18 Cr and Pre-Vesting Period related expenditure of Rs. 14.17 Cr (Total amounting to Rs. 211.35 Cr) booked in the audited accounts of FY 2024-25.

3.20.7.2.5 A&G Expenditure for FY 2024-25 as per Audited Accounts (incl. Pre-Vesting Period related expenses)

205. In the Audited Financial Statements, Note 29 of the Audited Financial Statements for FY 2024-25 may be referred to. The relevant extract from the Audited Financial Statements for FY 2024-25 showing A&G cost items is as provided below.

Extract 3-30 : A&G Cost- Linkage with Audited Financial Statement FY 2023-24 (incl. Pre-Vesting Period related expenses)

29 Other expenses	Year Ended March 31, 2025	Year Ended March 31, 2024
	₹ crore	₹ crore
Repairs and maintenance to buildings and civil Works	3.50	6.37
Repairs and maintenance to plant and machinery	309.31	248.14
Repairs and maintenance to furniture, vehicles, etc	25.09	24.10
Provision for non moving / obsolete inventory including capex inventory	25.08	-
Loss on retirement of property, plant and equipment	20.47	0.37
Rental of land, buildings, plant and equipment, etc	9.01	6.43
Electricity consumption expenses	15.55	4.92
Telephone expenses	1.70	1.42
Foods and conveyance	1.36	1.44
Cost of service expenses	75.02	63.97
Bank and other charges	4.56	4.71
Office expenses	4.09	5.63
Travelling and conveyance	4.36	3.89
Insurance premium	8.57	6.30
Legal and professional charges	21.23	11.23
Allowance for doubtful debts and advances (Net) (Refer note 10.02)	48.07	139.58
Advertisement and marketing expenses	3.43	3.42
Tariff balancing reserve	2.41	1.88
CSR expenditure (refer note 29.02)	3.05	1.80
Metering and billing expenses	125.45	90.95
Printing and stationary	2.30	2.03
Other expenses (includes expenses not in opening liability, agency commission charges, etc)	6.68	34.81
Miscellaneous expenses#	0.01	0.00
	720.30	663.39

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

3.21 Provision for Bad and Doubtful Debts

206. Provision for Bad and Doubtful Debt for True up FY 2023-24 and True up FY 2024-25 has been claimed at 1% of the Gross Revenue as depicted in table below.



Table 3-46: Provision for Bad and Doubtful Debt for True up FY 2023-24 & FY 2024-25

in Rs. Crores

Sr No	Particular	True up FY 2023-24	True up FY 2024-25	Remark
1	Provision for Bad & Doubtful Debt approved in ARR	51.71	58.26	
2	Total Gross Revenue booked for the FY as per Audited Accounts	5379.78	5891.38	FY 2023-24: Note 23.03 of Audited Financial Statement FY 2024-25: Note 24.03 of Audited Financial Statement
3=2 x 1%	Provision for Bad & Doubtful Debt claimed in True up @ 1% of Revenue	53.80	58.91	

207. During the FY 2024-25 , TPCODL has reversed Rs. 10.84 Cr of Provision for Doubtful Debt from the amount of Rs. 175.63 Cr provision made in FY23 and FY24, of which hit in profit was taken by the Company from assured ROE earned by the Company in respective years.

208. It may be noted that reversal of provision for doubtful debt of Rs. 10.84 Cr was not out of 1% normative provision allowed by the Hon'ble Commission.

209. This reversal was out of the Profit which would have been more, had the additional ECL over 1% normative provision for doubtful debt, not provided for by the Company.

210. The year wise statement till FY 2024-25 is provided in table below .

Table 3-47: Year wise Provision for Bad and Doubtful Debt till FY 2024-25

Particulars	Provision for Doubtful Debt @ 1% of Revenue allowed by the Hon'ble Commission	Additional ECL made by Company from own profit	Total as per Financials
(a)	(b)	(c)	(d)
FY21	28.12	-	28.12
FY22	39.47	-	39.47
FY23	46.22	89.85	136.07
FY24	53.80	85.78	139.58
FY25	58.91	(10.84)	48.07
Cumulative till FY25	226.52	164.79	391.31

3.22 Tax on Income

211. The Tariff Regulations, 2022 permit recovery of actual income tax paid in the ARR. The relevant extract from the Tariff Regulations, 2022 is provided below.

3.11.1 The Income Tax for the Distribution licensee for the regulated business shall be allowed through the Tariff charged to the Distribution System users, on submission of documentary evidence of the actual tax paid subject to the conditions stipulated in these Regulations:

212. The actual current tax paid for FY 2023-24 and FY 2024-25 is **Rs. 13.84 Cr** and **Rs. 51.66 Cr** respectively.

213. As a documentary evidence for payment of above tax, copy of the Income tax return acknowledgment is enclosed as Annexure-7 and Annexure-8 to this submission.

214. In view of the above, the Hon'ble Commission is requested to approve **Rs. 13.84 Cr** towards Income Tax in True up FY 2023-24 and **Rs. 51.66 Cr** towards Income Tax in True up FY 2024-25.

215. The OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 which was applicable till FY 2022-23.

216. The new regulations OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022 which came in December 2022 is applicable for the control period FY 2023-24 to FY 2027-28.

217. As per paragraph 7.52 and 7.54 of the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014, the ROE is to be calculated @16% post tax and tax to the extent of tax on ROE is pass through. The relevant extract of paragraphs is given below.

7.52 The Distribution Licensee shall be allowed a return on equity capital at the rate of 16 per cent per annum (post tax), in Indian Rupee terms, on the amount of equity capital determined in accordance with Regulations 7.33 to 7.48.

7.53 In case of foreign currency brought as capital, the Commission may consider a separate rate of return if foreign exchange variation is allowed as a pass through.

7.54 The tax only to the extent of the tax on return is provided as pass through.



218. Further as per paragraph 3.6.1, 3.6.2 and 3.6.3 (c) of the OERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2022, the ROE is to be calculated @16% post tax and tax to the extent of tax on ROE is pass through. The relevant extract of paragraphs is given below.

3.6. Return on Equity

3.6.1. Return on equity on approved reserve price (INR 300 Crore for TPCODL, INR 300 Crore for TPWODL, INR 250 Crore for TPNODL and INR 200 Crore for TPSODL) for the utilities (TPCODL, TPWODL, TPNODL & TPSODL) of the erstwhile Distribution utilities as on effective date in terms of the provisions of Vesting Orders:

Return on equity shall be allowed on the approved reserve price of the utility from the effective date of operation at the rate of 16% per annum (post tax), in Indian Rupee terms on pro-rata basis as per Vesting Order.

3.6.2. Return on equity on the assets put to use after Effective Date up to date of applicability of these Regulations:

Return on equity on assets put to use after Effective Date up to date of applicability of these Regulations shall be eligible to get return as per Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2014 and its amendments thereof.

3.6.3. Return on equity on the assets put to use under instant Regulations:

Return on equity on assets put to use under these Regulations shall be computed on the paid-up equity capital determined in accordance with these Regulations and shall be allowed at the rate of 16% per annum (post tax), in Indian Rupee terms:

Provided further that for the purpose of true up for the Distribution Licensee, return on equity shall be allowed from the date of commercial operation on pro-rata basis based on documentary evidence provided for the assets put to use during the year in absence of which the assets shall be considered to be added in the mid of the year.

Provided further that asset funded by consumer contributions, capital subsidies/ Government grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

- The premium if any, raised by the Distribution Licensee while issuing share capital and investment of internal resources created out of free reserve, if any, shall also be reckoned as paid-up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting capital expenditure, and are within the ceiling of 30% of capital cost approved by the Commission.
- In case of foreign currency brought as capital, the Commission may consider a separate rate of return if foreign exchange variation is allowed as a pass through.
- The tax only to the extent of the tax on return is provided as pass through.

219. The status of tax expenses till FY 2024-25 is provided in table below.

Table 3-48 : Status of Tax expenses till FY 2024-25

Particulars	ROE	Tax on ROE as per Regulations	Actual Paid	Actual Allowed / to be allowed by OERC
(a)	(b)	(c)=(b/74.83%* 25.17%)	(d)	(e)
FY21	40.00	13.45	-	-
FY22	59.00	19.85	-	-
FY23	74.46	25.05	-	-
FY24	94.15	31.67	13.84	13.84
FY25	121.33	40.81	51.66	51.66
Cumulative till FY25	388.94	130.83	65.50	65.50

Note: As per regulations ROE should be allowed gross of income tax. However, till FY23 no tax expenses has been allowed since tax was not paid by the Company on account of operational losses/additional ECL allowance/etc.

220. However, for True up done till FY 2022-23, the Hon'ble Commission has not allowed tax on return on equity to TPCODL. It is understood that tax on ROE is not allowed as TPCODL did not have any current tax in these three financial years i.e. FY 2020-21, FY 2021-22 and FY 2022-23 that indirectly implies that the Hon'ble



Commission has considered tax on paid basis though no reasoning has been provided for non allowance of tax.

221. The main reasons for Nil current tax in these years as per accounts is:

- Low profit due to additional ECL provided for in the accounts and
- Higher Depreciation as per Income Tax Act as compared to Companies Act
- Disincentive due to Lower BE

222. In the Regulatory framework there are many income and expenses items which are not allowed on year to year basis due to delay in true up or provisional true up. That impact the PAT and corresponding tax in a particular year as some of the examples are given below which indicates that if consistent approach is not followed on year to year basis that will erode the assured RoE of shareholders.

Non allowance of Tax on RoE is wrong to the extent that:

223. Tax was not payable up to FY 22-23 due to higher ECL. Though higher provision of ECL beyond 1% is not to the consumer account but to the account of Discom and it reduced the PAT and corresponding tax also. So the loss on account of additional provision beyond 1% is to the company account the corresponding credit or reduced tax on overall PAT which included RoE should also be to the account of company. Or in simple language if RoE is Rs 100 and additional ECL is Rs. 15 totalling to PBT of Rs. 85. Here additional ECL of Rs. 15 has reduced earned RoE of Rs. 100. However company is entitled for tax on Rs 100 RoE but because of additional ECL, tax is reduced in such a scenerio there should not be a situation where loss due to ECL is to the account of Discom but corresponding credit of tax is to the benefit of ARR. This approach seems unjustified where one leg is to the account of company and another leg is to the account of ARR. The illustration given below may kindly be referred in this regard.

Illustration -1

Example-1: Where there is Additional ECL

Particulars	ROE pre Tax	Additional ECL booked	Profit for Income Tax	Tax @25.17%	Tax on ROE	Tax Should be allowed	Actual Allowed	Loss to Discom
	(a)	(b)	(c)=(a+b)	(d)=(c*25.17%)	(e)=(a*25.17%)	(f)	(g)	(h)
Year 1	40	15	55	14	10	10	10	-
Year 2	40	(15)	25	6	10	10	6	4
Total	80	-	80	20	20	20	16	4

Tax Depreciation is a temporary timing differences and will lead to higher current tax in future years which will lead to negative impact in books of accounts. *Refer illustration below.*

Illustration -2

Particulars	ROE pre Tax	Depreciation as per Companies Act	Depreciation as per Income Tax Act	Profit for Income Tax	Profit for Income Tax after Loss Set Off	Tax @25.17%	Tax on ROE	Tax Should be allowed	Actual Allowed	Loss to Discom
	(a)	(b)	(c)	(d)=(a+b-c)	(e)	(f)=(e*25.17%)	(g)	(h)	(i)	(j)=(h-i)
Year 1	40	50	110	(20)	-	-	10	10	-	10
Year 2	40	110	50	100	80	20	10	10	10	0
Total	80	160	160	80	80	20	20	20	10	10

224. Similar to ECL, the tax also gets reduced due to underachievement of BE Target which disincentivise Discom. Though the disincentive due to underachievement of BE target is to the account of company and it reduces the PAT and corresponding tax also, therefore corresponding credit of tax should also be to the account of Discom only and not ARR.

225. Or in simple language if RoE is Rs 100 and BE underachievement disincentive is Rs. 15 totalling to PBT of Rs. 85. Here BE disincentive of Rs. 15 has reduced earned RoE of Rs. 100. However company is entitled for tax on Rs 100 RoE but because of BE disincentive, tax is reduced in such a scenario there should not be a situation where loss due to disincentive is to the account of Discom but corresponding credit of tax is to the benefit of ARR. This approach seems unjustified where one leg is to the account of company and another leg is to the account of ARR

226. The understanding of passing on the benefit of lower income tax to consumer across the India including TPDDL is in the parlance of certain sections of the Income Tax Act provide relief for tax expenses on the RoE itself e.g. Section 80(i)(a), in that scenario tax on RoE to the extent of exemption availed may be passed on to the consumer.

227. In view of the above, the Hon'ble Commission is requested to follow consistent approach on cumulative basis for allowance of income tax either on RoE irrespective of total PBT or on actual basis without comparing with entitlement of tax on RoE. The approach should not be lower of entitlement or actual tax.

228. The Hon'ble Commission may kindly consider the tax reimbursement looking into cumulative status as per table above and not for the year basis.

3.23 Non-Tariff Income

229. The relevant extract of the Tariff Regulations, 2022 showing the component of Non-Tariff income is provided below.

4.3. Non-Tariff Income

4.3.1. The amount of Non-Tariff Income relating to the Wheeling Business as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the wheeling charges of Wheeling Business of the Distribution Licensee.

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with his application for determination of wheeling charges.

4.3.2. The indicative list of various heads to be considered for Non-Tariff Income shall be as under:

- a. Income from rent of land or buildings or other assets;*
- b. Income from sale of scrap pertaining to period prior to effective date and Profit / Loss from sale of scrap of assets created after effective date;*
- c. Income from statutory investments;*
- d. Income from interest on Fixed Deposits (including contingency reserve investment);*
- e. Interest on advances to suppliers/contractors;*
- f. Rental from staff quarters;*
- g. Rental from contractors;*
- h. Income from hire charges from contractors and others;*
- i. Income from advertisements, sale of tender documents etc.;*
- j. Service charges;*
- k. Revenue from delayed payment surcharge for wheeling business;*
- l. Miscellaneous receipts;*
- m. Interest on advances to suppliers;*
- n. Excess or deficit found on physical verification, subject to prudence check by the Commission;*
- o. Prior period income;*
- p. Supervisory charges for contractual works;*
- q. Any Other Non-Tariff Income.*

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Wheeling Business of the Distribution Licensee shall not be included in Non-Tariff Income.

4.4. Income from Other Business after tax

4.4.1. Where the Distribution Licensee is engaged in any Other Business under Section 51 of the Act for optimum utilisation of its assets, half of the revenues earned



from such Other Business after deduction of all direct and indirect costs and tax attributed to such Other Business shall be passed on to the consumer and deducted from the Aggregate Revenue Requirement while calculating the wheeling charges of Wheeling Business of the Distribution Licensee:

Provided that the Distribution Licensee shall carry out a reasonable assessment for allocation of all common costs between the Wheeling Business & the Other Business and shall submit the Allocation Statement, duly audited and certified by the statutory auditors, to the Commission along with his application for determination of wheeling charges:

Provided also that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.

.....

5.9. Non-Tariff Income

5.9.1. The amount of Non-Tariff Income relating to the Retail Supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee.

Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with his application for determination of tariff.

5.9.2. The indicative list of various heads to be considered for Non-Tariff Income shall be as under:

- a. Income from rent of land or buildings or other assets;*
- b. Income from sale of scrap pertaining to period prior to effective date and Profit / Loss from sale of scrap of assets created after effective date;*
- c. Income from statutory investments;*
- d. Income from interest on Fixed Deposits (including contingency reserve investment);*
- e. Interest on Security Deposits not passed on to the consumers*
- f. Interest on advances to suppliers/contractors;*
- g. Income from rental from staff quarters;*
- h. Income from rental from contractors;*
- i. Income from hire charges from contractors and others;*
- j. Income from advertisements, sale of tender documents etc.;*
- k. Service charges;*
- l. Income from customer Charge*
- m. Miscellaneous receipts;*



- n. Deferred Income from grant, subsidy, etc., as per Annual Accounts;*
- o. Prior period income;*
- p. Supervisory charges for contractual works;*
- q. Delayed payment surcharge recovered from the consumers after netting-off rebate allowed to the consumers***
- r. Rebate as per Regulation 3.12 for payment of bills of GRIDCO, generation & transmission utilities, SLDC, RLDC etc.;***
- s. Any Other Non-Tariff Income;*

Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income.

Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's area of supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff.

(Emphasis Supplied)

230. Further, the Hon'ble Commission while stipulating the principles for True up in Tariff Order dated 13.02.2024 has mentioned following.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

g) Non-Tariff Income (NTI) has been allowed excluding meter rent, incentive and arrear collection and amortization of consumer contribution and grant.

(Emphasis Supplied)

231. Based on the above, the Non- Tariff Income for FY 2023-24 and FY 2024-25 as well as the quantum to be considered for truing up of the same period is as given in the tables below.

Table 3-49 : Non-Tariff Income for FY 2023-24

in Rs. Cr

Sr No	Head of Non Tariff Income	Approved in Tariff order FY 2023-24	Amount booked in Accounts for FY 2023-24	Reference / Linkage to Audited Financial Statement FY 2023-24	For True up FY 2023-24	Remark
1	Amortisation of consumer contributions & Grant		97.65	Note 23.03 : Appearing under 'Other Operating Revenue'	0	Note-A: Already adjusted while claiming Depreciation. As stipulated as True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024
2	Recovery of meter Rent		71.95		18.53	Note B: Meter Rent on Meters installed by TPCODL has been retained for recovery of Metering Capex,as stipulated under True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024 . Meter Rent (till 31.03.2024) on Meters intalled under IPDS and SAUBHAGYA has been offered as Non Tariff Income
3	Miscellaneous Revenue		48.11		48.1	Includes income from Open Access Charges
A =sum(1:3)	Total 'Other Operating Revenue'		217.71		66.64	
4	Interest Income on Bank Deposits		78.76	Note 24 : Appearing under 'Other Income'	78.76	
5	Delayed payment charges		10.91		10.91	
6	Incentive on past arrear collection		5.53		0.00	Note C: Not Offered as Non Tariff Income as per Relaxation given in Para 64 of the Vesting Order. As stipulated as True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024
7	Gain on sale/fair value of mutual fund investment measured at FVTPL		1.06		0.00	Not Offered as it is out of surplus funds / retained earning and also not realized but on fare value basis.
8	Other income (includes scrap sale, LD charges, etc)		25.57		25.57	
B=sum(4:8)	Total 'Other Income'		121.83		115.24	
C	Less: Rebate Allowed to Consumers		89.84	Note 23.03 : Appearing as 'Cash Discount'	89.84	As stipulated at Para 5.9.2 (q) of Tariff Regulations,2022
D	Rebate on Power Purchase Cost (incl. Transmission & SLDC Charges		39.10	Note 25: Appearing as 'Rebate'	39.10	As stipulated at Para 5.9.2 (r) of Tariff Regulations,2022
E	Total =A+B-C+D	109.55	288.80		131.14	

Table 3-50 : Non-Tariff Income for FY 2024-25

in Rs. Cr						
Sr No	Head of Non Tariff Income	Approved in Tariff order FY 2024-25	Amount booked in Accounts for FY 2024-25	Reference / Linkage to Audited Financial Statement FY 2024-25	For True up FY 2024-25	Remark
1	Amortisation of consumer contributions & Grant		101.82	Note 24.03 : Appearing under 'Other Operating Revenue'	0	Note-A: Already adjusted while claiming Depreciation. As stipulated as True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024
2	Recovery of meter Rent		87.45		9.06	Note B: Meter Rent on Meters installed by TPCODL has been retained for recovery of Metering Capex,as stipulated under True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024. Meter Rent on Meters not installed by TPCODL has been offered as Non-Tariff Income.
3	Miscellaneous Revenue		41.69		41.69	Includes income from Open Access Charges
A =sum(1:3)	Total 'Other Operating Revenue'		230.96		50.75	
4	Interest Income on Bank Deposits		98.91	Note 25 : Appearing under 'Other Income'	98.91	
5	Delayed payment charges		8.73		8.73	
6	Incentive on past arrear collection		5.50		0.00	Note C: Not Offered as Non Tariff Income as per Relaxation given in Para 64 of the Vesting Order. As stipulated as True up Principle at Para 203 (g) of Tariff Order Dt.13.02.2024
7	Gain on sale/fair value of mutual fund investment measured at FVTPL		3.84		0.00	Not Offered as it is out of surplus funds / retained earning and also not realized but on fare value basis.
8	Other income (includes scrap sale, LD charges, etc)		4.11		4.11	
B=sum(4:8)	Total 'Other Income'		121.10		111.76	
C	Less: Rebate Allowed to Consumers		113.86	Note 24.03 : Appearing as 'Cash Discount'	113.86	As stipulated at Para 5.9.2 (q) of Tariff Regulations,2022
D	Rebate on Power Purchase Cost (incl. Transmission & SLDC Charges)		43.01	Note 26: Appearing as 'Rebate'	43.01	As stipulated at Para 5.9.2 (r) of Tariff Regulations,2022
E	Total =A+B-C+D	114.00	281.20		91.65	

A. Note on Amortization on Consumer Contribution and Capital Grants

232. Amortization on Consumer Contribution and Capital Grants has been already been adjusted while Claiming Depreciation for True up FY 2023-24 & FY 2024-25 and hence has not been considered for claiming Non-Tariff income.

233. The above treatment is also according to the principles of True up stipulated by the Hon'ble Commission in Tariff Order dated 13.02.2024 , the relevant extract of which is provided below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

*g) Non-Tariff Income (NTI) has been allowed **excluding** meter rent, incentive and arrear collection and **amortization of consumer contribution and grant.***

(Emphasis Supplied)

B. Meter Rent

234. The metering capex are not approved in Annual Capital Investment Plan of Discoms, these capex are funded by Discoms and recovered through Meter Rent. Hence Meter Rent on meter installed by TPCODL has not been offered as Non-Tariff Income.

