

# TPSODL

TP SOUTHERN ODISHA DISTRIBUTION LIMITED



## Public Hearing on ARR FY 24

### Presentation on

- **ARR FY 2023-24 and OA Charges arising therefrom**
  - **True up of FY 2020-21 ( 3 Months)**
    - **True up of FY 2021-22**
  - **Business Plan for FY 2023-24**

*24<sup>th</sup> February 2023*

## I -ARR for FY 2023-24

Sr No	Category	FY 22	H1 FY 23	9 Months FY 23	Total FY 23 (as provided in ARR)	FY 24 (As provided in ARR)	Increase over FY 22 (CAGR)	Increase over FY 23
		Mus	Mus	Mus	Mus	Mus	%	%
1	EHT	532	336	530.21	619.3	642.5	10%	4%
2	HT	338	216	304.76	367.2	391.3	8%	7%
3	LT	2152	1175	1630.17	2385.1	2552.8	9%	7%
	<b>Total</b>	<b>3021</b>	<b>1727</b>	<b>2465</b>	<b>3372</b>	<b>3587</b>	<b>9%</b>	<b>6%</b>

The Sales estimates on overall basis for FY 2023-24 appears to be correct

1

**AT&C Loss Performance**

Sr No	Particulars	Units	FY 22	H1 FY 23	9 Months FY 23	Estimated FY 23	Estimated FY 24
1	Vesting Order	%	35.29%			34.29%	32.80%
2	Actual/Estimated AT&C Loss	%	32.51%	31.66% (48% H1 FY 22)	29.4% (44.57% in FY 22)	25% to 26%	23% to 24%
3	Tariff Trajectory	%	25.75%			25.75%	25.75%
4	Sales	Mus	3021	1727	2465	3372	3587

The performance of TPSODL is expected to be better than the commitment in the Vesting Order

2

**Estimation of Power Purchase**

Sr No	Particulars	Units	FY 23	FY 24
1	Sales	Mus	3372	3587
2	AT&C Loss for ARR	%	25.75%	25.75%
3	Distribution Loss	%	25.00%	25.00%
4	Power Purchase Projections	MUs	4496	4782
5	<b>Power Purchase Cost (@ BSP of Rs 2.27 per Kwh and Trans Charge of Rs 0.28 per Kwh)</b>	<b>Rs Cr</b>	<b>1147</b>	<b>1220</b>

Estimation of Power Purchase for ARR carried out on the basis of Tariff Trajectory given by Hon'ble OERC

Progress of Capitalisation – Schemes approved for FY 2021-22 and FY 2022-23

Sr No	Head of Capitalisation	Schemes for FY 2021-22			Schemes for FY 2022-23		Considered in ARR for FY 2020-23	FY 2023-24 (proposed) in FY 2023-24
		Approved	FY 21-22	FY 22-23	Approved	FY 22-23		
1	Statutory and Safety	31.43	22.71	0.06	39.33	19.49	48.05	20.97
2	Loss Reduction	15.69	1.65	3.68	60.72	11.87	63.83	73.99
3	Reliability	37.47	7.62	19.96	123.75	18.95	112.76	178.76
4	Load Growth	8.74	1.18	5.16	18.72	9.50	22.53	25.70
5	Technology and Civil Infrastrure-Civil	15.00	88.4	3.42	19.04	6.24	55.55	43.58
6	Technology and Civil Infrastrure-Technology	76.32			33.27	11.53		17.48
<b>Total</b>		<b>184.65</b>	<b>121.56</b>	<b>32.28</b>	<b>294.83</b>	<b>77.57</b>	<b>302.73</b>	<b>360.47</b>

Request Hon'ble Commission to consider the same while working out the Opening GFA in FY 2023-24

### Return on Equity- Based on Capitalisation

Sr No	Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>A Capitalisation for determination of Equity</b>						
1	Capitalisation for the year	Rs Cr	0	121.57	302.73	360.47
2= 17.2 % of 1	Add Capitalisation due to Gridco Contribution in Kind	Rs Cr	0	23.546	52.069	62.001
3=1+2	Total Capitalisation for Debt and Equity	Rs Cr	0	145.11	354.80	422.47
<b>B Equity</b>						
5	Opening Equity	Rs Cr	200	200.0	243.5	350.0
6=30%x 3	Addition	Rs Cr	0.0	43.53	106.44	126.74
7=5+6	Closing Equity	Rs Cr	200.0	243.5	350.0	476.7
<b>C Return on Equity</b>						
8	On Opening Equity @ 16%	Rs Cr	32	32	35.5	44.0
9	On addition ( 16%/2=8%)	Rs Cr	0	3.48	8.52	10.14
10=8+9	Total ROE	Rs Cr	32	35.48	44.00	54.14