235. The above treatment is also according to the principles of True up stipulated by the Hon'ble Commission in Tariff Order dated 13.02.2024, the relevant extract of which is provided below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

*g) Non-Tariff Income (NTI) has been allowed **excluding meter rent**, incentive and arrear collection and amortization of consumer contribution and grant.*

(Emphasis Supplied)

236. However, the meter rent (cumulative till 31.03.2024) on meters installed under IPDS and SAUBHAGYA scheme have been offered as Non-Tariff Income in Truing up for FY 2023-24.

237. Further Meter Rent on Meters not installed by TPCODL has been offered as Non - Tariff Income for FY 2024-25.

C. Note on Incentives on Past Arrears

238. The Hon'ble Commission in the Vesting Order dated 26th May 2020 for TPCODL has allowed TPCODL to retain the incentive on past arrears. The extracts of the Vesting Order in this regard is as given below:

RELAXATION OF CONDITIONS RELATED TO PROFIT SHARING

64. As per the RFP, the gains accruing to TPCODL on account of better performance in reducing AT&C loss and incentive on past arrear recovery shall be allowed to be retained in full upto FY 2030 by TPCODL. This would be over and above the return on its equity allowed by the Commission as part of Tariff Regulations and shall not be adjusted as other income or in any way appropriated through any truing up process or future Aggregate Revenue Requirement process.

239. The relevant extract from the Tariff Regulations, 2022 is also provided below in this regards.



2.14.1. The gains or losses accruing to the new Distribution Licensees on account of AT&C loss and incentive on past arrear recovery shall be governed by the terms and conditions of Request for Proposal (RfP) documents and Vesting Orders of respective Distribution Licensees.

240. The above treatment is also according to the principles of True up stipulated by the Hon'ble Commission in Tariff Order dated 13.02.2024 , the relevant extract of which is provided below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

*g) Non-Tariff Income (NTI) has been allowed **excluding** meter rent, **incentive and arrear collection** and amortization of consumer contribution and grant.
(Emphasis Supplied)*

241. Accordingly, this amount has not been considered as Non-Tariff Income in the computation of truing up for the period FY 2023-24 and FY 2024-25.

3.24 Additional Serviceable Liability (ASL)

242. This matter has already been discussed at chapter-2.

Chapter 4. Other Cost (One Time Adjustment in True up FY 2023-24)

243. There are certain items which need to be allowed as onetime adjustment in True up FY 2023-24 as 'Other Cost'. As the nature of these items are of 'onetime adjustment' nature, we are claiming these items as 'Other Cost' in this True up FY 2023-24 separately from the regular ARR expenditure items.

244. Total onetime adjustment of **Rs. 74.98 Cr** is being claimed under 'Other Cost' in True up FY 2023-24, the summary of which is provided in table below. The item wise details are provided in subsequent paragraphs.

Table 4-1 : Onetime Adjustment claimed in True up FY 2023-24 under 'Other Cost'

Sr No	Particulars	Amount (Rs. Cr)
A	Onetime Adjustment due to segregation of 'Service Connection Charges' into 'Cost of Service Cable & its installation and related activities' and 'Meter Installation Charges'	
1	Excess Amount of 'Service Connection Charges' offered under 'Non Tariff' Income till FY 2023-24	53.78
2	Meter Rent that should have been retained but offered as 'Non Tariff' Income as a part of 'Service Connection Charges' till FY 2023-24	3.61
3	Depreciation on 'Service Cables' that has not been claimed till FY 2023-24	14.18
A=1+2+3	Sub Total (A)	71.57
B	One time recoupment towards utilization of assets/ fund of CESCO Employees Rehabilitation Trust for disbursal of payment to the family of deceased employees and Trust administrative expenses	3.41
C =A+B	Total Onetime Adjustment claimed in True up FY 2023-24 as 'Other Cost'	74.98

4.1 Onetime Adjustment due to segregation of 'Service Connection Charges' into 'Cost of Service Cable & its installation and related activities' and 'Meter Installation Charges'

Background

245. Till FY 2023-24, TPCODL has been offering the 'services connection charges' received as Non-Tariff Income (NTI) in the True up petition in the year of receipt. However, the related cost of service cable and service cable installation that has been booked as part of 'Meter Cost' by TPCODL has not been claimed in the True up.

Regulatory Framework

246. The Supply Code, 2019 stipulates that consumer shall bear the ‘Service Connection’ charges for release of new connection and the service connection charges covers the cost of extension of service line from the distribution main to the point of supply. The relevant extract is produced below for the ease of reference.

*28. In case of **a new connection**, the consumer shall bear **service connection charges**, i.e. **the cost of extension of service line from the distribution main to the point of supply** and shall pay the security deposit as per Regulation 52 below of this code.*

(Emphasis Supplied)

247. Further, for the ease of providing new connection to LT consumers (up to 5 kW), the Hon’ble Commission has standardized the service connection charges and has stipulated following in this regard.

*(vi) For simplicity notwithstanding anything provided under Regulation 27, without adopting any remunerative calculation norm, the following shall be the **standardised new connection charges excluding processing fee, meter and security deposit** in case of LT (single phase) consumers of all categories having CD upto 5 KW with the pole within 30 meter from the consumers premises.*

upto 2 KW : Rs.1,500/-

beyond 2 KW upto 5 KW : Rs.2,500/-

Provided that if the line extension is required beyond 30 meters, the licensee/supplier shall charge @ Rs. 5000/- for every span of line extension in addition to the above charges.

Provided further that all the above charges shall be subject to amendment by the Commission from time to time by a general order.

(Emphasis Supplied)

248. The relevant extract from the Tariff Order FY 2024-25 dated 13.02.2024 is also provided below in this regard.

New Connection Charges for LT

*256. LT single phase Consumers of all categories having CD upto 5 kW, with pole within 30 meters from the Consumer’s premises shall **pay new service connection charge, excluding processing fees of Rs.50/-, security deposit and cost of meter (as applicable) as follows.***



Upto 2 kW : Rs. 1500/-

Beyond 2 kW upto 5 kW : Rs. 2500/-

However, if the line extension is required beyond 30 meters, the Licensee /supplier shall charge @ Rs.8,000/- for every span of line extension in addition to above charges.

The service connection charges include the cost of material and supervision charges. In case of Single-phase LT new or load enhancement Consumers upto 5 kW shall not be asked to bear the cost of transformer or any other related additional cost for system improvement.

(Emphasis Supplied)

249. Further the Hon'ble Commission vide its letter no. OERC/Engg-2/2006/663 dated 20th June 2024 has clarified that meter installation charge is also part of service connection charge. The relevant extract from the above letter is produced below for the ease of reference.

*(c) In case of new connection, there is provision for Service Connection charges as per Regulation 22 (vi) of the OERC Distribution (Conditions of Supply) Code, 2019. Hence, meter **installation charges not be charged by DISCOMs while arriving at the meter cost***

(Emphasis Supplied)

250. While the Supply Code, 2019 stipulates the service connection charges covers the cost of extension of service line from the distribution main to the point of supply excluding processing fee, security deposit and cost of meter , the above letter clarifies that meter installation charges are also part of service connection charges.

251. From the above, it is evident that the service connection charges covers following.

- i. Cost of Service Cable and its installation and its associated activities
- ii. Cost of Installation of Meters

Current Developments / Findings

252. Subsequent to the above clarification received on the constituents of the service connection charges, the Auditors of TPCODL has suggested to separate service cable and its installation cost from the meter installation cost due to variation in useful life of meter and service cables. In other words the service connection charges received from a consumer will be bifurcated into following two parts viz.

- I. Service cable and installation cost - This will be booked as part of "miscellaneous revenue" as part of NTI
- II. Meter installation charges – This will be part of 'Meter Rent'



253. Further, the Auditors have suggested that in line with matching concept of accounting, the 'Service cable and installation cost' part of the 'service connection charges received' should also be amortized over the useful life of the service cables matching with the depreciation charged on these service cables.

TPCODL's Submission

4.1.1 Onetime adjustment to account for the excess amount offered as 'Non-Tariff Income'

254. It is already mentioned TPCODL has been offering the 'Service Connection Charges' as Non-Tariff Income in its True up petitions and the Hon'ble Commission has been approving the same.

255. However, from the details provided in above sections, the 'Service cable and installation cost' part of the 'service connection charges' should have been amortized over the useful life of the service cables matching with the depreciation charged on these service cables.

256. Till FY 2023-24, TPCODL has offered Rs. 71.57 Cr of 'Service Connection Charges' under 'Non-Tariff Income' whereas the actual amount that should have been offered is Rs. 17.79 Cr. TPCODL has worked out this amount of Rs. 17.79 Cr based on the deprecation booked on service cables used for LT new connection from FY - 21 to FY-24.

257. The Hon'ble Commission is requested to approve this onetime adjustment i.e. reduction of total Non-Tariff Income till FY 2023-24 by Rs. 53.78 Cr (Rs. 71.57 – Rs. 17.79) which was offered upfront earlier. This amount (Rs. 53.78 Cr) will be amortized over coming years and the corresponding depreciation will also be claimed in future in line with future amortization.

258. The summary table in this regard is provided in table below.

Table 4-2 : Excess amount offered under Non-Tariff Income till FY 2023-24 and requires onetime adjustment

in Rs. Cr							
Sr No	Particulars	True up FY 2020-21 (10 Months)	True up FY 2021-22	True up FY 2022-23	* True up FY 2023-24 (Current petition not yet approved)	Total	Remark
1	Non Tariff Income Approved	57.78	87.21	139.98	113.66	398.63	
2	'Service Connection Charges' included above Non Tariff Income	4.33	21.48	21.18	24.58	71.57	
3	'Service Connection Charges' that should have been amortized and offered as Non Tariff Income till FY 2023-24					17.79	This amount has been worked out from the actual depreciation booked (FY-21 to FY-24) on the Service cables for LT new connection
4 = 2-3	Excess Amount offered under 'Non Tariff' Income till FY 2023-24					53.78	This one time adjustment is requested in True up FY 2023-24 to account for the excess amount offered as Non Tariff Income till FY 2023-24

4.1.2 Treatment of 'Meter Installation Charges' part of the 'Service Connection Charges'

259. Further, out of the Rs. 17.79 Cr, Rs. 3.61 Cr is related to meter installation charges which is to be retained by TPCODL as part of meter rent. This as per the True up principles laid down by the Hon'ble Commission in Tariff Order FY 2024-25 dated 13.02.2024. Relevant extract of Tariff Order is given below.

203. The truing up exercise has been carried based on following principle along with principle of OERC's Wheeling & RST Regulation, 2022.

....

*g) Non-Tariff Income (NTI) has been allowed excluding **meter rent**, incentive and arrear collection and amortisation of consumer contribution and grant.*

(Emphasis Supplied)

260. It is submitted that this meter rent of Rs. 3.61 Cr has earlier been offered as Non Tariff Income (as a part of the service connection charges of Rs. 71.57 Cr) instead of being retained. Hence, we request the Hon'ble Commission to reduce the Non-Tariff Income till FY 2023-24 to the extent of Rs. 3.61 Cr out of Rs. 17.79 Cr by way of onetime adjustment, which will be retained by TPCODL towards meter rent.

4.1.3 Treatment of Depreciation on Services cables (not claimed yet in True up till FY 2023-24)

261. The balance amount of Rs. 14.18 Cr (Rs. 17.79 Cr - Rs. 3.61 Cr) is towards the depreciation on service cables. However, TPCODL has not claimed this depreciation

on service cables till FY 2023-24 and has absorbed the same along with cost of meters due to non-segregation of cable and its installation till FY 2023-24 as pointed out above.

262. Hence the Hon'ble Commission may kindly allow this onetime adjustment of Rs. 14.18 Cr Cr as a part of Rs. 17.79 Cr (please refer **Table 4-2**) towards depreciation on service cables which has not been claimed by TPCODL in its True up petitions till date.

4.1.4 Total onetime adjustment requested in True up FY 2023-24 due to segregation of 'Service Connection Charges' into 'Cost of Service Cable & its installation and related activities' and 'Meter Installation Charges'

263. In view of the details provided in above sections, the Hon'ble Commission is requested to approve onetime adjustment of Rs.71.57 Cr in True up FY 2023-24. The item wise break up is again summarized below for ease of reference.

Table 4-3 : Total Onetime adjustment due to segregation of 'Service Connection Charges' into 'Cost of Service Cable & its installation and related activities' and 'Meter Installation Charges'

Sr No	Particulars	Amount (Rs. Cr)
1	Excess Amount of 'Service Connection Charges' offered under 'Non Tariff' Income till FY 2023-24	53.78
2	Meter Rent that should have been retained but offered as 'Non Tariff' Income as a part of 'Service Connection Charges' till FY 2023-24	3.61
3	Depreciation on 'Service Cables' that has not been claimed till FY 2023-24	14.18
4=1+2+3	Total One time Adjustment requested in True up FY 2023-24 as 'Other Cost'	71.57

264. By making the above adjustment, the net impact shall be neutral as illustrated in table below.

Table 4-4 : Neutral Impact of above adjustment

	Particulars	Amount in Crore
A.	Service connection charges offered as NTI upto FY24	71.57
	Less:	
	Service connection charges to be reversed and shall be offered in future as amortization	53.78
	Net remained in ARR for Tariff upto FY24	17.79
	Particulars	Amount in Crore
B.	Honourable Commission to allow meter installation charges upto FY24	3.61
	Honourable Commission to allow depreciation on cables & its installation costs upto FY24	14.18
	Total	17.79
Net Impact		Neutral

4.1.5 Clarifications requested from the Hon'ble Commission

265. From the clarification provided by the Hon'ble Commission vide letter no. OERC/Engg-2/2006/663 dated 20th June 2024, it is now clear that the service connection charges covers following

- i. Cost of Service Cable and its installation and its associated activities
- ii. Cost of Meter Installation

266. Currently, the standards service connection charges that are approved by the Hon'ble Commission in Tariff Order FY 2024-25 dated 13.02.2024 is Rs. 1500 for LT new connection upto 2 kW and Rs. 2500 for LT new connection above 2 kW and upto 5 kW. However, these standard service connection charges don't have the bifurcation between the above two part (i.e. (a) Cost of Service Cable and its installation and its associated activities and (b) Cost of Meter Installation.)

267. The Hon'ble Commission may kindly provide above bifurcation so as to ensure correct accounting i.e. excess income received over and above the costs will be offered as NTI in True Up and any excess cost incurred over and above the income will be claimed in the True Up as part of Capex. The relevant extract from Capex Order FY 2024-25 is provided below in this regard.

Extract 4-1 : Extract from Capex Order FY 2024-25

32. The Commission has deducted certain proposed expenditure under various heads which has already been explained in the previous paras. TPCODL may approach the Commission on a later stage for approval with sufficient justification for such proposals. The activities under Capex proposal of various heads where deduction has been done are as follows:

Table 14: Summary of the proposed activities vis-à-vis deduction by the Commission (Rs. Cr.)

Sl. No	CAPEX Head	Activity	Board approved Budget	Commission's Approval
1	Safety & Statutory	LT Network Refurbishment	2.00	0
2	Reliability	Replacement of old equipment	20.00	0
3	Load Growth	New Connection Release	15.00	10.00
4	Load Growth	Service cable for new connection	8.00	
		Sub-total	45.00	10.00

268. The above is explained below by way of two scenario (i.e. Cost > Income and Income > Cost)

269. For explaining these two scenarios, we have taken the following assumption.

Table 4-5 : Assumption for Bifurcation of Standard Service Connection Charges for upto 2 kW

Bifurcation of Standard Service Connection Charges for upto 2 kW (Assumed)		
Sr No	Particular	Amount (Rs.)
1	Meter Installation Charges	500
2	Cost of Service Cable its installation and related activities	1000
3=1+2	Total Service Connection Charge (for upto 2kW) as approved by the Hon'ble Commission	1500

270. Both the scenarios are explained in table below.

Table 4-6 : (Scenario A): Service connection charges received is higher than Cost of cable & its installation

Scenario A							
Particulars	Formula	Amount (Rs.)					
Service connection charges received (Assumed)	a	1,500					
Less: Meter installation charges included in above	b	500					
Net service connection charges received	c=(a-b)	1,000					
To be amortized over 35 years i.e. useful life of cables	d	35					
Service connection charges to be offered in ARR as NTI	e=(c/d)	29					

Particulars	Formula	Amount					
Cost of cable and its installation (Assumed)	a	900					
Useful life of cables	b	35					
Depreciation to be claimed in ARR	c=(a/b)	26					

Particulars	Formula	Year 1	Year 2	Year 2	Year --N	Year 35	Total
Service connection charges offered as NTI	a	29	29	29	.....	29	1,000
Cable & installation cost to be claimed as depreciation	b	26	26	26	.....	26	900
Net Impact in ARR	b-a	-2.86	-2.86	-2.86	.....	-2.86	-100

Table 4-7 : (Scenario B): Service connection charges received is lower than Cost of cable & its installation

Scenario B							
Particulars	Formula	Amount (Rs.)					
Service connection charges received (Assumed)	a	1,500					
Less: Meter installation charges included in above	b	500					
Net service connection charges received	c=(a-b)	1,000					
To be amortized over 35 years i.e. useful life of cables	d	35					
Service connection charges to be offered in ARR as NTI	e=(c/d)	29					

Particulars	Formula	Amount					
Cost of cable and its installation (Assumed)	a	1,200					
Useful life of cables	b	35					
Depreciation to be claimed in ARR	c=(a/b)	34					

Particulars	Formula	Year 1	Year 2	Year 2	Year --N	Year 35	Total
Service connection charges offered as NTI	a	29	29	29	.....	29	1,000
Cable & installation cost to be claimed as depreciation	b	34	34	34	.....	34	1,200
Net Impact in ARR	b-a	5.71	5.71	5.71	.....	5.71	200

4.2 Onetime recoupment towards utilization of assets / funds of CESCO Employees Rehabilitation Trust

Background

271. The CESCO Employees Rehabilitation Trust is being administered as per the CESCO Rehabilitation Regulation Framed by the Board of Director of CESCO and Trust Deed created for this purpose.

272. The corpus of the trust was created in CESCO with effect from 01.07.2001 by splitting the parent trust of GRIDCO Rehabilitation Trust on the basis of number of employees on roll of DISCOMs and GRIDCO as on 31.03.1999 as intimated by



GRIDCO vide letter no. FW-Fund-Rehb/Split/55(4) dated 21.02.2003 and accepted by the trust in its 5th meeting held on 25.03.2003.

273. The said Trust and its corpus was created to extend support to the families of deceased. The assistance amount was initially started with Rs. 1,00,000/- in the year 2006 which was enhanced from time to time. Presently the assistance amount is Rs. 5,00,000/- as per office order No- TPCODL/HR/7397 Dt 18.6.2021.

274. The assistance amount is deposited in a bank for Six year (With effect from 24.06.2008 for three years) and shown under the "Deposits on behalf of the Beneficiaries Account" in the trust books of accounts. After the expiry of the period, the sanctioned amount is paid to beneficiaries of employees and during the lock-in period the beneficiary is entitled to the interest accruing on the said amount.

275. As per the vesting order clause 50 (e) (i) the Investment value of Rehabilitation Trust should be remain same as on 1st June 2020 .As per clause 50 (e) (iii), any liability disbursed by TPCODL shall be allowed as part of ARR every year. For ready reference both the clauses are appended below :

Clause-50 (e) (i) All the Trust shall continue to exist, and investments made by the Trusts shall not be liquidated without prior approval of the Commission.

Clause-50 (e) (ii) TPCODL shall disburse the Employees liabilities to Trust as per the mechanism in Point (c) above.

Caluse-50 (e) (iii) Of the total Employees' Liabilities disbursed by TPCODL as per point-ii above, the Commission shall allow as part of the Aggregate Revenue Requirement the actual cash out go for TPCODL for every year on account of Pension, Gratuity, leave encashment and rehabilitation liabilities.

(Emphasis Supplied)

276. As on 31.5.2020 the Trust has the total asset value of Rs. 5,97,34,340.57 (Rs.2.70 Crs as long term investments and Rs. 3.27crs as Bank balance including accrued interest, TDS etc). which has come down to Rs. 2,56,09,232.70 at ₹ (Rs.2,44,50,000.00 and Rs. 11,59,232.70) as on 31.03.2024 there by utilizing Rs.3,41,25,107.87 for disbursal of payment to the family of deceased employees and Trust administrative expenses during the period since vesting to 31.03.2024.

277. The relevant extracts from the balance sheet (as on 31.05.2020 and 31.03.2024) of CESCO Employees Rehabilitation Trust are provided below in this regard.