- The Equity for the FY 2022-23 will be subscribed by 31<sup>st</sup> March 2023
- The Equity for FY 2023-24 will be subscribed on the basis Capex approval from the Hon'ble Commission

### Interest on Debt

Sr No	Particulars	Units	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>A</b>	<b>Capitalisation for determination of Debt</b>					
1	Capitalisation for the year	Rs Cr	0	121.57	302.73	360.47
2= 17.2 % of 1	Add Capitalisation due to Gridco Contribution in Kind	Rs Cr	0	23.55	52.07	62.00
3=1+2	Total Capitalisation for Debt and Equity	Rs Cr	0	145.11	354.80	422.47
<b>b</b>	<b>Debt Capital for Capitalisation</b>					
5	Opening Debt	Rs Cr	0	0.0	96.4	317.9
6=70%x 3	Addition	Rs Cr	0.0	101.6	248.4	222.5
7	Repayment= Depc	Rs Cr		5.14	26.91	36.78
8=5+6-7	Closing Debt	Rs Cr	0.0	96.4	317.9	503.6
9=(5+8)/2	Average Balance	Rs Cr	0.0	48.2	207.2	410.8
<b>b</b>	<b>Interest on Debt</b>					
10	Rate of Interest	%		6.9%	6.9%	6.9%
11	Interest on Debt	Rs Cr		3.33	14.29	28.34

- Debt of Rs 150 Crores arranged in FY 2021-22
- Additional Debt of Rs 200 Crores tied up – adequate to support capitalization upto FY 2022-23
- Debt for FY 2023-24 will be tied up after the approval of Schemes for FY 2023-24

1

Employee Costs BreakupErstwhile  
Employees

New Employees

Employee  
Expenditure

Staff Welfare

Outsourced  
Employee

2

Employee Count movement**Employee Count- Erstwhile**

	FY 2021-22	H1 FY 23	H2 FY 23	FY 2022-23	FY 2023-24
Opening Balance	1970	1858	1794	1858	1779
Retirement/Deaths	112	64	15	79	76
Closing Balance	1858	1794	1779	1779	1703

**Employee Count- New Employees**

	FY 2021-22	H1 FY 23	H2 FY 23	FY 2022-23	FY 2023-24
Opening Balance	128	475	832	475	1003
Addition (Net of Attrition)	347	357	171	528	526
Closing Balance	475	832	1003	1003	1529

- **Ratio of 1.4 Employees per thousand consumer will be maintained after recruitment of 526 persons in FY 2023-24**
- **Ratio will be 1.33 Employees per Thousand consumer**



Sr No	Area	Number	Employee Costs (Rs Cr)
1	<p>Operations of PSS 254 Substations to be Manned @ about 7 per PSS plus Supervisors at Section Level</p> <p>Manning is in three shifts</p>	1806	38.5
2	<p>Annual Maintenance Contract – <b>33 KV Lines and PSS</b> Carry out the Regular Maintenance and preventive maintenance of the 33 KV network (about 3900 Ckt Km) and 254 PSS</p>	393	8.60
3	<p>Annual Maintenance Contract- <b>11 KV and 415 V network</b> Carry out the Regular , Preventive and Condition based maintenance of 11 KV Network ( About 43000 Ckt Km), 415 V Network (About 41000 Ckt Km) and Distribution Transformers ( about 57000 in Number)</p>	1616	36.26
4	<p>Manning of Fuse Call Centres Attending to complaints of consumers received Manning is in three shifts in Municipal areas and in 2 Shifts in NAC and one shift in Rural Area</p>	2594	54.84
5	<p>Gram Panchayat Level Collection</p> <p>Fixed Manpower Contract to get the collection for rural consumers instead of collection through MBC</p>	1908	37

Sr No	Area	Number	Employee Costs
6	Work Force for meter installation	270	5.71
7	Additional Manpower For meeting emergency situations like Kaal Baisakhi and festival loads.	535	11.67
8	Admin Support Across Entire TPSODL area In terms of peons, office assistant and data entry operators	269	6.20
9	IT Support	31	1.40
	Total		200.2

- The Outsourced Manpower Expenses for 9 months for FY 2022-23 is Rs 120 Crores in 9 months against approved expenditure of only Rs 70 Crores
- We request the Hon'ble Commission to approve the amount of Rs 200 Crores sought for FY 2023-24