Extract 4-2 : Extract from the Balance Sheet of CESCO Employees Rehabilitation Trust as on 31.05.2020

CESCO EMPLOYEES REHABILITATION TRUST

2nd FLOOR, IDCO TOWER, JANPATH, BHUBANESWAR-751 022

BALANCE SHEET AS AT 31ST MAY' 2020

SL NO	PARTICULARS	Schedule No.	As at 31.05.2020		As at 31.03.2020
			AMOUNT(₹)	AMOUNT(₹)	AMOUNT(₹)
I	SOURCES OF FUNDS:				
1	REHABILITATION ASSISTANCE FUND				
	Rehabilitation Assistance Fund	1		68,361,660.00	68,361,660.00
	Reserves & Surplus	2		(8,627,319.43)	(9,053,415.43)
2	Liability towards Beneficiary	3		19,500,000.00	19,500,000.00
	TOTAL			79,234,340.57	78,808,244.57
II	APPLICATION OF FUNDS:				
	INVESTMENTS				
1	Investment on behalf of beneficiaries	4		19,500,000.00	19,500,000.00
2	Long Term Investments	5		27,000,000.00	27,000,000.00
3	Short term Deposit	6			
4	CURRENT ASSETS, LOANS & ADVANCES				
	Interest Accrued but not Received	7	935,200.57		506,154.57
	Interest Accrued and due	13			
	TDS Receivable	8	212,994.00		212,994.00
	Income Tax Refundable	14			
	Bank Balance	9	31,612,696.00		31,612,696.00
	Less:-		32,760,890.57		32,331,844.57
5	CURRENT LIABILITIES & PROVISIONS				
	Auditor's Remuneration Payable	10	26,550.00		23,600.00
	Net Current Assets			32,734,340.57	32,308,244.57
	TOTAL			79,234,340.57	78,808,244.57
	Significant Notes & Policies Forming Part of Financial Statements	14			

Extract 4-3 : Extract from the Balance Sheet of CESCO Employees Rehabilitation Trust as on 31.03.2024

CESCO EMPLOYEES REHABILITATION TRUST					
2nd FLOOR, IDCO TOWER, JANPATH, BHUBANESWAR-751 022					
BALANCE SHEET AS AT 31ST MARCH' 2024					
SL NO	PARTICULARS	Schedule No.	As at 31.03.2024		As at 31.03.2023
			Amount in Rs.	Amount in Rs.	Amount in Rs.
I	SOURCES OF FUNDS:				
1	REHABILITATION ASSISTANCE FUND				
	Rehabilitation Assistance Fund	1		6,83,61,660.00	6,83,61,660.00
	Reserves & Surplus	2		(4,27,52,427.30)	(2,86,59,249.20)
2	Liability towards Beneficiary	3		4,60,00,000.00	3,37,50,000.00
	TOTAL			7,16,09,232.70	7,34,52,410.80
II	APPLICATION OF FUNDS:				
	INVESTMENTS				
1	Investment on behalf of beneficiaries	4		4,60,00,000.00	3,37,50,000.00
2	Long Term Investments	5		2,44,50,000.00	2,53,00,000.00
3	Short term Deposit	6			1,06,92,198.00
4	CURRENT ASSETS, LOANS & ADVANCES				
	Interest Accrued but not Received	7	3,63,877.00		9,39,355.50
	Interest Accrued and due	13			
	TDS Receivable	8	2,80,490.00		2,80,490.00
	Bank Balance	9	5,26,665.70		25,02,167.30
	Less:-		11,71,032.70		37,22,012.80
5	CURRENT LIABILITIES & PROVISIONS				
	Auditor's Remuneration Payable	10	11,800.00		11,800.00
	Net Current Assets			11,59,232.70	37,10,212.80
	TOTAL			7,16,09,232.70	7,34,52,410.80
	Significant Notes & Policies Forming Part of Financial Statements	14			



278. As per Vesting order, the Trust should have raised the annual demand for utilized amount of Rs. 3,41,25,107.87 (Rs. 3.41 Crores) as above but the same was not done.

TPCODL's Submission

279. Now to comply with the vesting order, a onetime recoupment amount of Rs. 3,41,25,107.87 (Rs. 3.41 Crores) towards utilization of assets/ fund of CESCO Employees Rehabilitation Trust for payment to the family of deceased employees as well as Trust Administrative Expenses is required.

280. Therefore, the Hon'ble Commission is requested to allow the above onetime adjustment of Rs. 3.41 Crores in True up FY 2023-24.

281. Further, the Hon'ble Commission is requested to allow annual contribution towards payment to the family of deceased employees and administrative expenses on year to year basis from FY 2024-25 onwards under 'Terminal Benefit' expenses over and above the normative Employees Expenses.

Chapter 5. Gap / Surplus in True up of FY 2023-24 and FY 2024-25

5.1 Gap / Surplus in Revenue with respect to True up FY 2023-24 & FY 2024-25

282. The key Parameters for True up FY 2023-24 & FY 2024-25 (Approved Vs Actual) is summarized in table below.

Table 5-1: Key Parameters for True up FY 2023-24 & FY 2024-25 (Approved vs Actual)

Sr No	Particular	UoM	True up FY 2023-24		True up FY 2024-25	
			Approved in ARR FY 2023-24	Actual for True up FY 2023-24	Approved in ARR FY 2024-25	Actual for True up FY 2024-25
a	Sales	MU	8868	8853	10112	9692
b	Power Purchase /Input	MU	11256	11299	12513	11981
c	AT&C Loss	%	22.00%	21.23%	20.00%	18.94%
d	Billing Efficiency	%	78.79%	78.35%	80.81%	80.89%
e	Collection Efficiency	%	99.00%	100.53%	99.00%	100.21%
f	Distribution Loss	%	21.21%	21.65%	19.19%	19.11%

283. The (Gap) / Surplus for True up FY 2023-24 and FY 2024-25 are as computed in the tables below.

Table 5-2: (Gap) / Surplus for the period FY 2023-24

in Rs. Cr

Sr No	Particular	Approved	As per Audited Accounts FY 2023-24	Reference to the Audited Financial Statement FY-2023-24	Actual Claimed for True up FY 2023-24	Remark / Reference to this Petition
1	Cost of Power Purchase	3433	3446.30	Note -25	3446.3	Table 3-3
2	Transmission Cost	270.14	272.74		271.0	
3	SLDC Cost	1.74			1.74	
A =1+2+3	Total Gross Power Purchase ,Transmission & SLDC Charges Cost	3704.96	3719.05	Note-25	3719.05	
B	Gain/(Loss) Due to AT&C Loss				-18.96	Table-3-5
C=A+B	Total Gross Power Purchase Cost (Before Rebate) after adjustment of Gain /(Loss) due to A&C Loss achievement	3704.96	3719.05		3700.09	
4	Gross Employee Cost	803.22	889.48	Gross Employee Cost : Rs.825.51 Cr (Note -26) + Outsourced Employee Cost : Rs. 63.97 Cr (Note -28 -Appearing as 'Cost of Service expenses' under 'Other Expenses')	812.38	Para 3.20.1 Table 3-29 & Table 3-31
5	Repair &Maintenance (R&M) Expenditure	279.38	279	Note -28 (First Three Items)	279	Table 3-33
6.a	Administrative & General (A&G) Expenditure	142	144	Note-28 :Excluding Following items 1. R&M Expenses (1st 3 ietms): Rs.279.38 Cr 2. Outsourced Emp Cost of Rs.63.97 Cr (Cost of Service expenses) 3.Allowance for Doubtful Debt:Rs.139.58 Cr 4.Loss on retirement of property, plant and equipment:Rs.0.37 Cr.	144	Table 3-40 and 3-41
6.b	Pre-Vesting Period related expenditures	0	35	5.Tariff balancing reserve : Rs. 1.88 Cr	35	Table 3-40 , 3-41 & 3-42
7	Provision for Bad & Doubtful Debt	51.71	139.58	Note-28 (Appearing as 'Allowance for doubtful debts & advances')	53.80	Table 3-46
8	Depreciation	81.38	248.00	Note-4.05	106.36	Table 3-14
9.a	Interest on Consumer Security Deposit	60.82	54.28	Note-27	54.28	Extract 3-15
9.b	Interest on Long Term Loan	38.55	45.02	Note-27: (Clubbed in one head of 'Interest on loans carried at amortised cost - banks)	49.84	Table 3-17
9.c	Interest on Working Capital Loan	26.28			5.08	Table 3-18 &19
9.d	Finance Cost/Other Borrowing Cost		1.02	Note-27: (commitment charges, processing fees, etc)	1.02	Table 3-22
9= Sum(9.a:9.d)	Total Interest on SD, Long Term & Working Capital Loan	125.65	100.32	Note-27	110.22	
10	Loss on Retirement of Fixed Assets		0.37	Note-28	0.37	Para 3.13
	Efficiency Gains :					
11	1/3 rd to be declared as Dividend / Equity				2.19	Table 3-21
12	1/3 rd to be passed on to consumer as rebate				2.19	
13	1/3 rd to be kept as Tariff balancing reserve				2.19	
14	Sub Total	5188.31	5554.40		5247.40	
15	Less: Employee Cost Capitalization	26.29	26.30	Note-26	26.30	Table 3-29 & 3-31
16	Less: Interest Cost Capitalized	10.94	9.49	Note-27		
D=14-15-16	Total Expenses	5151.08	5518.61		5221.10	
17	RoE	80.63			94.15	Table 3-23
18	Current Tax		13.74	Note-29	13.84	Para 3-22
19	Deferred tax		7.94			
E=sum(17:19)	Sub Total	80.63	21.68		107.99	
F= D+E	Total (D+E)	5231.71	5540.29		5329.09	
20	Less: Non Tariff Income / Misc Receipt	109.55	288.80	Other Operating Revenue: Rs. 217.71 Cr (Note-23.03) + Other Income:Rs. 121.83 Cr (Note-24) + Reabte on power purchase cost (incl. Transmission & SLDC) :Rs. 39.1 Cr (Note-25) Less: Cash Discount to Consumers : Rs. 89.84 Cr (Note-23.03)	131.14	Table 3-49
21	Other Cost (Onetime Adjustment)				74.98	Table 4-1
22	Net Movement in Regulatory deferral balance		-71.73			
23	Special Appropriation	83.33				
G=F-20+21+22+23	Total Revenue Requirement	5205.50	5179.77		5272.93	
H	Gross Revenue from Sale of Power	5170.68	5379.78	Note: 23.03	5379.78	Para 3.2 ,Extract 3-1
I=H-G	(Gap) / Surplus	-34.82			106.84	

284. The (Gap) / Surplus for True up FY 2024-25 is as computed in the table below.

Table 5-3: (Gap) / Surplus for the period FY 2024-25

in Rs. Cr						
Sr No	Particular	Approved	As per Audited Accounts FY 2024-25	Reference to the Audited Financial Statement FY-2024-25	Actual Claimed for True up FY 2024-25	Remark / Reference to this Petition
1	Cost of Power Purchase	3941.60	3774.23	Note -26	3774.2	Table 3-4
2	Transmission Cost	300.31	289.20		286.8	
3	SLDC Cost	2.45			2.4	
A =1+2+3	Total Gross Power Purchase ,Transmission & SLDC Charges Cost	4244.36	4063.43	Note-26	4063.43	
B	Gain/(Loss) Due to AT&C Loss				3.72	Table-3-5
C=A+B	Total Gross Power Purchase Cost (Before Rebate) after adjustment of Gain /(Loss) due to A&C Loss achievement	4244.36	4063.43		4067.15	
4	Gross Employee Cost	814.29	990.80	Gross Employee Cost : Rs.915.78 Cr (Note -27) + Outsourced Employee Cost : Rs. 75.02 Cr (Note -29 -Appearing as 'Cost of Service expenses' under 'Other Expenses')	910.83	Para 3.20.1 Table 3-30 & Table 3-32
5	Repair &Maintenance (R&M) Expenditure	261.52	338	Note -29 (First Three Items)	338	Table 3-37
6. a	Administrative & General (A&G) Expenditure	151.95	197	Note-29 :Excluding Following items 1.R&M Expenses (1st 3 ietms): Rs.337.9 Cr 2. Provision for non moving / obsolete inventory including capex inventory : Rs. 25.08 Cr 2. Outsourced Emp Cost of Rs.75.02 Cr (Cost of Service expenses) 3.Allowance for Doubtful Debt:Rs.48.07 Cr 4.Loss on retirement of property, plant and equipment:Rs.20.47 Cr. 5.Tariff balancing reserve : Rs. 2.41 Cr	197	Table 3-43 and 3-44
6.b	Pre-Vesting Period Related Expenditure	0.00	14		14	Table 3-43,3-44 & 3-45
7	Provision for Bad & Doubtful Debt	58.26	48.07	Note-29 (Appearing as 'Allowance for doubtful debts & advances')	58.91	Table 3-46
8	Depreciation	99.00	291.62	Note-4.05	135.77	Table 3-14
9.a	Interest on Consumer Security Deposit	76.18	56.06	Note-28	56.06	Extract 3-16
9.b	Interest on Long Term Loan	75.55	58.49	Note-28: (Clubbed in one head of 'Interest on loans carried at amortised cost - banks)	77.73	Table 3-17
9.c	Interest on Working Capital Loan	41.77			3.24	Table 3-18 & 19
9.d	Finance Cost/Other Borrowing Cost		2.37	Note-28: (commitment charges, processing fees, etc)	2.37	Table 3-22
9= Sum(9.a:9.d)	Total Interest on SD, Long Term & Working Capital Loan	193.50	116.93	Note-28	139.41	
10	Loss on Retirement of Fixed Assets		20.47	Note-29	20.47	Para 3.13
	Efficiency Gains :					
11	1/3 rd to be declared as Dividend / Equity				6.40	Table 3-21
12	1/3 rd to be passed on to consumer as rebate				6.40	
13	1/3 rd to be kept as Tariff balancing reserve				6.40	
14	Sub Total	5822.88	6080.57		5901.01	
15	Less: Employee Cost Capitalization	28.93	29.03	Note-27	29.03	Table 3-30 & 3-32
16	Less: Interest Cost Capitalized		11.41	Note-28		
D=14-15-16	Total Expenses	5793.95	6040.13		5871.98	
17	RoE	115.79			121.35	Table 3-23
18	Current Tax	31.84	50.50	Note-30	51.66	Para 3.22
19	Deferred tax		1.02			
E=sum(17:19)	Sub Total	147.63	51.52		173.01	
F= D+E	Total (D+E)	5941.58	6091.65		6044.99	
20	Less: Non Tariff Income / Misc Receipt	114.00	281.20	Other Operating Revenue: Rs. 230.96 Cr (Note-24.03) + Other Income:Rs. 121.09 Cr (Note-25) + Reabte on power purchase cost (incl. Transmission & SLDC) :Rs. 43.01 Cr (Note-26) Less: Cash Discount to Consumers : Rs. 113.86 Cr (Note-24.03)	91.65	Table 3-50
21	Net Movement in Regulatory deferral balance		95.67			
22	Deferred tax recoverable		1.02			
23	Special Appropriation	5.84				
G=F-20+21+22+23	Total Revenue Requirement	5821.74	5907.14		5953.34	
H	Gross Revenue from Sale of Power	5826.21	5891.38	Note: 24.03	5891.38	Para 3.2 ,Extract 3-2
I=H-G	(Gap) / Surplus	4.47			-61.95	

285. The (Gap) / Surplus for True up FY 2023-24 and FY 2024-25 provided in table below for ease of reference.

Table 5-4: (Gap) / Surplus for True up FY 2023-24 & FY 2024-25

in Rs. Cr

Sr No	Particular	True up FY 2023-24			True up FY 2024-25		
		Approved in ARR FY 2023-24	As per Audited Accounts FY 2023-24	Actual Claimed for True up FY 2023-24	Approved in ARR FY 2024-25	As per Audited Accounts FY 2024-25	Actual Claimed for True up FY 2024-25
1	Cost of Power Purchase	3433	3446.3	3446.3	3941.60	3774.23	3774.2
2	Transmission Cost	270.14	272.74	271.0	300.31	289.20	286.8
3	SLDC Cost	1.74		1.74	2.45		2.4
A =1+2+3	Total Gross Power Purchase ,Transmission & SLDC Charges Cost	3704.96	3719.05	3719.05	4244.36	4063.43	4063.43
B	Gain/(Loss) Due to AT&C Loss			-18.96			3.72
C=A+B	Total Gross Power Purchase Cost (Before Rebate) after adjustment of Gain /(Loss) due to A&C Loss achievement	3704.96	3719.05	3700.09	4244.36	4063.43	4067.15
4	Gross Employee Cost	803.22	889.48	812.38	814.29	990.80	910.83
5	Repair & Maintenance (R&M) Expenditure	279.38	279	279	261.52	338	338
6.a	Administrative & General (A&G) Expenditure	142	144	144	151.95	197	197
6.b	Pre-Vesting Period Related Expenditure	0	35	35	0.00	14	14
7	Provision for Bad & Doubtful Debt	51.71	139.58	53.80	58.26	48.07	58.91
8	Depreciation	81.38	248.00	106.36	99.00	291.62	135.77
9.a	Interest on Consumer Security Deposit	60.82	54.28	54.28	76.18	56.06	56.06
9.b	Interest on Long Term Loan	38.55	45.02	49.84	75.55	58.49	77.73
9.c	Interest on Working Capital Loan	26.28		5.08	41.77		3.24
9.d	Finance Cost/Other Borrowing Cost		1.02	1.02		2.37	2.37
9= Sum(9.a:9.d)	Total Interest on SD, Long Term & Working Capital Loan	125.65	100.32	110.22	193.50	116.93	139.41
10	Loss on Retirement of Fixed Assets		0.37	0.37		20.47	20.47
	Efficiency Gains :						
11	1/3 rd to be declared as Dividend / Equity			2.19			6.40
12	1/3 rd to be passed on to consumer as rebate			2.19			6.40
13	1/3 rd to be kept as Tariff balancing reserve			2.19			6.40
14	Sub Total	5188.31	5554.40	5247.40	5822.88	6080.57	5901.01
15	Less: Employee Cost Capitalization	26.29	26.30	26.30	28.93	29.03	29.03
16	Less: Interest Cost Capitalized	10.94	9.49			11.41	
D=14-15-16	Total Expenses	5151.08	5518.61	5221.10	5793.95	6040.13	5871.98
17	RoE	80.63		94.15	115.79		121.35
18	Current Tax		13.74	13.84	31.84	50.50	51.66
19	Deferred tax		7.94			1.02	
E=sum(17:19)	Sub Total	80.63	21.68	107.99	147.63	51.52	173.01
F= D+E	Total (D+E)	5231.71	5540.29	5329.09	5941.58	6091.65	6044.99
20	Less: Non Tariff Income / Misc Receipt	109.55	288.80	131.14	114.00	281.20	91.65
21	Other Cost (Onetime Adjustment)			74.98			
22	Net Movement in Regulatory deferral balance		-71.73			95.67	
23	Deferred tax recoverable					1.02	
24	Special Appropriation	83.33			5.84		
G=F-20+21+22+23+24	Total Revenue Requirement	5205.50	5179.77	5272.93	5821.74	5907.14	5953.34
H	Gross Revenue from Sale of Power	5170.68	5379.78	5380	5826.21	5891.38	5891.38
I=H-G	(Gap) / Surplus	-34.82		106.84	4.47		-61.95

Chapter 6. Year wise movement of (Gap) / Surplus

286. Based on the orders issued by the Hon'ble Commission till date in the matter of True up FY 2020-21 (10 months), FY 2021-22 and FY 2022-23 and Truing up of FY 2023-24 and FY 2024-25 as submitted in this petition, the year wise movement of (gap) / surplus and its utilization is provided in table below.

Table 6-1 : Year wise movement of (Gap)/Surplus

		<i>in Rs. Crores</i>				
Sr No	Particulars	FY 2020-21 (10 Months)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	Opening (Gap) / Surplus	0.00	-43.46	58.67	156.01	262.85
2	Addition of (Gap) /Surplus for the FY	-43.46	102.13	97.34	106.84	-61.95
3	Closing (Gap) / Surplus	-43.46	58.67	156.01	262.85	200.90

Note-1 : Please refer Table 3-18 for utilization of surplus at end of FY 2023-24 and FY 2024-25 against computation of interest on working capital (normative)

Note-2 :

- True up FY 2020-21 : Gap of Rs. 43.46 Cr approved at Table- 90 of the Tariff Order for FY 2024-25 dated 13.02.2024.
- True up FY 2021-22 : Surplus of Rs. 102.13 Cr approved at Table- 92 of the Tariff Order for FY 2024-25 dated 13.02.2024.
- True up FY 2022-23 : Surplus of Rs. 97.34 Cr approved at Table -86 of the Tariff Order for FY 2025-26 dated 24.03.2025.
- True up FY 2023-24 and FY 2024-25 : As per Submission made in this instant petition

Chapter 7. ANNEXURE 1: Details of Monthly Power Purchase for the FY 2023-24 & FY 2024-25

287. The tables in this Annexure provides the details of monthly power purchase bills of GRIDCO towards BSP, Transmission Charges bills of OPTCL and SLDC Charges Bills.

Table 7-1 Details of GRIDCO BSP Bills – FY 2023-24

Energy Bill raised by GRIDCO for the FY 2023-24								
Month	Bill no	Total MU Billed by GRIDCO	Bill value @305 Paisa Per kWh (Rs.Cr)	Debit Bill (Rs.Cr)	Credit bill (Rs.Cr)	Total Current Bill raised by GRIDCO (Rs.Cr)	LPS	Total Bill including LPS (Rs.Cr)
		1	2	3	4	5=2+3-4	6	7=5+6
Apr-23	CGM-PP-53/2023/451 dt.04.05.202	990.45	302.09	-	-	302.09	-	302.09
May-23	CGM-PP-50/2023/484 dt.05.06.2023	1,105.91	337.30	-	-	337.30	-	337.30
Jun-23	CGM-PP-50/2023/712 dt.05.07.2023	1,106.05	337.35	-	-	337.35	-	337.35
	Debit Bill (FY-21-22)	0.25	0.00	0.07		0.07		0.07
	Debit Bill (FY-22-23)	0.16	0.00	0.05		0.05		0.05
Jul-23	CGM-PP-50/2023/830 dt.04.08.2023	1,069.65	326.24	-	-	326.24	-	326.24
	Credit Bill (Apr-21 to Jan-22)	-5.13	0.00	-	1.45	-1.45		-1.45
Aug-23	CGM-PP-50/2023/1506 dt.06.09.2023	1,029.07	313.87	-	-	313.87	-	313.87
	Debit Bill (Oct-22 to Mar-23)	0.14	0.00	0.04		0.04		0.04
	Credit Bill (Apr-23 to Jun-23)	-1.75	0.00	-	0.53	-0.53		-0.53
Sep-23	CGM-PP-50/2023/1021 dt.05.10.2023	998.65	304.59	-	-	304.59		304.59
Oct-23	CGM-PP-50/2023/1126 dt.04.11.2023	1,014.92	309.55	-	-	309.55		309.55
Nov-23	CGM-PP-50/2023/1285 dt.05.12.2023	825.28	251.71	-	-	251.71		251.71
Dec-23	CGM-PP-50/2023/19 dt.05.01.2024	722.90	220.48	-	-	220.48		220.48
Jan-24	RT&C-Bill-02/2023-24/37 dt.06.02.24	716.15	218.42	-	-	218.42		218.42
Feb-24	CGM-PP-50/2023/250 dt.04.03.2024	754.31	230.07	-		230.07		230.07
	Debit/Credit Bill (Jul-23 to Dec-23)	-0.10	0.00	-	0.03	-0.03		-0.03
Mar-24	CGM-PP-50/2023/358 dt.05.04.2024	975.01	297.38	-	-	297.38		297.38
Total Power Purchase Bills (A)		11,301.90	3,449.04	0.16	2.02	3,447.19		3,447.19
Inter-Discom Sale /Purchase (B)								-0.89
Total (A+B)		11,301.90	3,449.04	0.16	2.02	3,447.19	-	3,446.30

Table 7-2 Details of GRIDCO BSP Bills – FY 2024-25

Energy Bill raised by GRIDCO for the FY 2024-25								
Month	Bill No	Total MU Billed by GRIDCO	Bill value @315 paise Per kWh	Debit Bill (Rs. Cr)	Credit Bill (Rs. Cr)	Total Current Bill raised by GRIDCO (Rs. Cr)	LPS	Total Bill including LPS (Rs. Cr)
		1	2	3	4	5=2+3-4	6	7=5+6
Apr-24	GRIDCO/149/2024-SGM (Trading)-450 dt.04.05.2024	1158.10	364.80			364.80		364.80
May-24	GRIDCO/149/2024-SGM (Trading)-520 dt.05.06.2024	1264.89	398.44			398.44		398.44
	Debit Bill (FY 23-24)	0.07	0.02	0.02		0.02		0.02
Jun-24	GRIDCO/149/2024-SGM (Trading)-520 dt.05.06.2024	1213.90	382.38			382.38		382.38
	Credit Bill (Dec'23-Apr'24)	-14.53	-4.45		-4.45	-4.45		-4.45
Jul-24	GRIDCO/149/2024-SGM (Trading)-625 dt.05.08.2024	1088.67	342.93			342.93		342.93
Aug-24	GRIDCO/149/2024-SGM (Trading)-645 dt.04.09.2024	1065.79	335.72			335.72		335.72
Sep-24	GRIDCO/149/2024-SGM (Trading)-695 dt.04.10.2024	1042.56	328.41			328.41		328.41
Oct-24	GRIDCO/149/2024-SGM (Trading)-760 dt.04.11.2024	1062.42	334.66			334.66		334.66
Nov-24	GRIDCO/149/2024-SGM (Trading)-879 dt.05.12.2024	813.00	256.10			256.10		256.10
Dec-24	GRIDCO/149/2024-SGM (Trading)-39 dt.05.01.2025	736.23	231.91			231.91		231.91
Jan-25	GRIDCO/149/2024-SGM (Trading)-124 dt.05.02.2025	726.12	228.73			228.73		228.73
Feb-25	GRIDCO/149/2024-SGM (Trading)-180 dt.05.03.2025	804.43	253.40			253.40		253.40
Mar-25	GRIDCO/149/2024-SGM (Trading)-263 dt.04.04.2025	1022.73	322.16			322.16		322.16
Total Power Purchase Bills (A)		11984.39	3775.22	0.02	-4.45	3775.21	0.00	3775.21
Inter Discoms Sales/Purchase (B)		-2.938426				-0.98		-0.98
Total (A+B)		11981.45	3775.22	0.02	-4.45	3774.23	0.00	3774.23

Table 7-3: OPTCL Transmission Charges Bills for FY 2023-24

Transmission Bill raised by OPTCL for the FY 2023-24						
Month	Bill no	MU Billed by OPTCL	Transmission Charges @ 0.24P Per kWh (Rs.Cr)	Debit Bill OPTCL (Rs.Cr)	Credit bill OPTCL (Rs.Cr)	Total OPTCL Bill (Rs.Cr)
		1	2	3	4	5=2+3-4
Apr-23	RT&C-Bill-02/2022-23/220 dt.04.05.23	989.89	23.76	0.00	0.00	23.76
May-23	RT&C-Bill-02/2023-24/262 dt.05.06.23	1105.91	26.54	0.00	0.00	26.54
Jun-23	RT&C-Bill-02/2023-24/287 dt.05.07.23	1105.15	26.52	0.00	0.00	26.52
Jul-23	RT&C-Bill-02/2023-24/338 dt.05.08.23	1069.41	25.67	0.00	0.00	25.67
Aug-23	RT&C-Bill-02/2023-24/368 dt.07.09.23	1028.84	24.69	0.00	0.00	24.69
Sep-23	RT&C-Bill-02/2023-24/389 dt.06.10.23	998.41	23.96	0.00	0.00	23.96
Oct-23	RT&C-Bill-02/2023-24/418 dt.06.11.23	1013.03	24.31	0.00	0.00	24.31
Nov-23	RT&C-Bill-02/2023-24/446 dt.05.12.23	823.14	19.76	0.00	0.00	19.76
Dec-23	RT&C-Bill-02/2023-24/03 dt.05.01.24	720.92	17.30	0.00	0.00	17.30
Jan-24	RT&C-Bill-02/2023-24/37 dt.06.02.24	714.01	17.14	0.00	0.03	17.11
Feb-24	RT&C-Bill-02/2023-24/66 dt.06.03.24	751.91	18.05	0.00	0.00	18.05
Mar-24	RT&C-Bill-02/2023-24/106 dt.05.04.24	972.36	23.34	0.00	0.00	23.34
Total		11292.99	271.03	0.00	0.03	271.00



Table 7-4: OPTCL Transmission Charges Bills for FY 2024-25

Details of Transmission Bill raised by OPTCL for the FY 2024-25						
						Amount in Rs. Cr
Month	Bill no	MU Billed by OPTCL	Transmission Charges @ 0.24P Per Unit	Debit Bill OPTCL	Credit bill OPTCL	Total OPTCL Bill
		1	2	3	4	5=2+3-4
Apr-24	RT&C-Bill-02/2024-25/143 dt.06.05.2024	1,155.24	27.73	-	-	27.73
May-24	RT&C-Bill-02/2023-24/168 dt.05.06.2024	1,261.70	30.28	-	-	30.28
Jun-24	RT&C-Bill-02/2023-24/198 dt.06.07.2024	1,211.19	29.07	-	-	29.07
Jul-24	RT&C-Bill-02/2024-25/231 dt.05.08.2024	1,086.74	26.08	-	0.35	25.73
Aug-24	RT&C-Bill-02/2024-25/270 dt.05.09.2024	1,063.74	25.53	-	-	25.53
Sep-24	RT&C-Bill-02/2024-25/314 dt.05.10.2024	1,039.78	24.95	-	-	24.95
Oct-24	RT&C-Bill-02/2024-25/314 dt.05.11.2024	1,059.24	25.42	-	-	25.42
Nov-24	RT&C-Bill-02/2024-25/399 dt.05.12.2024	809.82	19.44	-	-	19.44
Dec-24	RT&C-Bill-02/2024-25/06 dt.06.01.2025	733.47	17.60	-	-	17.60
Jan-25	RT&C-Bill-02/2024-25/51 dt.05.02.2025	722.69	17.34	-	-	17.34
Feb-25	RT&C-Bill-02/2024-25/78 dt.05.02.2025	800.34	19.21	-	-	19.21
Mar-25	RT&C-Bill-02/2024-25/117 dt.07.04.2025	1,018.62	24.45	-	-	24.45
Total		11,962.56	287.10	-	0.35	286.75

Table 7-5: SLDC Charges Bills for FY-2023-24

SLDC Bill raised for the FY 2023-24		
Month	Bill no	SLDC Charges (Rs. Cr)
Apr-23	SLDC Bill No-2 Dt.30.04.2023	0.1452
May-23	SLDC Bill No-70 Dt.31.05.2023	0.1452
Jun-23	SLDC Bill No-138 Dt.30.06.2023	0.1452
Jul-23	SLDC Bill No-206 Dt.31.07.2023	0.1452
Aug-23	SLDC Bill No-274 Dt.31.08.2023	0.1452
Sep-23	SLDC Bill No-342 Dt.30.09.2023	0.1452
Oct-23	SLDC Bill No-410 Dt.31.10.2023	0.1452
Nov-23	SLDC Bill No-478 Dt.30.11.2023	0.1452
Dec-23	SLDC Bill No-546 Dt.31.12.2023	0.1452
Jan-24	SLDC Bill No-614 Dt.31.01.2024	0.1452
Feb-24	SLDC Bill No-682 Dt.29.02.2024	0.1452
Mar-24	SLDC Bill No-755 Dt.31.03.2024	0.1452
Total		1.74



Table 7-6: SLDC Charges Bills for FY-2024-25

Details of SLDC bill raised for the FY 2024-25		
Month	Bill no	SLDC Charges (Rs. Cr)
Apr-24	SLDC Bill No-2 Dt.30.04.2024	0.2039
May-24	SLDC Bill No-77 Dt.31.05.2024	0.2039
Jun-24	SLDC Bill No-152 Dt.30.06.2024	0.2039
Jul-24	SLDC Bill No-227 Dt.31.07.2024	0.2039
Aug-24	SLDC Bill No-302 Dt.31.08.2024	0.2039
Sep-24	SLDC Bill No-377 Dt.30.09.2024	0.2039
Oct-24	SLDC Bill No-452 Dt.31.10.2024	0.2039
Nov-24	SLDC Bill No-527 Dt.30.11.2024	0.2039
Dec-24	SLDC Bill No-602 Dt.31.12.2024	0.2039
Jan-25	SLDC Bill No-677 Dt.31.01.2025	0.2039
Feb-25	SLDC Bill No-752 Dt.28.02.2025	0.2039
Mar-25	SLDC Bill No-827 Dt.31.03.2025	0.2039
Total		2.45



ଓଡ଼ିଶା ସରକାର
ଶ୍ରମ ଓ କର୍ମଚାରୀ ରାଜ୍ୟ ବୀମା ବିଭାଗ
GOVERNMENT OF ODISHA, LABOUR & ESI DEPARTMENT

NOTIFICATION

No. LESI-LL1-III-0081-2017- 5308 /LESI, Bhubaneswar, dated 18-7-24

Whereas certain proposals to revise the minimum rates of wages payable to 89 Nos. of category of employees employed in scheduled employment were published as required under clause (b) of sub-section (1) of section 5 of the Minimum Wages Act, 1948 (11 of 1948) in the Extra-ordinary issue of the Odisha Gazette No. 565 dated the 13th March, 2024 under the notification of the Government of Odisha in the Labour & Employees' State Insurance Department No. 2278—LESI-LL1-III-0081/2017/LESI., dated the 13th March, 2024, inviting objections and suggestions from all persons likely to be affected thereby within a period of two months from the date of publication of the said notification in the *Odisha Gazette*;

And whereas, the Advisory Board appointed under section 7 of the said Act, has been consulted and the representations received within the period so specified in respect of the said proposal have been duly considered by the State Government;

Now, therefore, in exercise of the powers conferred by clause (b) of sub-section (1) of section 3 read with section 4 and sub-section (2) of section 5 of the said Act and in supersession of all previous notifications issued in this regard, the State Government do hereby revise the minimum rates of wages payable to Unskilled, Semiskilled, Skilled, Highly Skilled categories of employees employed in 89 employments as mentioned in the Schedule to this notification in the whole of the State of Odisha to Rs.450.00, Rs.500.00, Rs.550.00 and Rs.600.00 per day respectively, with effect from the date of publication of this notification in the Odisha Gazette. The revised minimum rates of wages shall consist of the rates of wages as set out in column (4) of the Schedule to this notification and payable to the categories of employees as mentioned in column (3) thereof. In addition to the said rates of wages, Variable Dearness Allowance (VDA) as admissible shall be declared at half-yearly interval i.e. on the 1st April and the 1st October of the year, at the rate of Rs. 2.60 paise per point rise in All India Consumer Price Index Number for Industrial Workers (base 2016-100) as may be notified by the Labour Commissioner, Odisha.

SCHEDULE

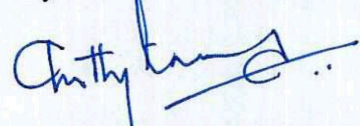
Sl. No.	Name of the Employment	Category of Employees	Revised minimum rates of wages per day
(1)	(2)	(3)	(4)
1.	Agriculture	Unskilled Semi-skilled Skilled Highly skilled	Rs. 450.00 Rs. 500.00 Rs. 550.00 Rs. 600.00
2.	Agarbati and Candle making Worker's Establishments		
3.	Automobile servicing, repairing garages and Workshops		
4.	Ayurvedic and Unani Pharmacy		
5.	Bakeries and Confectionaries including Biscuit making		
6.	Bamboo Forest Establishment		
7.	Brass and Bell Metal Industry		
8.	Carpet Weaving Industry		
9.	Cashew processing establishments		
10.	Cement pipe making and allied products industry		
11.	Ceramic and Pottery Industry		
12.	Chemical Industry		
13.	Cinema Industry and Film Production		
14.	Clay Pottery		
15.	Coir Industry		
16.	Collection of Sal Seeds		
17.	Construction or maintenance of Dams, Embankments, Irrigation Projects and Sinking of wells and tanks.		
18.	Construction or maintenance of roads or in building operations		
19.	Contingent and Casual Employees in Government and other establishments, Courier and Cargo Services		
20.	Cotton Ginning and Pressing Industry		
21.	Dispensary of Medical Practitioner in any establishment of Medical Consultant or in any Chemical or Pathological Laboratory, Private Nursing Homes, Private Medical College Hospitals, Super Specialty Hospitals, Clinic, Laboratory etc.		
22.	Distilleries		
23.	Domestic Workers (shall be calculated as per hours of work)		
24.	Electricity transmission, generation and distribution		
25.	Employment in NGO and Voluntary Social Organization		
26.	Employment in laying of underground Cables, Electric lines, Water supply lines and under Cable Operators.		
27.	Finishing and Dying of yarn and fabrics, Painting, Knitting and Embroidery		
28.	Fisheries and Sea food Industry		
29.	Forest produce such as Genduli gum, Mahua making of coal and resin.		
30.	Foundry Industry with or without attached machine shop		
31.	Glass Industries		
32.	Gold and Silver Ornaments and Articles of artistic design		
33.	Graphite Industry including Beneficiation		
34.	Handloom and Hosiery		
35.	Hotels, Eating Houses and Restaurants		
36.	Ice Factory and Cold Storage		
37.	Jute Industry and Jute Twine Industry		
38.	Kendu Leaf Collection		
39.	Khadi Village Industries including manufacture of Khandasari and other products		
40.	Laundry including Dry-washing		
41.	Leather Industry		
42.	Liquefied Petroleum Gas manufacture and distribution		

(1)	(2)	(3)	(4)
43.	Local Authority	Unskilled Semi-skilled Skilled Highly skilled	Rs. 450.00 Rs. 500.00 Rs. 550.00 Rs. 600.00
44.	Manufacture of Brush and Brooms		
45.	Manufacture of Coke and Burning Coals		
46.	Manufacture of Cold drinks, Soda and other allied products		
47.	Manufacture of Electrical Bulbs and all allied electrical equipment		
48.	Manufacture of matches, fireworks and explosives		
49.	Manufacture of nails and pins		
50.	Manufacture of paints and varnishes		
51.	Manufacture of plastic products including toys		
52.	Manufacture of Radio by assembling with parts		
53.	Manufacture of ropes		
54.	Manufacture of Utensils including Aluminum and Hindalium products		
55.	Metal Industry(except the cottage and village scale units)		
56.	Major or Minor Engineering Industry including Sponge, Secondary Steel, Rolling Mills, Ferro Alloys, Metal Industries (employment less than 50 persons)		
57.	Motor body building		
58.	Minor Ports		
59.	Non-teaching staff of Private Educational Institution including ITI & Training Institute, Coaching Centre.		
60.	Oil Mill		
61.	Paper and Cardboard Industry		
62.	Petrol and Diesel Oil Pumps		
63.	Pharmaceutical Industry		
64.	Power loom Industry		
65.	Printing Press, DTP Centre and Offset Printing Press		
66.	Private Road Transport		
67.	Private Security Agencies and Private Security Services		
68.	Public Health Engineering		
69.	Public Motor Transport		
70.	Readymade Garments Industries including Mechanized Trade of Readymade Garment Industry		
71.	Refractory Industry		
72.	Regulated markets, Marketing Societies, Co-operative Societies and Banks.		
73.	Rice Mill, Flour Mill, Dal Mill, Chuda mill and Masala Mill		
74.	Rubber and Rubber Products Industry		
75.	Salt Pans		
76.	Saw Mills		
77.	Shops, Commercial Establishments, Salon, Beauty Parlour, Spa, massaging centre, Xerox shop, STD booth, tent house, newspaper hawkers and newspaper establishments.		
78.	Siali leaf pluckers and Sal leaf pluckers		
79.	Soap and Detergent Manufactory		
80.	Social Forestry		
81.	Spinning Mills		
82.	Stone breaking or Stone crushing		
83.	Tamarind collection		
84.	Tile and Brick Making		
85.	Timber Trading (excluding felling and sawing)		
86.	Timber Trading (including felling and sawing)		
87.	Tobacco (including Bidi making) Manufactory		
88.	Trunks, Suitcase and Bucket manufactory		
89.	Wood works and furniture making industries		

Explanation:— For the purpose of this notification—

1. The minimum rates of wages are all inclusive rates including the basic rates, the cost of living allowances and the cash value of the concessional supply if any of essential commodities.
2. The daily minimum rates of wages shall be inclusive of wages payable for the weekly day of rest.
3. The minimum rates of wages are applicable to the employees employed by contractors also.
4. The minimum rates of wages for disabled persons shall be same as payable to the workers of the appropriate category.
5. There shall not be any discrimination between male and female workers in the matters of payment of minimum wages in any category of employment.
6. (a) "Unskilled work" means work which involves simple operation requiring little or no skill or experience on the job.
 (b) "Semi-skilled work" means work which involves some degree of skill or competence acquired through experience on the job and which is capable of being performed under the supervision or guidance of a skilled employee and includes un-skilled supervisory work.
 (c) "Skilled work" means work which involves skill or competence acquired through experience on the job or through training as an apprentice or in a technical or vocational institute and the performance of which calls for initiative and judgment; and
 (d) "Highly Skilled work" means work which calls for a high degree of perfection and full competence in the performance of certain tasks, acquired through intensive technical or professional training or practical work experience for long years and also required for workers to assume full responsibility for the judgment or decisions involved in the execution of these tasks.
7. An adult employee shall work for eight hours per day excluding half an hour of rest.

By order of the Governor



[CHITHRA ARUMUGAM]

Principal Secretary to Government

Memo No. 5309 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to the Director, Printing, Stationery & Publication, Odisha, Cuttack for information and necessary action.

It is requested to publish the Notification in an Extraordinary issue of the Odisha Gazette and supply 20 (Twenty) copies to this Department.

Secy 18/7/24
Additional Secretary to Government

Memo No. 5310 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to PS to Hon'ble Chief Minister, Odisha / PS to Hon'ble Minister, Labour and ESI / OSD to Chief Secretary, Odisha / PS to DC-cum-ACS, Odisha for kind information.

Secy 18/7/24
Additional Secretary to Government

Memo No. 5311 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to the Under Secretary to Government of India, Ministry of Labour and Employment, New Delhi / Labour Commissioner, Odisha, Bhubaneswar / All Departments of Government / All Heads of Departments / All RDCs / All Collectors and District Magistrates for information and necessary action.

Secy 18/7/24
Additional Secretary to Government

Memo No. 5312 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to the Director, Information and Public Relations Department for information and necessary action.

Secy 18/7/24
Additional Secretary to Government

Memo No. 5313 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to the Nodal Officer, Departmental Website, Labour & ESI Department for publication of the Notification in the official website.

Secy 18/7/24
Additional Secretary to Government

Memo No. 5314 / LESI, Bhubaneswar, dated 18-7-24

Copy forwarded to All Sections of this Department for information.

Secy 18/7/2024
Additional Secretary to Government

**OFFICE OF THE
LABOUR COMMISSIONER: ODISHA: BHUBANESWAR**

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NOTIFICATION

No. 6432/LC, Bhubaneswar, dated 30.09.2024

Whereas the minimum rate of wages for unskilled, semi-skilled, skilled and highly skilled categories of employees in 91 scheduled employments were fixed/ revised by the Government in Notification No. 5308- LESI-LL1-III-0081-2017/LESI dtd.18.07.2024 of the Labour & ESI Department, Odisha published in the Extraordinary Issue No. 1367 of the Odisha Gazette dtd. 18.07.2024 read with Notification No.6471 dtd. 20.08.2024 and Notification No.6477 dtd. 20.08.2024 of the Government.

And whereas, the State Minimum Wages Advisory Board in its 53rd Meeting have advised to adopt a system of revision of the special allowance called Variable Dearness Allowances @ Rs. 2.60 paise per point rise in All India Consumer Price Index Number for Industrial Workers (base 2016-100) as may be notified by the Labour Commissioner, Odisha at half yearly interval i.e. on 1st April and 1st October, from the date of notification of the revised wages.

And whereas, the Variable Dearness Allowance for the half year commencing w.e.f. 1st October, 2024 is required to be effected on the basis of the increase in average Consumer Price Index Number for Industrial workers reaching 139.6 from 138.8 as on 30.06.2024 and thereby resulting in an increase of 0.8 points.