1

**Erstwhile Employee Costs**

Sr No	Particulars	%	Units	Value
1	No of Employees as on 31st March 2023		No	1779
2	No of Employees as on 31st Mar 2024		No	1703
3	Average No of Employees		No	1741
Projections of Salary				
4	Present Basic Salary		Rs Cr/Year	93.73
5	Projected Basic Salary for FY 2023-24	3%	Rs Cr/Year	94.48
6	Dearness Allowance	44%	Rs Cr/Year	41.6
7	HRA (Average)	19%	Rs Cr/Year	18.9
8	Medical Allowance	5%	Rs Cr/Year	4.7
9	Other Allowances		Rs Cr/Year	7.74
10	PF Contribution	8%	Rs Cr/Year	7.559
11	Total		Rs Cr/Year	174.98
12	Estimated Cashflow to Trust for Terminal Benefits		Rs Cr/Year	131.47
13	Total Salary of Erstwhile Employees		Rs Cr/Year	306.45

- Present Erstwhile Expenditure for 8 Months of FY 2022-23 is Rs 191 Crores
- Projections reasonable after considering DA at 44% and retirement in FY 23

2

**CTC or New Employee Costs**

Sr No	Particulars	Units	Value
1	No of Employees on 30th Sep 2022	No	832
2	No of Employees on 31st Mar 2024	No	1529
3	Avg No of Employees	No	1181
4	<b>Estimated Salary of CTC Employees</b>	<b>Rs Cr</b>	<b>111.55</b>

- Rs 111 Crores is the estimated costs on the basis of approved number of employees and addition of 526 Nos included in the above estimates
- Present Employee Expenditure is Rs 50 Crores (for 9 Months) as against approved Expenditure of Rs 34 Crores for FY 2022-23 which is insufficient

### Employee Welfare Expenditure

Sr No	Particulars	Units	Value (FY 2023-24)
1	Insurance Premium for Health and Life Cover	Rs Cr	12.38
2	Annual Health Check-up	Rs Cr	2.21
3	Medical Facility	Rs Cr	0.25
4	Employee Engagement	Rs Cr	1.65
5	Employee R &R	Rs Cr	0.60
6	Learning & Development	Rs Cr	3.24
<b>Total</b>		<b>Rs Cr</b>	<b>20.33</b>

- Welfare Costs include Insurance Premium , Health Check up
- Insurance Schemes include GHIS/Group Medical Coverage, Group Term Life Insurance and Group Personal Accident
- Learning and Development includes training and engagement sessions across various divisions and employees

The Welfare Expenditure sought in FY 2023-24 is in line with the estimated expenditure for FY 2022-23

**1 R&M Expenditure claimed for FY 2023-24**

Sr No	Particulars	Units	Value
<b>A</b>	<b>Estimation of GFA for R&amp;M</b>		
1	GFA as on 1st Jan 2021	Rs Cr	1000
2	GFA Added till 31st March 2022	Rs Cr	186
3	Assets proposed to be added in FY 2022-23	Rs Cr	355
4= 1+2+3	Opening Block for FY 2023-24	Rs Cr	1541
5	Assets of Government maintained by TPSODL	Rs Cr	2406
<b>B</b>	<b>Estimation of R&amp;M Expenditure as per proposed Norm</b>		
6	Own Assets @ 5.4%	Rs Cr	83
7	Government Asset @ 3%	Rs Cr	72
<b>8=6+7</b>	<b>Total</b>	<b>Rs Cr</b>	<b>155.40</b>

**2 Government Assets being Maintained by TPSODL**

Sr No	Name of the Scheme	(Rs. in crores)
1	Odisha Distribution System Strengthening Project (ODSSP)	748
2	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	273
3	Integrated Power Development Scheme (IPDS)	212
4	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (POWER GRID)	273
5	Odisha Dedicated Agricultural Feeder Fishery Project ( ODAFFP)	7
6	Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) 12TH PLAN (NTPC)	332
7	Renovation long term action Plan (RLTAP)-executed through district Collector	26
8	PGCIL	535
	<b>Total</b>	<b>2406</b>

R&M Expenditure sought is in line with the Tariff Regulations 2022 of the Hon'ble Commission