Now therefore, I Sri Vijay Amruta Kulange, I.A.S., Labour Commissioner, Odisha in exercise of the powers delegated in the aforesaid Notification do hereby notify that the Variable Dearness Allowance (VDA) @ Rs. 2/- per day (after rounding off) shall be payable to the unskilled, semi-skilled, skilled and highly skilled categories of employees in all 91 scheduled employments (list enclosed in the Schedule) w.e.f. 1st October, 2024 in addition to the minimum rate of wages notified vide the aforesaid Notification of Government in Labour & ESI Department, Odisha. Accordingly, the present rate of minimum wages including VDA per day w.e.f. 1st October, 2024 shall be as under:

Category of Employee	Minimum Wage per day w.e.f. 18.07.2024	V.D.A. per day w.e.f. 1.10.2024	Minimum Wage with VDA per day w.e.f. 01.10.2024
Unskilled	Rs.450/-	Rs.2/-	Rs.452/-
Semi-skilled	Rs.500/-	Rs.2/-	Rs.502/-
Skilled	Rs.550/-	Rs.2/-	Rs.552/-
Highly Skilled	Rs.600/-	Rs.2/-	Rs.602/-

Labour Commissioner, Odisha

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Memo No. 6433 /**dtd.** 30.09.2024

Copy forwarded to All Joint Labour Commissioners / All Divisional Labour Commissioners / All District Labour Officers / All Assistant Labour Officers for information and necessary action. They are requested to circulate the same among all concerned.

Labour Commissioner, Odisha

Memo No. 6434 /**dtd.** 30.09.2024

Copy forwarded to the Director, Printing Stationery and Publication, Odisha, Madhupatna, Cuttack with a request to publish the above notification in the next issue of Odisha Gazette and supply 200 copies to this office.

Labour Commissioner, Odisha

Memo No. 6435 /**dtd.** 30.09.2024

Copy forwarded to All Heads of Departments of Odisha /All District Collectors of Odisha for information.

Labour Commissioner, Odisha

Memo No. 6436 /**dtd.** 30.09.2024

Copy submitted to All Secretaries to Government of Odisha for kind information.

Labour Commissioner, Odisha

Memo No. 6437 /**dtd.** 30.09.2024

Copy submitted to the Principal Secretary to Government, Labour & ESI Department, Odisha, Bhubaneswar for kind information.

Labour Commissioner, Odisha

SCHEDULE

Sl. No.	Name of the Employment
1	2
1.	Agriculture
2.	Agarbati and Candle making Establishments
3.	Automobile servicing, repairing garages and workshops
4.	Ayurvedic and Unani Pharmacy
5.	Bakeries and Confectionaries including Biscuit making
6.	Bamboo Forest Establishment
7.	Brass and Bell Metal Industry
8.	Carpet Weaving Industry
9.	Cashew processing establishments
10.	Cement pipe making and allied products industry
11.	Ceramic and Pottery Industry
12.	Chemical Industry
13.	Cinema Industry and Film Production
14.	Clay Pottery
15.	Coir Industry
16.	Collection of Sal Seeds
17.	Construction or maintenance of Dams, Embankments, Irrigation Projects and sinking of wells and tanks.
18.	Construction or maintenance of roads or in building operations
19.	Contingent and Casual Employees in Govt. and other establishments, Courier and Cargo Services
20.	Cotton Ginning and Pressing Industry
21.	Dispensary of Medical Practitioner in any establishment of medical consultant or in any Chemical or Pathological Laboratory, Private Nursing Homes, Private Medical College Hospitals, Super Specialty Hospitals, clinic, laboratory etc.
22.	Distilleries
23.	Domestic Workers (shall be calculated as per hours of work)
24.	Electricity transmission, generation and distribution
25.	Employment in NGO & Voluntary Social Organization
26.	Employment in laying of underground Cables, Electric lines, Water supply lines and under Cable Operators.
27.	Finishing Dying of yarn and fabrics, painting, knitting and embroidery
28.	Fisheries and Sea food Industry
29.	Forest produce such as Genduli-gum, Mahua making of coal and resin.
30.	Foundry Industry with or without attached machine shop
31.	Glass Industries
32.	Gold and Silver Ornaments and articles of artistic design
33.	Graphite Industry including beneficiation
34.	Handloom and Hosiery
35.	Hotels, Eating Houses and Restaurants
36.	Ice Factory and Cold Storage
37.	Jute Industry and Jute Twine Industry
38.	Kendu Leaf Collection
39.	Khadi Village Industries including manufacture of Khandasari and other products
40.	Laundry including dry-washing
41.	Leather Industry
42.	Liquified Petroleum Gas manufacture and distribution
43.	Local Authority
44.	Manufacture of brush and brooms
45.	Manufacture of Coke and Burning Coals

46.	Manufacture of Cold drinks, Soda and other allied products
47.	Manufacture of Electrical Bulbs and all allied electrical equipment
48.	Manufacture of matches, fireworks and explosives
49.	Manufacture of nails and pines
50.	Manufacture of paints and varnishes
51.	Manufacture of plastic products including toys
52.	Manufacture of Radio by assembling with parts
53.	Manufacture of ropes
54.	Manufacture of Utensils including Aluminum and Hindalium products
55.	Metal Industry (except the cottage and village scale units)
56.	Major or Minor Engineering Industry including Sponge, Secondary Steel, Rolling Mills, Ferro Alloys, Metal Industries (employment less than 50 persons)
57.	Motor body building
58.	Non-teaching staff of all private Educational Institutions including ITI & Training Institute Coaching Centre.
59.	Oil Mill
60.	Paper and Cardboard Industry
61.	Petrol and Diesel Oil pumps
62.	Pharmaceutical Industry
63.	Powerloom Industry
64.	Printing Press, DTP centre and offset printing press
65.	Private Road Transport
66.	Private Security Agencies and Private Security Services
67.	Public Health Engineering
68.	Public Motor Transport
69.	Readymade Garments Industries including Mechanized Trade of Readymade Garment Industry
70.	Refractory Industry
71.	Regulated markets, Marketing Societies, Co-operative Societies and Banks.
72.	Rice Mill, Flour Mill or Dal Mill, Chuda mill and Masala Mill
73.	Rubber and Rubber Products Industry
74.	Salt Pans
75.	Saw Mills
76.	Shops, Commercial Establishments, saloon, beauty parlour, Spa, massaging centre, Xerox shop, STD booth, tent house, newspaper hawkers and newspaper establishments.
77.	Siali leaf pluckers & Sal leaf pluckers
78.	Soap and Detergent Manufactory
79.	Social Forestry
80.	Spinning Mills
81.	Stone breaking or Stone crushing
82.	Tamarind collection
83.	Tile and Brick Making
84.	Timber Trading (excluding felling and sawing)
85.	Timber Trading (including felling and sawing)
86.	Tobacco (including Bidi making) Manufactory
87.	Trunks, Suit case and Bucket manufactory
88.	Wood works and furniture making industries
89.	Minor Ports
90.	Sericulture Activities (As per Notification No.6471 dtd.20.08.2024 of Govt.)
91.	Swachha Karmi (As per Notification No.6477 dtd.20.08.2024 of Govt.)

Annexure-4

TPCODL

**REPORT ON AVAILABILITY OF FIXED
ASSETS AS ON 30.06.2024(Having depreciated 90%
or above on 30.06.2024)**

UDIN: 24057557BKFOLW1195

By
Pratyush & Associates
Chartered Accountants

REPORT ON AVAILABILITY OF FIXED ASSETS AS ON 30.06.2024

Client Name: - TPCODL (TP Central Odisha Distribution Ltd.) Unit-8, Power House Square, Bhubaneswar, Khordha, Odisha-751012.

Independent Practitioner's Report on Fixed Assets having depreciated 90% or more

This report is issued in accordance with the terms of our agreement dated 17.09.2024.

The accompanying category of Schedule of Fixed Assets as at 30.06.2024 has been prepared by TPCODL (the "Company") in respect of availing normative R&M on assets having depreciated 90% or above and in active use.

Management's Responsibility

The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company's Management is responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The Company's Management is also responsible for ensuring that the Company complies with the requirements of the OERC rules and guidelines and for providing all relevant information to the regulators. Company is also responsible for maintaining assets like overhead lines/cables, (33/11 KV HT/LT) UG Cables and miscellaneous other assets for uninterrupted supply of electricity to its consumers.

Practitioner's Responsibility

It is our responsibility to report on the Statement of fixed assets based on our examination of the matters in the Statement with reference to the books of account, physical verification reports and SAP Fixed Asset Register of the Company for the period ended 30th June, 2024, which have been subjected to audit pursuant to the requirements of the Companies Act, 2013.

The information available in financial statements for the period ended 30th June, 2024 supported by SAP Fixed Assets Register (so far as it relates to the above type of depreciated assets), have been verified /audited by us. The physical verification of assets has been conducted for entire assets as on 01.06.2020 followed by periodically (One third of total assets in each year to cover 100% assets in a span of three years) in accordance with the Standards on Auditing and other applicable

pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit for issue of certificate etc.to obtain reasonable assurance.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

*Based on our examination, as above, and the information and explanations given to us, we report that the Statement (**Annexure-A**) is in agreement with the books of account and other records of the Company as produced to us for our examination in respect of its physical presence and its connectivity to the network supplying the electricity to consumers.*

Restriction on Use

This report has been issued at the request of the Management of the Company, for submission to OERC (Odisha Electricity Regulatory Commission), Bhubaneswar, pursuant to the requirements of the Scheme. Our report should not be used for any other purpose or by any person other than the addressees of this report. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Pratyush & Associates

Chartered Accountants



P.R. Mohanti, FCA, DISA, FAFP, IFRS, AI-L1(ICAI)

Partner

Place: Bhubaneswar,

Date: 25.10.2024

Annexure-A

Details of Assets depreciated 90% and above as on 30.06.2024	Rs. in Crore
Asset class	
11 KV OH	122.40
33 KV OH	59.37
DSS	390.92
LT OH	147.67
IT & Other Assets	30.99
PSS	288.97
UG Cable	4.80
Grand Total	1,045.12



STATEMENT OF ASSETS CREATED UNDER GOVT. PROJECTS AS ON 31.03.2024				
	Name of the Scheme	ODSSP		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	205.73	804.61	1,010.34
	TPNODL	148.04	584.71	732.75
	TPSODL	114.85	698.87	813.72
	TPWODL	192.38	886.18	1,078.56
	TOTAL	661.00	2,974.37	3,635.37
	Name of the Scheme	ODSSP PH-IV as on 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL			
	TPNODL	182.49		182.49
	TPSODL			
	TPWODL	216.92		216.92
	TOTAL	399.41		399.41
	Name of the Scheme	SCRIPS 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	136.35	622.06	758.41
	TPNODL			
	TPSODL			
	TPWODL			
	TOTAL	136.35	622.06	758.41
	Name of the Scheme	SETU 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPSODL		14.2	14.20
	TOTAL		14.20	14.20

	Name of the Scheme	DDUGJY 31.03.2024		
				(Rs in crore)
SI No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		289.97	289.97
	TPNODL		446.49	446.49
	TPSODL		395.08	395.08
	TPWODL		373.42	373.42
	TOTAL	-	1,504.96	1,504.96
	Name of the Scheme	IPDS 31.03.2024		
				(Rs in crore)
SI No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		217.73	217.73
	TPNODL		293.66	293.66
	TPSODL		241.64	241.64
	TPWODL		244.65	244.65
	TOTAL	-	997.68	997.68
	Name of the Scheme	SOUBHAGYA 31.03.2024		
				(Rs in crore)
SI No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		168.99	168.99
	TPNODL		124.27	124.27
	TPSODL		191.44	191.44
	TPWODL		158.50	158.50
	TOTAL	-	643.20	643.20
	Name of the Scheme	NABAKALEBARA 31.03.2024		
				(Rs in crore)
SI No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		158.83	158.83
	TPNODL			-
	TPSODL			-
	TPWODL			-
	TOTAL	-	158.83	158.83

	Name of the Scheme	RGGVY 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		38.93	38.93
	TPNODL		3.51	3.51
	TPSODL		11.59	11.59
	TPWODL		26.94	26.94
	TOTAL	-	80.97	80.97
	Name of the Scheme	ODAFFP 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL	7.21	59.24	66.45
	TPNODL	40.87	13.10	53.97
	TPSODL	6.62		6.62
	TPWODL			-
	TOTAL -ODAFFP	54.70	72.34	127.04
	Name of the Scheme	BGJY OPTCL DTR 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL		153.33	153.33
	TPNODL		34.89	34.89
	TPSODL		45.71	45.71
	TPWODL		41.08	41.08
	TOTAL	-	275.01	275.01
	Name of the Scheme	IPDS IT PH-II 31.03.2024		
				(Rs in crore)
Sl No	Name of the DISCOM	WIP	Completed	Total
	TPCODL			-
	TPNODL		54.20	54.20
	TPSODL		54.20	54.20
	TPWODL		54.20	54.20
	TOTAL	-	162.60	162.60

MINUTES OF MEETING OF 1ST MEETING OF COMMITTEE FOR DEVELOPMENT OF PROTOCOL FOR ASSET MANAGEMENT OF GOI/GOO FUNDED SCHEMES HELD ON 12.10.2023 AT 4PM.

The list of participants is placed at **Annexure-1**.

Welcoming the members, Director (F&CA), GRIDCO briefed about the decision taken during the meeting held on 2nd Sept'2023 under the chairmanship of ACS, Energy Department and Chairman, GRIDCO on proper management of GoI/GoO funded Electrical Distribution Assets and necessity for development a protocol for management of GoI/GoO funded Electrical Distribution Assets.

A brief presentation was given on the status of assets created by OPTCL, NTPC, PGCIL and by DISCOMs till 31.03.2023.

The details of deliberation and decision taken in the meeting as follows:

1. Fixed Asset Register (FAR) of GoI/GoO funded schemes implemented through OPTCL and Central Agencies.

- a. OPTCL clarified that they have provided the Fixed Assets Register for SCRIPS, DDUGJY, IPDS, ODSSP, Nabakalebar Schemes to GRIDCO as well as to respective DISCOMs after obtaining certification from external Audit Firm valuing total to the tune of Rs.6542.55 crore as on 31.03.2023 which includes Rs5199.75 Crore capitalised and Rs1342.80 crore CWIP. A detail statement in this regard is enclosed at **Annexure-2**.

However, CFOs of respective DISCOMs stated that they have not received the copy of the FAR so forwarded by OPTCL. CFO, OPTCL agreed to resend the Asset Register to all CFOs of Discoms both the hard copy by post and soft copy through e-mail.

- b. CGM(F), DMU clarified that, the implementing Agencies such as NTPC & PGCIL have submitted the FAR copy to Respective Discoms as well as GRIDCO to the tune of Rs.6629.06 crore for DDUGJY 10th Plan, DDUGJY 11th Plan, DDUGJY 12th plan etc. A detail statement in this regard is enclosed at **Annexure-3**.

However, CFOs of respective DISCOMs stated that they have not received the copy of the FAR so forwarded by either PGCIL or NTPC.



It was decided that, CGM(F), DMU to forward the copy of Asset Register so submitted by NTPC and PGCIL to all CFOs of Discoms both the hard copy by post and soft copy through e-mail.

2. Fixed Asset Register (FAR) of GoI/GoO funded schemes implemented by Discoms.

Discoms are the implementing Agency of various Government funded Schemes such as Saubhagya, BGJY, CAPEX, R-APDRP, DESI, Elephant Corridor, shifting of lines & S/S from School Anganwadi etc. during Pre-vesting period as well as post-vesting period. However, no FAR copy has yet been received from Discoms.

Respective Discoms were agreed to share the copy of FAR created post vesting period to GRIDCO as well as to Energy Department duly verified by Third Party Auditors.

Further, it was advised to prepare the FAR for pre-vesting period by collecting information from respective Divisions within one month period positively and forward the same to GRIDCO as well as to Energy Department after obtaining certification from the Third-Party Auditors.

3. Development of a protocol for Assets Management of GoI / GoO Funded Schemes.

Detailed discussions and deliberations were made regarding preparation of draft protocol for Assets Management of GoI / GoO Funded Schemes.

It was deliberated that the protocol should cover the details about the date of Assets creation, value of assets, its location, O&M allowed by OERC and spent in each year of operation, date of retirement of assets, major R&M done including source of fund for special R&M etc.

As OPTCL is having the expertise of executing/implementing the Govt. Funded schemes for DISCOMs, it was decided that; OPTCL to draft the protocol for Asset Management up to Capitalisation of Assets and hand over to CGM(F), DMU as well as to both the Auditors. CFO of TP Discoms are requested to share their insights to CGM(F), DMU as well as the Auditors for value addition.

8

CA, Dinkar Mohanty of M/s Tejraj Pal & Co and CFO, GRIDCO were requested to draft the Protocol jointly with CA Dilip Jena of SRB taking draft from CFO, OPTCL.

The draft Protocol will be presented for deliberation in the next meeting.

The next meeting will be held after 15 days and shall be informed accordingly well in advance.

The meeting ended with a vote of thanks to the Chair and the participants.



19/11/2023
Director (F&CA)


Members Present in the meeting regarding 1st Committee to develop a protocol of Asset Management of Gol/GoO funded scheme on 12.10.2023 at 04.00 PM in the Conf. hall of GRIDCO

Sl NO	Name	Designation	Company Name	Signature
1	Sri G. B Swain	Director (F&CA)	Gridco	
2	Sri S. K Sahu	CFO	Gridco	
3	Sri U. K Gupta	CFO	OPTCL	
4	Sri B. C Padliha	CGM (F)	Gridco	
5	Sri S. Sahu	GM (F)	OPTCL	
6	Sri Dinkar Mohanty	TRP	Auditor	
7	Sri Dileep Jena	SRBS Associates Auditor		
8	CA Dinkar Mohanty	Trip & 1/2		
9	FA cum Addl Secy	'	GoO, DoE	
10	1st G			
11	C. F. O		TPCODL	Through VC
12	C. F. O		TPWDDL	Through V.C
13	C. F. O		TPSODL	Through V.C
14	C. F. O		TPNODL	Through V.C
15				
16				
17				
18				
19				
20				

Name of the Asset Created Agency-OPTCL AS ON 31.03.2023					
Rs. In Crore					
SI No	Name of Scheme	Name of Discoms	Assets Value		
			Completed	WIP	Total
1	SCRIPS	TPCODL	268.72	254.63	523.35
2	DDUGJY	TPCODL	294.99		294.99
		TPNODL	368.36		368.36
		TPSODL	273.21		273.21
		TPWODL	293.39		293.39
		Total	1229.95	0.00	1229.95
3	IPDS	TPCODL	195.61		195.61
		TPNODL	280.71		280.71
		TPSODL	211.86		211.86
		TPWODL	223.11		223.11
		Total	911.29	0.00	911.29
5	ODSSP	TPCODL	507.97	543.43	1051.40
		TPNODL	463.36	291.65	755.01
		TPSODL	760.18	68.62	828.80
		TPWODL	899.45	184.47	1083.92
		Total	2630.96	1088.17	3719.13
6	NABAKALEBAR	TPCODL	158.83		158.83
TOTAL OF ALL PROJECT		TPCODL	1426.12	798.06	2224.18
		TPNODL	1112.43	291.65	1404.08
		TPSODL	1245.26	68.62	1313.88
		TPWODL	1415.95	184.47	1600.42
		Total	5199.75	1342.80	6542.55

Assets Executed by Cenral Agencies				
Name of the assets Created agency - PGCIL				
Rs. In Crore				
Scheme Sl No	Scheme Name	DISCOM	Value as on	Completed Value
1	DDUGJY 11th Plan	TPCODL	18.01.2016	369.22
		TPNODL	19.09.2015	650.50
		TPSODL	21.03.2018	269.58
		TPWODL	16.07.2015	192.80
		Sub-Total		1482.10
2	DDUGJY 12th plan	TPCODL	10-03-2021	439.88
		TPNODL	12-02-2021	620.05
		TPSODL	30-11-2020	582.70
		TPWODL	30-11-2020	492.57
		Sub-Total		2135.20
PGCIL Total				3617.30
Name of the assets Created agency -NTPC				
1	DDUGJY 10th Plan	TPCODL	Not available	194.32
		Sub- Total		194.32
2	DDUGJY 11th Plan	TPCODL		62.30
		TPNODL		123.39
		TPSODL		113.98
		TPWODL		418.91
		Sub-Total		718.58
3	DDUGJY 12th Plan	TPCODL	As on 31.03.2022	372.96
		TPNODL		326.83
		TPSODL		375.36
		TPWODL		1023.72
		Sub- Total		2098.86
NTPC Total				3011.76
Central Agency (PGCIL + NTPC) Grand Total				6629.06

INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT				Assessment Year 2024-25
[Where the data of the Return of Income in Form ITR-1(SAHA)], ITR-2, ITR-3, ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified] (Please see Rule 12 of the Income-tax Rules, 1962)				
PAN	AAHCT8404D			
Name	TP CENTRAL ODISHA DISTRIBUTION LIMITED			
Address	Power House Square, Unit-8, Bhubaneswar, Khordha, Nayapalli S.O, Bhubaneswar , KHORDA , 24-Odisha, 91-INDIA, 751012			
Status	6-Public company	Form Number	ITR-6	
Filed u/s	139(1)-On or before due date	e-Filing Acknowledgement Number	668020891301024	
Taxable Income and Tax Details	Current Year business loss, if any	1	0	
	Total Income	2	54,97,94,430	
	Book Profit under MAT, where applicable	3	0	
	Adjusted Total Income under AMT, where applicable	4	0	
	Net tax payable	5	13,83,72,263	
	Interest and Fee Payable	6	0	
	Total tax, interest and Fee payable	7	13,83,72,263	
	Taxes Paid	8	17,69,87,213	
	(+) Tax Payable /(-) Refundable (7-8)	9	(-) 3,86,14,950	
Accreted Income and Tax Detail	Accreted Income as per section 115TD	10	0	
	Additional Tax payable u/s 115TD	11	0	
	Interest payable u/s 115TE	12	0	
	Additional Tax and interest payable	13	0	
	Tax and interest paid	14	0	
	(+) Tax Payable /(-) Refundable (13-14)	15	0	
This return has been digitally signed by <u>SANJAY BANGA</u> in the capacity of <u>Director</u> having PAN <u>ABGPB9156P</u> from IP address <u>136.226.233.81</u> on <u>30-Oct-2024 13:59:01</u> at <u>49.37.114.13</u> (Place) DSC SI.No & Issuer <u>6308794</u> & <u>196775139921083CN=SignX sub-CA for Class 3 Individual 2022,OU=Sub-CA,O=FuturiQ Systems Private Limited,C=IN</u>				
System Generated Barcode/QR Code	 AAHCT8404D066680208913010246fd7f402eb92634f4a2d6bfb696f76a534dfd0fc			
DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU				

INDIAN INCOME TAX RETURN ACKNOWLEDGEMENT			Assessment Year 2025-26
[Where the data of the Return of Income in Form ITR-1(SAHA)], ITR-2, ITR-3, ITR-4(SUGAM), ITR-5, ITR-6, ITR-7 filed and verified] (Please see Rule 12 of the Income-tax Rules, 1962)			
PAN	AAHCT8404D		
Name	TP CENTRAL ODISHA DISTRIBUTION LIMITED		
Address	Power House Square, Unit-8, Bhubaneswar, Khordha, Nayapalli S.O, Bhubaneswar , KHORDA , 24-Odisha, 91-INDIA, 751012		
Status	6-Public company	Form Number	ITR-6
Filed u/s	139(1)-On or before due date	e-Filing Acknowledgement Number	374819821311025
Taxable Income and Tax Details	Current Year business loss, if any	1	0
	Total Income	1A	2,03,47,05,700
	Book Profit under MAT, where applicable	2	0
	Adjusted Total Income under AMT, where applicable	3	0
	Net tax payable	4	51,20,94,730
	Interest and Fee Payable	5	45,25,373
	Total tax, interest and Fee payable	6	51,66,20,103
	Taxes Paid	7	51,66,86,235
	(+) Tax Payable /(-) Refundable (6-7)	8	(-) 66,130
Accreted Income and Tax Detail	Accreted Income as per section 115TD	9	0
	Additional Tax payable u/s 115TD	10	0
	Interest payable u/s 115TE	11	0
	Additional Tax and interest payable	12	0
	Tax and interest paid	13	0
	(+) Tax Payable /(-) Refundable (12-13)	14	0
This return has been digitally signed by <u>SANJAY KUMAR BANGA</u> in the capacity of <u>Director</u> having PAN <u>ABGPB9156P</u> from IP address <u>136.226.233.6</u> on <u>31-Oct-2025 17:37:03</u> at <u>Mumbai</u> (Place) DSC SI.No & Issuer <u>6308794</u> & <u>196775139921083CN=SignX sub-CA for Class 3 Individual 2022,OU=Sub-CA,O=FuturiQ Systems Private Limited,C=IN</u>			
System Generated Barcode/QR Code	 AAHCT8404D06374819821311025c2b447b150a876f80ecd4208b91305862ad06be1		
DO NOT SEND THIS ACKNOWLEDGEMENT TO CPC, BENGALURU			

ANNEXURE-A:
OPERATIONAL AND OVERALL PERFORMANCE HIGHLIGHTS

1.1 Safety Initiatives:

1. Safety is the core value of TPCODL and all operational initiatives of TPCODL revolves around safety of its employees, general public at large and safety of stray animals. TPCODL is committed to provide a safe and healthy working environment to all of its Employees as well as stakeholders. Safety at TPCODL is driven by Tata Power Safety and Health Management which works on reducing hazards in the workplace, improving Governance framework to monitor the safety related issues, capability development, strengthening of infrastructure and taking measures to ensure continuous improvement to develop and percolate the Safety culture among Stakeholders. Since its inception, TPCODL has taken various initiatives towards Public and Employee Safety to improve safety culture of the Organization.
2. TPCODL has taken various initiatives for Public Safety as well as to ensure safety at workplace for Employees in FY 2023 -24 & FY 2024 – 25. Some of the major initiatives taken are as follows.

1.1.1 Initiatives taken for Public and Animal Safety

1. Infrastructure Safety Enhancements

- i. **Drive to Identify Unsafe Locations:** Special drives were conducted to identify and rectify hazardous conditions such as unfenced distribution transformers, leaning poles, and low-clearance electrical lines. Identified issues are prioritized and remediated based on risk severity.
- ii. **Leakage Current Checks:** Routine leakage current inspections were carried out at poles and substation fences in high-risk zones e.g. markets, schools, and public spaces.

2. Wildlife Protection Measures

- i. In the elephant corridors, bare conductors are being replaced with insulated covered conductors. Joint surveys are planned to assess the feasibility of underground cabling in forested regions.
- ii. Night patrols were conducted in collaboration with forest officials to deter illegal hooking and poaching.
- iii. Coordination meetings were held with DFOs and RCCFs to prevent elephant electrocution and wildlife-related incidents.



3. Control of Unauthorized Construction

- i. Notices were issued to individuals undertaking unauthorized construction near TPCODL's electrical assets. Copies were forwarded to district authorities, police, and electrical inspectorates.
- ii. Boundary walls and fencing were installed around distribution substations to prevent unauthorized access by the public and animals.

4. Public Awareness and Education

- i. Suraksha Sachetan Rath (LED Mobile Van) campaigns were conducted across villages to display safety videos.
- ii. Leaflets containing safety precautionary messages were distributed to the public.
- iii. Awareness campaigns were intensified during festive seasons using print, electronic media, banners, and social media.
- iv. Safety jingles and caution messages were broadcast via PA systems on maintenance vehicles and FM radio stations.
- v. Safety Posters and hoardings were displayed at bill collection centers, substations, and other public-facing sites.
- vi. Safety awareness sessions, Quiz , Poster, Slogan and Debate competitions, and interactive events were conducted in schools and colleges.
- vii. Safety messages were printed on electricity bills.
- viii. Community meetings (Chaupadi) were held in villages to discuss the consequences of unsafe acts and unauthorized interference with electrical networks.
- ix. Social media platforms like X (Twitter) and Facebook were used for continuous engagement and awareness creation.
- x. The "Gaja Sanrakshana" team surveyed over 6,412 households during the FY 2024-25 in elephant corridors, educating families about safe practices and human-elephant coexistence.
- xi. Village volunteers (Gaja Sathis) were trained to act as safety educators and intelligence informants.
- xii. Over 100 street performances using the Pala art form were conducted by eKalakar artists, with plans to expand to 160 villages in FY 2024-25.

1.1.2 Initiatives taken for enhancing Safety of Employees:

TPCODL has taken following initiatives for enhancement of Employee Safety.

1. Governance and Training



- i. Safety Committees were established at Headquarter, Circle, and Division levels to oversee implementation of the Tata Safety and Health Management System.
- ii. Hands-on safety training was conducted at Skill Development Centers under certified trainers.
- iii. Specialized training programs (SHE L1–L3, Tech L1–L3) were conducted for field workforce and engineers.
- iv. Competency mapping of BA Linemen was carried out to ensure deployment of skilled manpower at FCC.

2. Daily Operations and Monitoring

- i. Daily 'Sunrise Meetings' were held to brief the working teams on safe work practices and job-specific hazards.
- ii. Monthly safety webcasts “Surksha Viram” were conducted to share learnings from incidents across DISCOMs.
- iii. 24x7 centralized monitoring of shutdown and breakdown is being conducted through APSCC/PSCC.

3. Behavioral and Family Engagement

- i. Behavior Based Safety Training Program were conducted in 2025 for TPCODL & BA Employees.
- ii. Program to Behavior change with the help of 'Hum Surakshit, Ghar Surakshit' program was conducted for linemen, helpers, and their families.

4. Contractor Safety Management

- i. Safety evaluations are conducted for each and every vendor to exclude poor performers.
- ii. Kick-off meetings are organized post contract award to communicate safety expectations.
- iii. Penalties were imposed for safety violations, and safety performance was linked to monthly payments.

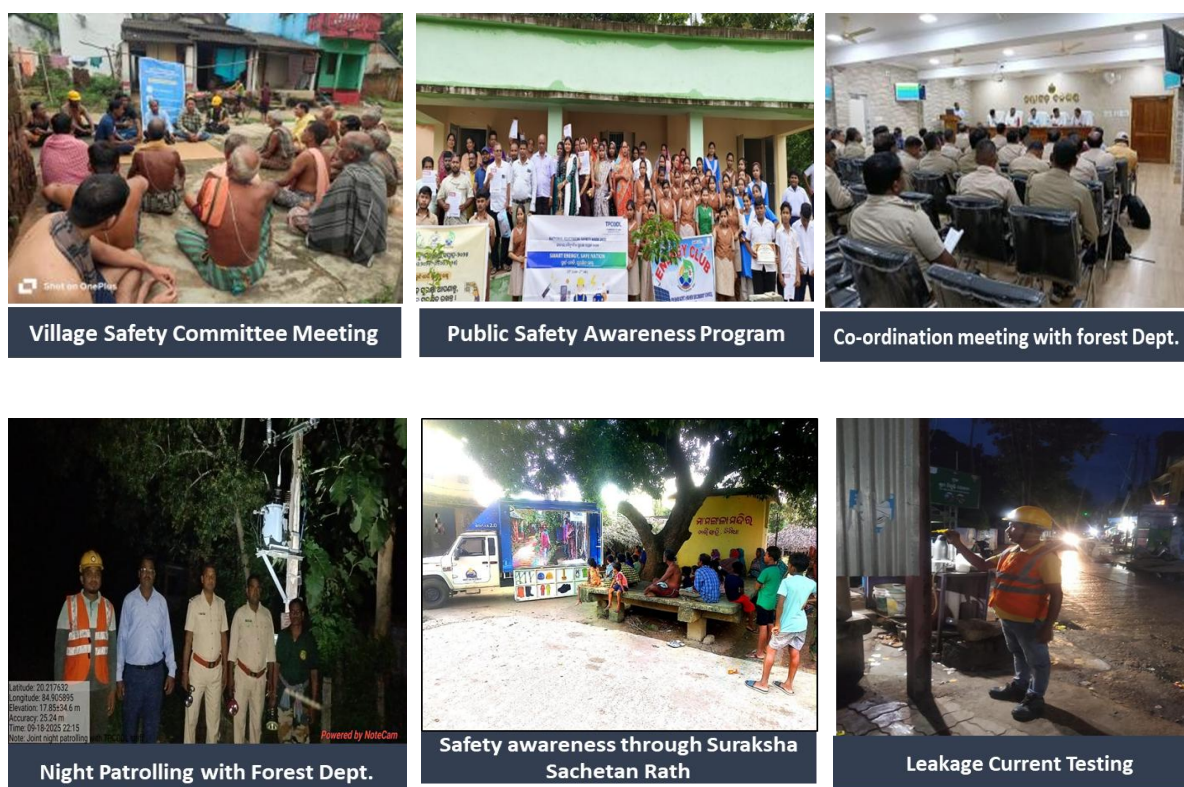
5. Technology and Equipment

- i. Mobile apps such as BAMS, Surakhsha Prahari, and Surakhsha Kavach were deployed for ID management, incident reporting, and PTW monitoring.
- ii. Technological tools like induction voltage sensor helmets and multifunctional discharge rods were introduced.
- iii. 100% of employees were equipped with certified PPEs, with regular inspections and replacements.

6. Audits and Emergency Preparedness

- i. Regular field safety audits were conducted to verify compliance by TPCODL and BA personnel.
- ii. Alcohol checks were conducted using breath analyzers.
- iii. Fire extinguishers were installed at all substations, offices, and stores, with periodic mock drills.
- iv. Job Cycle Checks (JCC) and Safety Marshals were deployed to ensure SOP compliance.
- v. Mass safety drives such as 'Surakhsha Sampark' and 'Back to Basics' were conducted, covering over 11,000 employees.
- vi. 'Surakhsha Viram' was observed on the first Monday of every month to reinforce safe work culture.
- vii. Provided 100% Safety PPEs like Safety Shoes, 33KV/11KV/LT Hand Gloves, Safety Helmet, full body safety harness, reflective jackets etc. to all the TPCODL Employees.
- viii. All the Primary Sub-stations, Stores, Offices have been provided fire extinguisher system of different types and capacity to meet any fire hazards. Also, training on use of these equipment are being provided to the Sub-station operators and field staff.

Picture 1: Safety Indicatives





Workforce hands on training at Practice Yards



Field Engineers capability building training



Fire emergency mock drill



Employee Family meet program on safety



R&R to field workforce at Site



PPE inspection at FCC & PSS

1.2 Operational Initiatives:

The following are some of the initiatives taken to achieve operational excellence is as provided below.

1.2.1 Condition Based Maintenance

1. Dissolved Gas Analysis (DGA), water content testing, and furan analysis: For Transformer health analysis
2. Ultrasonic detection / Partial Discharge: For detecting leakage, wear and tear of in switch gears and transformers
3. Thermography: For detecting hot spots using infrared cameras.

1.2.2 Opex Optimization

1. Rs 2.8 Cr savings in FY-25 through In-house repairing of DTs, Switchgears, RMUs. Additional PTR: 42 Nos, RMU: 21 Nos, CSS: 3 Nos, DTR : 58 Nos & LT switchgear: 150 Nos were also refurbished in FY-24.
2. Rs 1.2 Cr saved in FY-25 through on-site repair of PTRs (12 Nos.) and 11 KV CBs, Discharge rods and neon testers.
3. Trolley mounted DSS- 9 Nos. in FY-24 and 13 Nos. in FY-25
4. Utilization of dismantled but useable materials.
5. Unmanning of PSS: 82 nos, 250 nos PSS integrated with SCADA till FY-25

1.2.3 Network Interventions

1. Network Safety

In FY-25, DISCOM has attended more than 64000 of unsafe locations to enhance public safety. Following major measures has been taken to make network safe and enhance reliability.

- i. Open fuses at LT level has been replaced by LT Distribution Box at 1301 nos of location & using Kitkat at 1800 Nos. of location.
- ii. Around 17000 Nos. of LT/ HT interposing poles have been erected.
- iii. 450 Nos. unfenced DT's has been fenced, out of which 115 nos is under elephant corridor area
- iv. Weekly Leakage current verification & rectification drive conducted.

2. Distribution Network

- i. Capacity additions to the distribution network totaled 85 MVA in FY-24 and 227.5 MVA in FY-25. These were achieved through 544 distribution transformer (DT) augmentations and 69 new distribution substations in FY-24, and through the addition of 1,962 DTs along with the augmentation and swapping of 703 DTs in FY-25.
- ii. Around 800 km LT ABC added in the network during FY-25.
- iii. DTR Load balancing: 7476 Nos. in FY-24 & 7976 Nos. in FY-25

3. Sub-transmission Network

FY-24:

- i. New DC system installed in PSS : 70 Nos.
- ii. Master trip relay installed: 30 Nos.
- iii. Replacement of Electro Mechanical Relay with Numeric Relay: 123 Nos.
- iv. Hot Spots identified/ rectified: 1529/ 1529 Nos.
- v. Dissolved Gas Analysis: Total PTR Samples taken: 1442, Abnormal Cases: 25, Attended: 25
- vi. Ultrasonic detection / Partial Discharge: Sample taken: 665 Abnormal Cases: 424, Attended: 424 Nos.
- vii. PTR Augmentation: 55 Nos.
- viii. PTR Capacity addition: 66 MVA

FY-25:

- i. 295 MVA has been added in Sub-transmission network through addition of 2 Nos. of New PSS, 10 Nos. New higher rating (25 MVA, 16 MVA) Power Transformers and augmentation/ swapping of 46 Nos. of Power Transformers.
- ii. 67 Nos. Control Relay Panel, 83 Nos. Circuit Breaker & 46 Nos. indoor switch board has been replaced to enhance protection measures at PSS.
- iii. Earthing condition improved at 36 Nos. PSS.
- iv. Battery Charger replaced at 59 Nos PSS & battery bank replaced at 125 Nos PSS.
- v. Installation of Bay Control and Protection Unit Relay with Numeric Relay: 219 Nos.

1.2.4 Preventive Maintenance

1. Sub Transmission System

Activity	As on Mar'25
PSS Maintenance (%)	100% Against Planned
33 kV Feeder Maintenance (%)	100% Against Planned

2. Distribution System: Status for FY 2024-25

Initiative	UoM	Achieved	Remarks
Installation of Shear Bolted Type DTR connectors.	EA	2000	**Installed at BBSR City for DTR >= 250kVA
Installation of PG Clamp & C Wedge connector	EA	3022	Urban / Industrial Feeders
Oil top for DTR	kL	64.18	
Installation of Polymeric LA Installation	EA	6588	
Installation of HT Sleeves & HT/LT Tapes.(3 M)	M	2771	Urban / Industrial Feeders
Usage of HT /LT Insulation Tape	Roll	1123	
Installation of LT Service Distribution Boxes	EA	5663	Installed under pole cleaning drive
Thermoscanning	DSS	3720	
Installation of Bird Guard	EA	7423	
Installation of DTR Bushing Cap	EA	2500	

Earthing Repair + Installation of New Earthing	EA	2027	
Installation of New Earthing	Nos.	1320	
Installation of Anti Theft LV Tape	Roll	354	
Tilted poles made Straight	Nos.	2617	
Re-sagging of HT/LT Conductor/Cable for improving Ground Clearance	Span	17188	
Interposing poles installed to improve HT/LT Ground Clearance	Nos.	16772	
Replacement of missing / damaged LT Fusing arrangements	Nos.	7491	
Stay Set for pole support	Nos.	148	
AB Switch Replaced/Repaired	Nos.	6805	

TPCODL has established a state-of-the-art Distribution Transformer (DT) Workshop at Choudwar, Cuttack. The advanced DT workshop will enable in-house testing and repair of transformers through latest technologies and equipment. This represents a significant milestone in our journey towards excellence.

Picture 2: Inauguration of DT Workshop



Glimpse of some key initiatives taken by TPCODL for achieving Operational excellence is provided below.

Picture 3: Operational Indicatives



Commissioning of 33//11 KV Manguli PSS



Cable route tracing before excavation near cable route to avoid external damage



Commissioning of 33//11 KV Badagada PSS



Upgradation of PTR



Installation of Auto reclosure



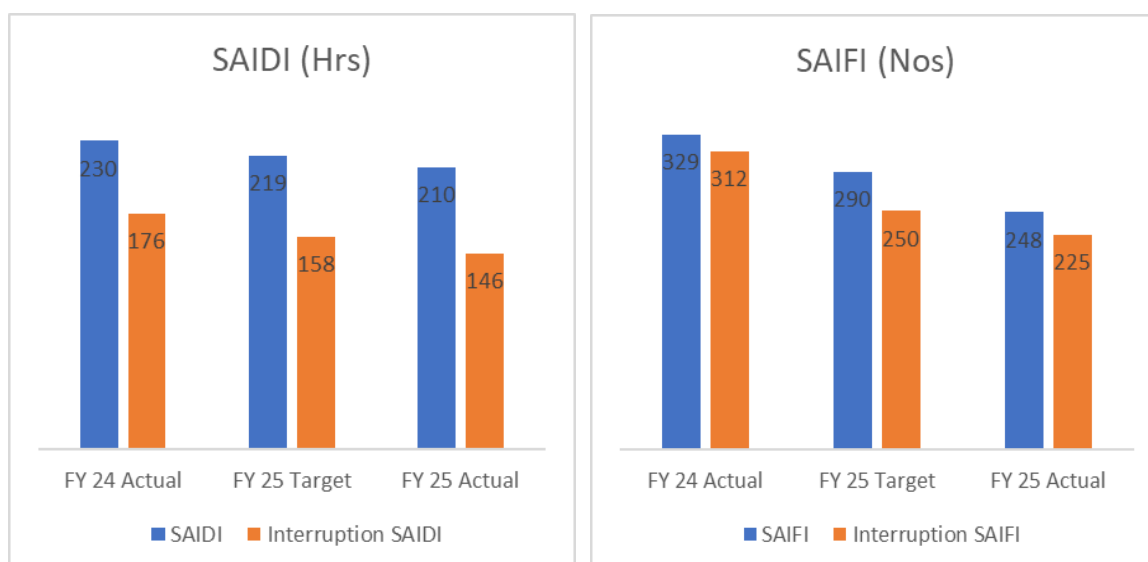
Improving Earthing Condition at Old PSS



As a result of the various initiatives taken (as illustrated in above sections), TPCODL was able to achieve improved operational performance. There is a perceptible reduction in the number of trippings of 33 KV feeders, 11 KV feeders, Power and Distribution Transformer and considerable improvement in reliability indices over previous year. The operational performance of TPCODL is as provided below.

Table 0-1 Operational Performances of TPCODL FY-25 vs FY-24

Paramater	UoM	FY 23-24	FY 24-25	Variance (FY-25 over FY-24)
Trippings	Nos.	101732	87867	-13.63%
SAIDI	Hours	230	210	-8.70%
SAIFI	Nos.	329	248	-24.62%



1.3 Adoption of Innovative Technologies to achieve Operational Excellence

1. Implemented SCADA-based overload trimming to prevent grid feeder trips and 100% SCADA integration of 33kV RMU in Bhubaneswar.
2. Installation of single Early Streamer Emission type lightning Surge Lighting Arrester on PSS for protection from lightning surges and Installation of lightning Surge Diverter on OH Feeders for reduction in DTR Failure.
3. Usage of insulated LV sealing material (casting) in case of insulation damaged in AB cable for theft prevention & to enhance safety.
4. VR based safety related training.
5. Light weight tools development – multifunction discharge rod, ladder etc.
6. Pilot with Safe grid for proactive fault identification.
7. Developed & deployed Expulsion type fuses for 33 kV System.
8. Application of Insulation Paint to prevent leakage Current



9. Twist-type jet nozzles are installed to enhance firefighting efficiency and safety of fire fighter by allowing adjustable water flow for long-distance targeting or wide coverage, offering protection against radiant heat and minimizing risks like burns, heat exhaustion, and flashover.
10. Adjustable-height computer consoles introduced at Technology center to prevent musculoskeletal disorders PSCC control Room operators and work comfortably in sitting or standing positions with customizable height settings.
11. Fire Retardant Glass Doors (Saint Gobain make) have been implemented at Technology Centre, providing 128-minute fire resistance, enhanced visibility and a modern aesthetic design for improved fire safety of the building.
12. New Centrix Cable Fault Locator inducted into the system - This FLC Test van is the most advanced & upgraded version of Cable Test Equipment equipped with VLF @0.1Hz & the same is procured from M/s Megger, Germany.