Sr No	Head	Areas of Expenditure
1	Normal A & G Expenditure	<ul style="list-style-type: none"> <li>Administrative Expenses towards rents of offices, electricity consumption, maintaining of Guest House, Travelling, Facility Management and House Keeping and Office Expenses and finally</li> <li>IT Related expenses for maintaining proper communication links, maintaining licenses, data base and data centre and providing a firewall for protection of data</li> <li>Other expenses for advertisement for inviting tenders, objections and suggestions in ARR, and Food and conveyance</li> </ul>
2	Statutory and Mandatory Expenditure	<ul style="list-style-type: none"> <li>Statutory and Mandatory Finance Expenditure such as Auditors Remuneration, Bank Charges, Consultant Fees , Insurance , License Fees and Legal and Professional Charges</li> </ul>
3	Special A&G Expenditure	<ul style="list-style-type: none"> <li>Customer related expenditure such as Meter Reading, and Billing Expenditure and for Meter Testing and Security Expenses</li> </ul>

Sr No	Head of Expenditure	Amt Sought in FY 2023-24	Amt ( 9 Months of FY 2022-23)
1	A&G- Normal	58.38	48.64
2	A&G- Statutory	9.66	6.07
3	A&G- Special	69.55	48.12
<b>Total</b>		<b>137.59</b>	<b>102.83</b>

- Approved Expenditure for FY 2022-23 is Rs 77.25 Crores as against actual expenditure of Rs 102.83 Crores in first 9 months itself**

1

**Metering Billing Expenditure**

Sr No	Particulars	Rs Cr	
		FY 22	FY 24
1	Metering and Billing	31.17	60.1
2	Vigilance and Anti-Theft Activities		3.70
	<b>Total</b>	<b>31.17</b>	<b>63.8</b>

2

**Rates Discovered**

Particulars	Average Rate (Rs./Bill)	
	Previous Contract (July 22)	Latest Contract (From Aug 22)
Spot Billing	8.09	11.13
Door to Door Collection	8.47	17.13

- Enhancement of Minimum Wages of Field Staff
- Increase of Fuel Costs
- Separate Man power for Spot Billing and Bill Collection
- Deployment of offices / manpower at division level instead to circle level
- Division-wise minimum Meter Reader, Bill Collector, KPO, Accountant, Supervisor, Division Incharge and Project Engineer

3a

**Improvement in Billing Covered**

Particulars	FY 22		FY 23 (Jan'23)	
	Billing Coverage (%)	Actual Billing (%)	Billing Coverage (%)	Actual Billing (%)
Spot Billing	82%	67%	95%	88%

3b

**Improvement in Collection**

Particulars	FY 22 (YTM Jan)		FY 23 (YTM Jan)	
	Consumer Coverage (%)	Total Amount Collected (Rs. Crs.)	Consumer Coverage (%)	Total Amount Collected (Rs. Crs.)
Revenue Collection	39%	1105.00	72%	1445.00

## 1 Depreciation (Rs Cr)

Sr No	Description	Total FY 2023-24
1	Depreciation on Opening GFA (i.e as on 1st Jan 2021)- Net of Consumer contribution and Grant	25.32
2	Depreciation on Assets added after 1st January 2021	
a	Asset added upto 1st April 2023	26.91
b	Asset added during the year	9.86
<b>3</b>	<b>Total Depreciation</b>	<b>62.09</b>

- Depreciation on assets added after 1<sup>st</sup> April 2023 are @ 4.67 %
- 50% Depreciation considered on assets added during the year

## 2 Interest on Working Capital (Rs Cr)

Sr No	Particulars	Unit	Amount
<b>A. Computation of Working Capital</b>			
1	Power Purchase Costs (1 Month)	Rs Cr	101.7
2	O&M Expenditure (1 Month)	Rs Cr	75.16
3	Maintenance Spares (20% of R&M Expenditure for month)	Rs Cr	2.59
4	Total	Rs Cr	179.41
<b>B. Applicable Rate of Interest</b>			
5	Interest on Working Capital	%	11.3%
6	SBI Base Rate as on 1st January 2023	%	8.30%
<b>C Interest on Working Capital</b>			
7	Interest on Working Capital	Rs Cr	20.273

- Interest on Working Capital on the basis of the revised Norm



**1** Projection of Non Tariff Income for FY 2023-24

Sr No	Pariticulars	Amount (Rs Cr)
1	Non Tariff Income of FY 2022-23	52.49
2	Add Rebate on Power Purchase	12.20
3	Add DPS projected (based on the amount charged for H1 of FY 202-23)	10.74
4	Less Rebate Projected to be given to consumers	-19.86
<b>5</b>	<b>Total Projected Non Tariff Income</b>	<b>55.57</b>