1. Digitization Initiatives

TPCODL has introduced various digital initiative to improve safety, reliability and customer satisfaction:

- i. PSS Daily Inspection app has been deployed for daily condition monitoring & digitalization of record keeping.
- ii. Mandatory SAP based Safety Evaluations process has been deployed. For all high-risk job PRs are now routed through and evaluated by Safety Department.
- iii. "SAFETYFY" Mobile app has been deployed to prepare online JSA and obtaining approval. It also helps in conducting TBT at site.
- iv. QR based device Unique Code (DUC) deployed to ensure identification of correct equipment and isolation while issuing PTW.

2. Major Achievement

Ensuring safe and reliable power supply during Rath Yatra, Bali Yatra, Prabasi Bhartiya Diwas and Naval day throughout the event.

TPCODL witnessed Cyclone DANA with devastating impact during Oct'24 but due to its robust Business continuity & Disaster Management Plan TPCODL was able to restore power in 90% of its load area within 24 hours post impact & rest within 48 Hrs.

Picture 4: Major Achievements in FY 2024-25



All such achievements were appreciated at district administration as well as by GoO.



TPCODL honored with Kalinga Safety Excellence Award from Hon'ble Deputy CM & Energy Minister, GoO at National Safety Conclave, 2024.

1.4 Commercial Performance:

1. Since the commencement of its operations on 1st June 2020, TPCODL has consistently undertaken a series of strategic initiatives aimed at improving its commercial performance and delivering an enhanced customer service experience. During FY 2024–25, several key initiatives were implemented to strengthen consumer engagement, service delivery, and overall operational efficiency, as detailed below.

1.4.1 Customer Care Centers:

1. TPCODL caters to approximately 32.06 lakh consumers spread across an extensive area of 30,000 sq. km. To ensure seamless accessibility and prompt customer service,



20 Customer Care Centers (including 1 Mobile Customer Care Centre) have been established—one in each division.

2. Customer Care Centre at Division is fully equipped with modern infrastructure and facilities designed to provide a superior customer experience, including:
 - i. **Queue Management System:** A digital Queue Management System has been implemented to ensure efficient handling of customer footfall at the centers. This system helps streamline customer flow, reduce waiting time, and provide a structured and transparent service experience. Customers are guided systematically to the respective service desks, thereby improving overall customer satisfaction.
 - ii. **Self Help Kiosk:** Self-service kiosks have been installed at the centers to empower consumers with instant access to key services. Customers can independently obtain information related to new connections, download duplicate bills, and view their connection details directly from the e-kiosk without the need for staff assistance. This initiative enhances convenience and promotes digital self-service adoption among consumers.
 - iii. **Feedback Tab / Suggestion Box:** Dedicated feedback systems, both digital (tab-based) and manual (suggestion boxes), have been deployed to capture customer feedback on the quality of services rendered. The feedback mechanism enables continuous monitoring of customer satisfaction levels and facilitates timely corrective actions to improve service delivery standards capture customer's feedback on the services rendered at the center.
 - iv. **Television:** Television screens have been installed in the waiting areas to disseminate important information to customers. These displays are used to create awareness about various online payment options, electrical safety measures, consumer rights, and ongoing schemes and initiatives of the company.
 - v. **IT Infrastructure:** All Customer Care Centers are equipped with adequate IT infrastructure, including laptops/desktops, high-speed internet connectivity, scanners, and printers. This ensures smooth operations and enables customer care staff to provide prompt and efficient service delivery to the visiting consumers.
 - vi. **Standee/Banner/Posters:** Informational and promotional materials such as standees, banners, and posters have been prominently displayed within the centers. These materials provide essential information on various customer service initiatives such as complaint and query registration platforms, call center



helpline numbers, online payment methods and offers, company website details, etc.

1.4.2 Call Centers:

1. With the aim to provide Centralized Customer Service to our Customers, TPCODL has established its Call Centre. Customer can call at the 24X7 Call Centre and get the details pertaining to Supply related matter and commercial matter. In order to facilitate the customers with Smart Meter, PM Surya Ghar related queries, Smart Meter menu along with PM Surya Ghar Menu option has been added.
2. Additional Features available in IVRS facility at Call Centre:
 - i. Separate Smart Meter desk was created.
 - ii. Separate desk was created for Emergency, Safety, Fire.
 - iii. Separate desk was created for PM Surya Ghar Muft Bijli Yojna.
 - iv. The IVRS flow was made simple for No Power Supply complaints.
3. In order to enhance the customer experience, TPCODL has introduced self-services such as: -
 - i. Missed Call Services for No Power Supply and Outage Information
 - ii. Single Click option for No Power Supply and Outage Information
 - iii. Chatbot Feature in TPCODL Website and Mitra App
 - iv. Whatsapp Bot
4. Some of the key highlights
 - i. A total of 41.62 Lakh incoming calls were handled in FY 2024-25 with 21% increase in Call Inflow compared to FY 2023-2024.
 - ii. A total of 48.82 Lakhs outbound calls were done as happy calling, feedback calling, digital promotion and recovery calling etc.
 - iii. Anubhav Portal was developed to capture the voice of customer.

1.4.3 Awareness Camp:

1. In order to create awareness among the customers regarding different initiatives taken up by TPCODL, 350 in FY-24 and 590 in FY-25 awareness camps were organized wherein more than 34,000 customers were touched through different awareness programs during two year. During the interaction awareness camps Malls, Market area, Basti area and Model GP were covered.

Picture 5: Awareness Camps



1.4.4 Gaon Chalo Initiatives:

2. In order to provide proactive services and for creating awareness about various initiatives, TPCODL has been organizing Gaon Chalo Camps in rural areas for providing door step services to rural customers. Some of the key highlights of the 'Gaon Chalo' initiative carried out in FY 2024-25 are.
 - i. Total 887 Camps in FY-24 and 981 Camps in FY-25 organized across all divisions.
 - ii. Total 6792 in FY-24 and 7111 in FY-25 New Service Connection Processed.

Picture 6 : Gaon Chalo Initiatives





1.4.5 RWA (Resident Welfare Associations) Meet:

1. In order to cater to the customers of Urban Divisions and for creating awareness about various initiatives for customer convenience, TPCODL organized 93 meetings with Resident Welfare associations in the last two financial years.

Picture 7 : Resident Welfare Associations



1.4.6 Digital Payment Promotion:

1. TPCODL has taken up many initiatives to provide a seamless experience to customer and also for ease of electricity bill payment with different options. The various initiatives taken and collaboration done with different digital platforms are as provided below. The initiatives taken for Digital Payment Promotion in FY 2024-25 are as follows:
 - i. In the FY 24-25, the Digital Transaction reached to 9.60 lakhs.
 - ii. 43% improvement registered in Digital Transactions in Mar'25 as compared to Mar'24.
 - iii. Introduction of New payment Platform IDBI, HDFC, Canara Bank.



- iv. Introduction of QR based payment system.
- v. Introduction of Instant Digital Rebate.
- vi. Implementation of Bill Pay & Win Schemes.
- vii. Launch of Cashback Scheme by Amazon for New and Regular Digital Payers
- viii. More than 11000+ students covered through sessions at schools under digital awareness program.
- ix. Launch of Digi-Gram Contest for Khordha District
- x. Sharing benefits of Digital Payment/platform during Interaction with GP, Gaon Chalo Camps and RWAs by Customer Relationship Executives (CREs).
- xi. Promotion of Digital Payment in Market Area/ Basti area/Puja Pandals.

1.4.7 TPCODL Mitra Mobile App:

1. TPCODL believes in bringing continuous technological innovations in order to provide better services to its consumers. In view of the same, TPCODL has added additional features to TPCODL Mitra Mobile App for ease of convenience and better experience its consumers. 51% improvement registered in downloading of TPCODL Mitra App in March'25 as compared to Mar'24. The App is faster, simple to use, and has user- friendly features. The total downloads till March 2025 was 5.22 lakhs.
2. Major features of TPCODL Mitra are as follows: -
 - i. Instant Electricity Bill Payment.
 - ii. Apply for a new Electricity connection (Android only)
 - iii. Obtain Live Power Outage Information
 - iv. Smart Meter
 - v. Click and register safety incidents/concerns observed anywhere in TPCODL area
 - vi. Register complaints like Bill correction, Meter Burnt, No Power etc.
 - vii. Report Power Theft without disclosing personal information
 - viii. Verify TPCODL Employee to prohibit fraud by an unauthorized person
 - ix. Obtain TPCODL office location (Android only)
 - x. View Bill and Payment History
 - xi. Download Duplicate copy of latest electricity bill
 - xii. New Integrated Chat Boat (Ask): e-Buddy: - TPCODL'S digital assistance

1.4.8 Social Media

1. In order to respond all incoming posts/voices on Social Media platforms, enhancing proactive and reactive communication and timely escalation for



closure of queries and complaints being escalated on different social media platforms Digital Command Centre”, was established in Aug’23.

- i. Quick responses enhanced the Twitter (Now ‘X’) Followers to 56,000 plus in Mar’25 compared to 17,000 in FY 21.
- ii. 229% increase in Twitter Followers in FY 24-25 as compared to FY 20-21 due to instant response to tweets.
- iii. 99% initial responses were done within 5 mins in FY 24. In Last FY 25, 99% initial responses are done within 3 mins.

List of major benefits of Digital Command Centre are as follows: -

- i. Integration of all Social Media platforms (X, Facebook, Instagram, LinkedIn, YouTube)
- ii. Social Listening and Analytics Dashboards.
- iii. Monitoring of individual productivity of agents involved.
- iv. Customer Engagement
- v. Crisis Management
- vi. Real-Time Monitoring

1.4.9 Service under ‘Mo-Bidyut’

- 1. The total Cumulative application processed as on 31.03.2025 is 3,13,874.

1.4.10 Initiatives to reduce Provisional Billing

Approximately, 1.58 Lakhs Meters replaced in FY 2023-24 in which Mechanical meter replaced counts to 0.31 Lacs and defective meter replacement counts to 1.27 Lacs. Additionally, around 43,000 Nos. Smart meters also installed.

2.85 Lakhs Meters replaced in FY 2024-25 in which Mechanical, defective meter replacement contributes 2.27 Lacs. In FY 24-25, 2.94 lacs Smart meters were installed, taking the total Smart Meters to 2.88 lacs by the end of FY 24-25.

1.4.11 Others Initiatives carried out for improvement in Billing & Collection Efficiency

- i. Regular Enforcement Activity to have a deterrent effect on theft of electricity
- ii. De-hooking drives followed by New Connection Camps
- iii. Meter Data Analysis followed up with Field Checking (Slow Meter and MF issue).
- iv. Collection Coverage Enhancement through regular monitoring
- v. Awareness campaign for Digital Payment enhancement
- vi. Field verification of consumers temporarily disconnected due to non-payment of dues.



1.4.12 Demand Side Management Initiatives

1. TP Central Odisha Distribution Ltd. (TPCODL) has conducted load research of its customer base and prepared a DSM action plan with the support of BEE (Bureau of Energy Efficiency). BEE has also agreed to extend its support by capacity building, to promote mass adoption of energy efficient appliances and energy conservation initiatives.
2. Under this program, TPCODL is offering customers an opportunity to purchase energy-efficient appliances such as Air Conditioners, BLDC fans and energy efficient Motors at a discounted rate along with extended warranty and doorstep delivery.
3. Under this initiative, TPCODL has collaborated with Voltas for providing 5 Star ACs at discounted rate up to 49% with a comprehensive warranty of 1 year. Further, TPCODL has also signed a MoU with a National Level ESCOs (EESL) to distribute Energy Efficient Products (BLDC Fan, Super Energy Efficient AC and IE3 Motors).
4. TPCODL was able to create awareness and demand of Energy efficient Appliances among customers and they have purchased 5 star energy efficient inverter Air Conditioners and BLDC fans, while good number of queries are being received regarding the purchase of energy efficient appliances.

Awareness programs

1. To make the customer aware about the DSM programs, following initiatives have been taken:
 - Banners and Standees are installed at Customer care centers to increase the visibility of the DSM programs.
 - DSM programs are advertised on the Website of TPCODL.
 - Social media and SMS messages to customers.
2. In addition to above, TPCODL have also organized workshops and training programs by experts for its officials to sensitize them about the importance of DSM initiatives and its long-term benefits.

1.5 Initiatives in the Field of IT and Technology

1.5.1 Sub Station Automation System:



- i. **44 Nos. of Substation integrated with SCADA system in the FY-24 & 25:** A total 470 Nos. 33/11 kV Primary Substations are integrated with SCADA System for remote control and monitoring
- ii. **182 Nos. of Communication links established between ODSSP/Conventional/SCRIPS Substation and Control Centre in FY-24 & 25.** A Total 270 Nos. of 33/11 kV Primary Substations are Communicating with Centralized SCADA System for remote monitoring and Control from Power System Control Centre, Bhubaneswar.
- iii. A Total 168 Nos. 33/11 kV Primary Substations are unmanned and are controlled and monitored through with the help of 70 Nos. of MOCs.
- iv. **Overload Trimming Scheme implemented in 30 critically loaded feeders through SCADA**
- v. **33kV Network RMU Automation:** 88 Nos. Provision of Hot stand by at critical places like city areas for reducing the source changeover time thus improving reliability and efficiency
- vi. **Seamless integration of multi-vendor Substation Automation System with existing SCADA system**
- vii. **Automation and Remote operation of Isolators: 54 Nos.**
- viii. **OT-IT Integration for Internal & External Consumer Empowerment:** Critical/VIP feeders tagging in SCADA, Critical Feeders Reliability Monitoring, Communication to consumers for Planned and Emergency Outages, Information to the action takers in case of feeder breakdowns for immediate action to reduce the restoration time.

1.5.2 GIS Implementation:

- i. All Administrative boundaries delineated. (20 Divisions, 65 Sub Divisions, 247 Sections)
- ii. All 33/11 kV - 376 Nos S/S and its connected network surveyed and mapped.
- iii. 33/11 kV Application deployed with following features
 - i. Feeder Extent Search by Feeder Code and Feeder Name.
 - ii. Feeder wise length and its connected pole / tower with network configuration details.
 - iii. All 33/11 kV S/S attached with Single Line Diagram with connectivity of incomers and outgoing feeders.
 - iv. Division / Sub Division and Section wise network Summary.
- iv. All 11 kV Network including connected DTs captured and mapped.
- v. Consumers locations captured with its connected pole.



- vi. 33/11 kV Power Maps produced for all divisions and subdivisions of TPCODL with its asset base.
- vii. Enterprise GIS Application developed and configured with Active Directory of Employee User ID
- viii. Consumer Search by CA number / Installation number / Meter number
- ix. Locating the consumer and reaching the location through Google map navigation feature.
- x. Weather plugin on GIS being used to plan at section and sub division level and assess affected areas in case of pre and post disaster situation.
- xi. Entire 33kV network of TPCODL and 11 kV network of BBSR I and CTC has been taken to Cyme for planning and load flow analysis.
- xii. All 33/11 kV S/S SLD generated in GIS is now a single input for SCADA/ PSC, STS and synched with Cyme Application for Network Planning.
- xiii. Accurate DT Locations mapped in GIS and its administrative hierarchy is now being used in creating functional location in SAP for Asset Management.
- xiv. Auto push of GIS consumers with Feeder Code and DT Code to Business table for energy audit through scheduler.
- xv. GIS consumer network hierarchy integrated with SMS Communication to consumers during Unplanned Shutdowns.
- xvi. System is dynamically integrated with PTW (Suraksha Kavach) and location of such switchgears of S/S are highlighted with graphics under Outage.
- xvii. Instantaneous generation of electrical SLD of 11kV Feeder and DT connected Consumers by Feeder name / Feeder code.
- xviii. Custom reports like consumers connected to DT, feeder and its admin hierarchy.
- xix. Maintained Centralized Feeder Manager Table for data Consistency.
- xx. Nearby consumer and network details from any location within TPCODL area for new connection feasibility.
- xxi. GIS to ADMS Extractor module development completed and deployed for data exchange
- xxii. Data exchange from GIS to ADMS completed for one Division (BCDD 1)
- xxiii. GIS Dashboard with Active and Past Cyclone visualization deployed for upcoming Control Center
- xxiv. Development of GIS based sketching tool (Redlining client) for sharing changes done at site for further update in GIS completed



1.5.3 Mobile Applications for field verification, data capturing and updation

- **Online Reporting of DT Failure:** This App is used by section In-charge report transformer failure which include the details like location, Physical condition, Test results and possible causes of failure.
- **System Based Network Update:** This provision is used by the authorized site team for communicating regarding the update in the electrical network viz. upgradations and new installations to all the concerned departments like GIS and PSCC. Thereafter, GIS and PSCC Teams update the GIS platform accordingly. Such update helps in reflecting the changes in various associated applications like Energy Audit, NSC, Maintenance activity etc.
- **DT Inspection:** Being used to locate DT Code and tag with Meter serial number at site while installing Smart meter.
- **Asset Inspection:** All assets (Power Transformer, DT, RMU, Feeder Pillar and Poles) are available and provision to update the same at site.
- **Asset Numbering:** Capturing of painted number from site immediately after painting of poles.
- **Dues Details:** Current dues of customers are shown in different colours based on different slabs for collecting dues at site.
- **No Meter:** Being useful in locating and bringing consumer to billing fold and the same is being put to surveillance.
- **Mobile GIS interlock for PTW processing :** Mobile GIS solution (MoBhuA1) rolled out for mandatory notification of new asset coordinates for subsequent asset code allocation by GIS and painting at site, as a pre-condition to avail permit to work (PTW)

1.5.4 Major IT Initiatives:

- **Online Survey of Feeders:** 11KV and 33KV Feeders are surveyed by the authorized team at site and issue details are captured in this system for planned corrective maintenance.
- **PDI (PSS Daily Inspection):** This application is used by the PSS Operators at manned PSS for Daily inspection of PSS equipment and update their health status.
- **MOC (Maintenance Operator Crew):** PSCC Team assigns the task to the nearby Maintenance Crew and monitors their movement, task completion status for effective and optimal resolution time along with optimal usage of available resources.
- **FCC App Enhancement for Voltage Issue:** Apart from the original functionality of the FCC App, Voltage related complaints are also being automatically routed to FCC Team and monitored for resolution.



- **Unified Safety Portal:** This portal encompasses several applications related to safety including Management of Change (MoC), Technology Intervention for Safe Operation, Incident CAPA and Safety KPI Dashboard etc. These digital tools help streamline safety processes, improve monitoring and ensure proactive risk management across operations.
- **BA-ETMS (Training Module):** An exclusive digital portal designed for comprehensive BA employee training management, enabling efficient tracking, scheduling and record keeping. This helps tracking and scheduling refresher courses, non-imparting of multiple training to same resource within specific period and also supports in ensuring compliance.
- **In-House Inspection (IHI):** This App is used by field team for inspection of newly installed electrical network equipment as per the design and applicable standards. This helps to ensure in maintaining qualitative work in the field.
- **Material Dispatch Clearance (MDCC):** This functionality is used by authorized Inspection Team to fill the details regarding the site inspection of ordered material at vendor premises prior to despatch.
- **BAMS & BA ID card:** Business Associate's management portal for onboarding and ID card allocations
- **FCC App:** The Fuse Call Centre (FCC) mobile application is for end-to-end digitization of the No Power Complaint resolution process by empowering field crew to update the closure of complaints via mobile devices
- **SBM-OCR Application:** Self-Meter Reading App using OCR(optical character recognition) software for consumer and field agents for accurate reading of meter
- **Sangam Portal:** Employee Engagement portal to facilitate employees in accessing HR-related information, The portal maintains visual synergy and uniformity with the similar portal used by all Tata Power group companies
- **ERMS:** Engineering Request Management System, ERMS is designed and developed for tracking the entire lifecycle of Technical Specifications finalization. This applicable is used for finalizing new specifications or for the revision of existing one
- **Suraksha Kawach:** The application is used for Capturing PTW and tripping complaints
- **MoBidyut:** The application is integrated with the Odisha Gov. application for new electricity connection, online bill payment, and file complaints online Up to 5KW (single phase) will be provided within 48 hours of submission of the application along with permanent connection payment
- **Collection App.:** Collection Application integrated with UPI/QR/POS for easy payment of electricity bills by consumers
- **Knowledge Management Portal:**



- **iCAMs:** IT's Change Request Automation Management System, iCAMS is designed and developed by the IT team for tracking the entire lifecycle of application development encompassing request generation through development and testing (system & UAT) to implementation
- **TPCODL Mitra:** Consumer App for Online Payment and Complaint Registration
- **PP Note Approval using UI5:** PP Note approval digitization through SAP
- **Employee App (e-Saathi):** e-Saathi mobile app is an employee-centric initiative that ensures accessibility to most of the pertinent business applications across one common platform. It saves users from the tedious task of remembering various URLs and App downloads with a single sign-on feature
- **Disconnection Order App:** Disconnection Order notifications are downloaded through the mobile app as soon as the RRG Team generates the Disconnection Order in the FG (MBC/CIS) system, The consumer's disconnection amount can be viewed
- **Facilitating Ownership Change:** Facilitating Ownership Change after e-Registration Integration with H&UD Govt. of Odisha
- **GCMS:** Government Consumer Management System is a portal to enable payment of electricity bills by Gram-Panchayats / Block offices in bulk. A dedicated portal integrated with e-gram swaraj/NIC is given with billing details of consumers of respective area by which panchayat officers / BLOs verify bills raised for paying in bulk.
- **GST Invoice:** Provision is made to send the GST invoice to various categories of customers via automated email after payment confirmation against their demand note.
- **HDFC Intent QR:** Intent QR is a process where QR code encoding various information is printed in the spot bill being delivered to consumers. With this QR code, consumers make online payment resulting in reduced CASH handling by bill collectors.
- **HDFC and Canara Bank PG:** Integration with payment gateways from HDFC and Canara Bank opened up more avenues for online payment by customers.
- **Instalment Provision of NSC Charges for BGJY Consumers:** Provision is made to accept Biju Grama Jyoti Yojana consumers in system wherein Govt classified BPL category customers are given electricity supply. Such consumers are allowed to make payment of Rs 500 towards connection supply in 10 separate instalments which is added in monthly bills.
- **NSC Charges Refund Process:** A process is created in Mo-bidyut in integration with SAP-ISU wherein the notifications for refund of NSC Charges to applicant is initiated whose new connection request is cancelled. Earlier, this refund process was manual which has been automated now thereby reducing man hours and pendency.



- **Mobidyut RPA based verification:** Process developed to automate document verification for the uploaded KYC at Mo-Bidyut portal wherein Robotic Process Automation at Discom reads the documents automatically and gets the data verified from the Govt agencies via NIC's APIs.
- **Ease of Demand Note Access:** Provision has been made to View / Download / Print demand notes from TPCODL website and upon generation of demand note, the same is notified to consumers via SMS / Whatsapp link.
- **Missed call / SMS services for No Power Supply (NPS):** Provision made in the system for the consumers to give missed call or send SMS to the specific notified phone number for No Power Supply in their area. Automatically system registers the complaint and forwards the same to Fuse Call Centre (FCC) team to assign engineer to resolve the issue which is tracked in the system.
- **WhatsApp BOT for Customer Service:** Whatsapp BOT is enabled for the customers to chat with the BOT and register any complaint or enquire about their billing, payment etc.
- **HT & EHT New Connection online Request:** Provision created for customers to register request for HT and EHT new supply connections through TPCODL website, MITRA app and Mo-Bidyut instead of physically visiting TPCODL office thereby bringing convenience to consumers and efficiency in processing.
- **Integration of CRM with OMS:** This integration helps Call Center Agents to view outage details and expected restoration time in real-time in a single system instead of navigation between dis-joint systems. This bring accuracy in information and efficiency in responding to consumers.
- **Portal for Lucky-Draw for Consumers:** Randomly system selects lucky winners from the consistently paying consumers through this portal to encourage timely and online payments.

1.6 Employee Connect and Engagement

1.6.1 Capability Development:

- i. Leadership development through MDP and EDP with 12 programs in FY-24.
- ii. Leadership Development Program (LDP) conducted at XLRI, Jamshedpur for 50 mid-level managers in FY-25.
- iii. TPCODL has started 18 Practice yard in Division Offices to impart hands on training. 13 No. of Practice yards also have been provided with classroom facilities in FY-25.
- iv. Increased focus on Safety capability building with 45 programs in FY-24
- v. 88 employees in Executive Cadre & 42 employees in Non-Executive Cadre have been given job rotation/enrichment in FY 25.
- vi. Major achievements in capability development are summarised below:



- a. Total of 124 Nos. in FY-24 and 773 Nos. in FY-25 of Training organised.
- b. 1378 no's (91%) unique employees in executive cadre covered in various training programs in FY-25.
- c. 3113 (93%) unique employees in the Non-executive cadre in various training programs in FY-25.

1.6.2 Employee Engagement:

- i. Various celebrations have been organized like Annual Day Celebration, Utkal Diwas, Diwali, Foundation Day celebration, Bacha Party, New Year Celebration, Holi, International Women's Day and Lineman Diwas celebration.
- ii. To create a culture of 'One TPCODL one Family', "Ullas 3.0" has been organized for all employees and their family members. More than 8000 employees and family members witnessed the in-house talent of the TPCODL family.
- iii. Indoor sports events like Carrom and Chess Tournaments were organized in FY-25 at Circle and Division levels to create team spirit among the employees. TPCODL participated in OPTCL Power Cup (cricket) and achieved 2nd Runners-up.
- iv. Employee engagement survey was conducted in 2025, achieving a participation rate of 85%.

1.6.3 Effective Business Communication:

- i. Leadership communication platforms like Townhall, Meet Your CEO, Leadership Connect & Division Interactive Forum sessions were organized to facilitate two-way communication and foster a sense of participation among employees.
- ii. During FY 2024 -25, a total of 2,827 one-on-one HR connect sessions were conducted with employees to address grievances.

1.6.4 Health and Wellness:

- i. Annual Health Check-up has been organized at different locations for employee health monitoring including mandatory eye check-up for technical staff.
- ii. Health Awareness Sessions have been organized at different locations of TPCODL.
- iii. Out-reach clinics also have been organised in the division level to provide health consultations to the employees.
- iv. Introduction of Group Medical Insurance policy with option of voluntary Top up cover for all OSCR regular employees & Issuance of e-health cards in FY-24.
- v. Introduction of Group Personal Accident Policy up to 15 Lacs for Non-Executives & 25 lacs for Executives in FY-24.

1.6.5 Diversity and Inclusion:



- i. During the Year, TPCODL has recruited **17.64%** women employees, which resulted in enhancing overall gender diversity to **5.37%**.
- ii. **“Nua Aarambha”** – an initiative to help women to restart their career after a career break due to personal reasons was launched in FY25.
- iii. On the occasion of International Women’s Day, celebrations were held throughout the organization with the active participation of women colleagues. Apart from that various Health Awareness Sessions, specific health camps were organized for women colleagues.
- iv. **Women in Leadership League (WILL):** Next Gen Women Leaders Workshop was conducted at XIM University, Bhubaneswar having 5 participants from TPCODL.

1.6.6 Rewards and Recognition (R&R):

- i. During FY-25, more than **2488 Nos. of employees** were recognized in various categories like **Going Beyond, Star of the Month, Grahak Parisheba Purashkar, Champion manager, Safety Master, Safety Champion** for their excellent contribution to improve safety culture.
- ii. MBC activities & Enforcement activities, Annual Rewards & Recognition are organized to motivate employees for exemplary contributions.
- iii. Annual R&R – For Awarding the best Circles, Divisions, Sub-Divisions and Sections each year.

1.6.7 Career Progress:

- i. Implemented the revision of wages of all OSCR cadre non-executive employees with retrospective effect from 01st April 2020, extending benefit to 4356 employees.
- ii. In addition to the above wage board, some long pending anomalies connected to OSCR cadre non-executive cadres were amicably settled through non-executive cadre rearrangement effective from 24th Dec 2024, giving upgradation of pay level in favor of around 3469 employees.
- iii. Implemented cadre restructuring for different OSCR Executive grades & extended promotion in favor of 201 employees.

Picture 8 : Glimpses of Employee Engagement & Connect Highlights



Ullas 3.0- An Annual family program



“Nua Arambha” & Women’s Day



17th OPTCL Power Cup Cricket Tournament – 2nd Runner Up



Carrom Tournament



Lineman Diwas



Diwali & Holi Celebration



CHRO at Bachha Party 2024



4 years of transformational journey – Annual Day Celebrations



Annual Health Checkup



Safety Training



WILL Workshop



Tata Business Excellence Model Program



PG Certificate in Management Program at XLRI



Labor Management

1.7 Contribution to Society: Key Societal Interventions

3. TPCODL has been serving the community through various initiatives. Maintaining the ethos of serving the community, TPCODL has been continuing various initiatives started in previous FYs and introduced new initiatives during ongoing FY as per the approved thematic areas.

Sl. No	Thematic Area	Initiative	Program Brief
1.	Education	<i>Women Literacy Center (VIDYA)</i>	<ul style="list-style-type: none"> Women Literacy Centers are pivotal hubs for providing basic functional literacy to Women through computer based modules designed to enhance their skills and capabilities. 50 Women Literacy Centers, 2000 Women Beneficiaries educated across urban slums in Bhubaneswar, Cuttack, Angul and Puri. 'Vidya Bazaar' – Curated program for supporting the entrepreneurial spirit among rural women.
		<i>Club Enerji</i>	<ul style="list-style-type: none"> Club Enerji program is aimed at creating student ambassadors promoting awareness on energy conservation, climate change, and natural resource management 500 Schools, 1,05,000 Students covered under the Club Enerji Program. 1570 specially abled students covered under the program.

Sl. No	Thematic Area	Initiative	Program Brief
			<ul style="list-style-type: none"> State Level Urja Mela conducted ensuring participation of students across Odisha. Club Enerji session are improvised with impact based learning activities viz. Best out of Waste Sessions, Seed Ball Making Sessions, Fun Games in Line with UN – SDGs.

2.	Employability and Employment	<i>Vocational Training Center (ROSHNI)</i>	<ul style="list-style-type: none"> 4 no's of Vocational Training Centers are operational in Naraj, Cuttack and Khordha. 800 trainees passed out in (A) Stitching and Tailoring (B) Computer Education courses (C) Basic Computer Education (Courses are certified by National Skill Development Corporation) Employment opportunities successfully arranged for pass-out trainees of Stitching & Tailoring in partnership with M/S. Sahi Exports Pvt. Ltd. Promotion of plastic free environment through promotion of jute products made by trainees at the center.
		<i>Skill Development and Entrepreneurship Center (DAKSH)</i>	<ul style="list-style-type: none"> Skill Development and Entrepreneurship Center at Angul. 240 Trainees trained through detailed National Skill Development Corporation Certified modules in (A)

			<p>Plumbing (B) Facility Management.</p> <ul style="list-style-type: none"> Placement Assistance to pass out trainees through UNICEF promoted 'MO WASH' company and Japanese MNC – Lixil. Successful assistance leading to job assignments for all passout trainees.
		<p><i>EV Technician Training Center (DAKSH)</i></p>	<ul style="list-style-type: none"> EV Technician Training Center at Benapanjuri, Khordha 120 Trainees trained through detailed National Skill Development Corporation Certified Modules Placement Assistance resulting in placements of all trainees.
3.	Entrepreneurship	<p><i>Local Art Cluster (SAMRIDDHI)</i></p>	<ul style="list-style-type: none"> Local Art cluster at Baliana Block, Khordha. 480 Women Artisans (Un-Skilled & Semi-Skilled) trained in local art forms – (A) Tala Pattachitra (B) Tassar Art by National Award Winning Master trainers
		<p><i>Integrated Farming Cluster (SAMRIDDHI)</i></p>	<ul style="list-style-type: none"> Integrated Farming Cluster in 06 Blocks of Nayagarh promoting sustainable practices for resilience in the face of climate change. 1200 Farmers from 20 GPs covered under the program. 724 Farm Ponds adopted, 10 Producer Groups formed. Establishment of Cluster Information Center and Satellite Center for farming

			information dissemination.
4.	Essential Enablers	<i>Mobile Health Dispensary (AROGYA)</i>	<ul style="list-style-type: none"> • 08 Mobile Health Dispensaries serving the rural population. • 2,24,604 beneficiaries have benefitted across 2348 GPs through these Mobile Health Dispensaries. • Support during public gatherings viz. Puri Rath Yatra, Ekamra Yatra, Pallishree Mela etc. • Informative Awareness Sessions on various topics viz. Malaria Prevention, Immunity Boosting Techniques etc.
		<i>Volunteering Events</i>	<ul style="list-style-type: none"> • 42,876 Volunteering Hours positively impacting 3,29,462 Beneficiaries. • 08 Blood Donation Camps conducted and 536a units of blood donated to Indian Red Cross Society. Felicitation by Indian Red Cross Society as Responsible Corporate. Support extended during Bahanaga Train Mishap. • Volunteering Events at Old Age Home, Blind Care Center, Leprosic Care Centers, Plantation Drives, Cleanliness Drives have been successfully conducted.

Picture 9 : Glimpses of CSR Activities



Health Drive for Rural Women



District Level Uria Mela at Dhenkanal



Specially Abled Adhikaar Beneficiary



Palm Leaves Carving Training



EV Technician Training



Employee Training

1.8 Recognitions: - Awards & Accolades



Some of the major recognitions that TPCODL has got in FY 2023-24 and FY 2024-25 is as provided below.

1. A+ rating in 12th Annual Integrated Ratings of Distribution Utilities, approved by the Ministry of Power. Scored an impressive 91.1 out of 100, and ranked 9th amongst all the Distribution Utilities across the country.
2. A+ Rating in 13th Integrated Rating of Discoms by Ministry of Power, Government of India

TPCODL was ranked 7th among 52 discoms. It secured A+ rating for the second consecutive year. The rating is based on 15 key parameters on Financial Sustainability, Performance Excellence and External Environment. Key parameters assessed includes ACS-ARR Gap, Billing Efficiency, Collection Efficiency and Subsidy Realized. TPCODL scored 91.8 out of 100, demonstrating how it has progressed since its vesting in Jun'2020.

3. A Rating in 4th Consumer Services Rating of Discoms by Ministry of Power, Government of India.

TPCODL was rated A, improving from B+ in previous year and C+ prior to that. The key parameters assessed include Operational Reliability, Connections and Other Services, Metering, Billing and Collections, Fault Rectification & Grievance Redressal. The improvement journey demonstrates TPCODL's Customer First Approach is providing Reliable Power at Optimum Service Levels.

4. 6th Rank in Distribution Utilities Ranking for FY 2023-24 by Ministry of Power (MoP), Government of India

TPCODL secured 6th rank amongst the 41 distribution utilities. The assessment is an overall rating by MoP which considers the Annual Integrated Rating of Discoms, Consumer Services Rating of Discoms and further assesses the RPO Achievement, Communicable System Metering, Demand Side Responses and Resource Adequacy to arrive at the rank.

5. Confederation of Indian Industry (CII) organized Inter-Industry Supervisory Skill Competition from 5-6 September'2023 in which TPCODL won 5 Awards in "CII Inter-Industry Supervisory Skill Competition 2023".
6. TPCODL has won 10 Awards at 'Chapter Convention on Quality Concept' 2023 organised by Quality Circle Forum of India, Bhubaneswar. The event was organised on 09th -10th September, 2023 at Silicon Institute of Technology, Bhubaneswar and



the theme of the competition was 'Nurture Quality Concepts for better future'. TPCODL had nominated 10 projects from various concepts such as QCC, KAIZEN & 5S, out of which all the 10 teams won 'Gold' Category Award.

7. TPCODL has been declared as Winner in 'T&D Cluster Improvement Challenge FY23 – Laser Projects' organized by Tata Power for 'Best Laser Project Competition' on 04th October 2023 for the QCC project- 'Reliability Improvement of High Revenue 11KV Unit 1 Feeder', comprising of 6 members. This prestigious competition witnessed representation of shortlisted & selected 5 teams across T&D cluster. TPCODL had nominated 1 QCC project.
8. TPCODL wins 3 Gold Awards at International Convention on Quality Control Circles 2023 organised by China Association for Quality. The event was organized from 30th Oct to 02nd Nov 2023 and the theme of the competition was 'Innovation and Vitality, Lighting up the Beauty of Quality'. TPCODL had nominated 3 QC projects and won all the projects in the 'Gold' Category. TPCODL competed with ~850 project teams across 15 countries which participated through physical mode.
9. TPCODL wins at 17th India Energy Summit & ICC 11th Innovation with Impact award for Discoms 2023 at India Habitat Centre, Delhi on 3rd November 2023. TPCODL stands at Rank 1 for the category 'Innovation with Impact-Challenged States' and Rank 2 for the category 'Performance Improvement.'
10. TPCODL wins 3rd Position at CII-Odisha State Level Excellence Awards 2023, organised by CII. The Confederation of Indian Industry-CII organized 'Industry Carnival 2023' during the last week of Nov'23. TPCODL had nominated 4 projects on QC Concept, out of which 'Team Unnati' grabbed the 3rd Position for the project theme – "Reduction in DT failure at BBSR", in Services Category Award under 36th State Level Convention on Quality Circle QC Awards. TPCODL competed with 70 project teams from various prestigious organizations in Odisha.
11. In the 37th National Convention on Quality Concepts (NCQC 2022) organised by Quality Circle Forum of India (QCFI), TPCODL bagged 1 Award in the Par Excellence Category and 8 Awards in the Excellent Category and 1 Award in the Distinguished category held in Nagpur from 4th to 7th January 2024.
12. TPCODL bagged CII State Level Award in Quality Control Segment on 5th March'24 at Bhubaneswar.
13. TPCODL has been adjudged 1st Runner Up of "CII Eastern Region Competition on Quality Circle - 2024" on 21st – 22nd March'24 in the 'Services Sector' category organised by Confederation of Indian Industry in its 36th Convention on Quality Circle.



14. TPCODL has been conferred with “India CSR Leadership Award for 2023” by India ESG Summit and India CSR.

15. TPCODL is bestowed with prestigious “Best Corporate – Small and Emerging Category – 2023” in the 8th edition of the ICSI CSR Excellence Awards organised by The Institute of Company Secretaries of India (ICSI) under the Ministry of Corporate Affairs, Govt.

16. 8 Gold and 2 Silver Awards at Chapter Convention for Quality Circles (CCQC) organised by Quality Circle Forum of India (QCFI) Bhubaneswar Chapter.

TPCODL’s Quality Control Circles (QCC) competed with about 200 QCCs from organizations like Odisha Mining Corporation, Jindal Stainless, NALCO, BALCO, TATA Power Jamshedpur, NTPC, TATA Steel Angul, and TATA Consumer Products to secure the awards. This emphasises Total Employee Involvement for serving customers at TPCODL.

17. 1st Rank for Performance Improvement, at Innovation with Impact Awards for Discoms by International Chamber of Commerce.

TPCODL secured the 1st for performance improvement over previous years. It also secured 2nd overall rank in the challenged state category. 32 Discoms participated in the 12th annual edition of this award, supported by Ministry of Power, with knowledge partner Deloitte.

18. Gold Award at 99th SKOCH Summit for Digital Initiative

TPCODL’s project “Digitally Karan - Online Payment” won the Gold Award. TPCODL has seen 447% increase in digital transactions over the last 4 years, with 100% growth in rural areas in the past year.

The project “Digitalization of Procurement Process” won Silver Award in the same forum. This digital initiative has reduced cycle times, improved satisfaction scores and reduced carbon footprint.

19. Gold Award in MUDA Category at 18th 3M Competition by CII, Eastern Region.

TPCODL won this award for improving its processes using Lean philosophy of continual improvement. This competition witnessed 91 Teams across country from organization such as Ultra Tech Cement, Hindalco Industries, JSW Steel, ITC, Bosch, Mankind Pharma, and Mahindra Logistics.



20. Odisha CSR & Sustainability Excellence Award by ASSOCHAM Odisha State Development Council.

TPCODL won the award in "Sustainability Practices Innovator" category. This award recognizes our contributions to CSR and sustainability.

21. 2nd place at the 37th State Level Convention on Quality Circle by CII, Odisha

TPCODL won the award in Services Category during the Industry Carnival. Its teams competed with 70 project teams from organizations like ITC, Britannia, DRDO, JSW, TATA Steel, Jindal Stainless, Vedanta Aluminium, Arcelor Mittal, Nippon Steel, and Hindustan Aeronautics.

22. Silver Award at 100th SKOCH Summit for "Corporate Governance on Board Composition & Disclosures".

TPCODL won Silver Award for implementing strong corporate governance by effective oversight of the management on strategic planning, policy making, risk management, internal control and statutory compliances.

23. 4 Star Rating for Energy Conservation at ENCON Award by CII Eastern Region.

TPCODL won the award in services category competing with 62 teams from manufacturing and services sectors including ITC, Aditya Birla, CESC, IFFCO, Exide Industries, Jindal Steel, Tata Power Jojobera, NALCO, Tata BlueScope Steel, and Tata Steel. The energy-saving and de-carbonization measures of TPCODL helped it win the 4 Star Rating.

24. Felicitation for Largescale Deployment of GIS at Energy Summit by ESRI, India.

TPCODL won the award for improving in operational efficiencies by using GIS technology. It has mapped its network, substations and consumers on GIS. This data helps in planning and executing its processes. This emphasises the operational efficiencies achieved using technology.

25. 9 Gold Awards at 49th International Convention of Quality Control Circles (ICQCC) at Sri Lanka.

TPCODL's 8 QCC teams participated virtually and 1 QCC team participated on-site at Colombo, Sri Lanka. The theme of the competition was "Beyond Boundaries: A Quest for Quality, Productivity, and Innovation". TPCODL competed with 1083 teams across 14 countries who participated in 49th ICQCC.



26. Global Architect & Builder Awards 2025 for Power Distribution Technology Centre

TPCODL's Power Distribution Technology Centre was honoured for Best Technology-Oriented Architectural Project. This achievement highlights our commitment to innovation and excellence in creating world-class infrastructure for the Power Distribution Services.

27. 10 Excellent and 1 Par Excellence Awards at 38th National Convention on Quality Concept, by Quality Circle Forum of India.

TPCODL's Quality Control Circles won the awards participating in hybrid mode competing with around 2000 teams across the country. The QCC teams showcased their efforts in continual improvement in processes through pre-evaluation, knowledge test, and presentations to the jury.

28. Kalinga Safety Excellence Award at the 15th National Safety Conclave by Institute of Quality and Environment Management Services (IQEMS).

This recognition highlights TPCODL's commitment to a safe and healthy workplace, leveraging digital tools and fostering a culture of 'Zero Harm' and continuous efforts striving to ensure zero harm to employees, citizens and animal while delivering its services.

29. Special Jury Award at the 3rd Social Leadership Conclave and Awards by Bengal Chamber of Commerce & Industry (BCC&I)

TPCODL was awarded for its dedication to impactful and sustainable community development initiatives in Odisha. It serves as a testament to its unwavering commitment to social leadership and our meaningful contributions to the state.