- Actual Non Tariff Income for 9 Months of FY 2022-23 is Rs 43.87 Crores for 9 Months (i.e about Rs 58 Crores for entire year if extrapolated)
- Hence the projections of Non Tariff Income for FY 2023-24 is line with actuals for FY 2022-23

1

**Projection of Gap for FY 2023-24**

Sr No	Particulars	Amount (Rs Cr)
1a	Power Purchase Costs (Including Transmission Cost and SLDC)	1219.9
1b	Less Rebate on Power Purchase (Considered in NTI)	
1	Net Power Purchase Costs	1219.9
2	Interest on Long Term Debt	28.34
3	Interest on Working Capital	20.27
4	Interest on Consumer Security Deposit	18.13
5	Depreciation	62.09
6	O&M Expenditure -Employee Expenditure	608.9
7	O&M Expenditure -R&M Expenditure	155.4
8	O&M Expenditure - A&G Expenditure	137.6
9	Provision for Doubtful Debt	19.86
10	Income Tax	20.80
11	Return on Equity	54.14
12	Less Non Tariff Income	-55.57
<b>13</b>	<b>Total ARR</b>	<b>2289.89</b>
14	Revenue Earned (Prior to Prompt Payment Discount)	1985.71
<b>15</b>	<b>Gap/(Surplus)</b>	<b>304.18</b>

## **II –True up of FY 2020-21 ( 3 Months) and FY 2021-22**

1

**True up Gap for FY 2020-21 (3 Months)**

Sr No	Particulars	Amount (Rs Cr)
1a	Power Purchase Costs (Including Transmission Cost and SLDC)	200.29
1b	Less Rebate on Power Purchase	-1.53
1	Net Power Purchase Costs	198.75
2	Interest on Long Term Debt and Other Finance Charges	0.09
3	Interest on Working Capital (Normative)	4.40
4	Interest on Consumer Security Deposit	3.15
5	Depreciation	6.89
6	O&M Expenditure -Employee Expenditure	91.12
7	O&M Expenditure -R&M Expenditure	1.282
8	O&M Expenditure - A&G Expenditure	13.528
9	Provision for Doubtful Debt	3.53
10	Income Tax	4.93
11	Return on Equity	8.00
12	Less Non Tariff Income	-11.59
13	Efficiency Gains on account of AT&C losses	12.64
<b>14</b>	<b>Total ARR</b>	<b>336.72</b>
15	Revenue Earned (Less prompt payment Discount]	353
<b>16</b>	<b>Gap/(Surplus)</b>	<b>-16.59</b>

2

**True up Gap for FY 2021-22**

Sr No	Particulars	Amount (Rs Cr)
1a	Power Purchase Costs (Including Transmission Cost and SLDC)	926.33
1b	Less Rebate on Power Purchase	-9.7500
1	Net Power Purchase Costs	916.58
2	Interest on Long Term Debt and Other Finance Charges	4.60
3	Interest on Working Capital (Normative)	19.67
4	Interest on Consumer Security Deposit	11.92
5	Depreciation	28.29
6	O&M Expenditure -Employee Expenditure	413.827
7	O&M Expenditure -R&M Expenditure	90.68
8	O&M Expenditure - A&G Expenditure	96.77
9	Provision for Doubtful Debt	16.55
10	Income Tax	20.80
11	Return on Equity	35.48
12	Less Non Tariff Income	-42.49
13	Efficiency Gains on account of AT&C losses	22.78
<b>13</b>	<b>Total ARR</b>	<b>1635.4</b>
14	Revenue Earned (Less prompt payment Discount	1640
15	Gap/(Surplus)	-4.47

# Estimated Gap for FY 2022-23 and Cumulative Gap



3

## Estimated Gap for FY 2022-23

### FY 2022-23 (Estimated)

Sr No	Particulars	Amount (Rs Cr)
1a	Power Purchase Costs (Including Transmission Cost and SLDC)	1147.0
1b	Less Rebate on Power Purchase	-11.5
1	Net Power Purchase Costs	1135.6
2	Interest on Long Term Debt	14.29
3	Interest on Working Capital	29.48
4	Interest on Consumer Security Deposit	12.53
5	Depreciation	52.23
6	O&M Expenditure -Employee Expenditure	517.6
7	O&M Expenditure -R&M Expenditure	145.4
8	O&M Expenditure - A&G Expenditure	123.4
9	Provision for Doubtful Debt	18.69
10	Income Tax	20.80
11	Return on Equity	44.00
12	Less Non Tariff Income	-52.49
<b>13</b>	<b>Total ARR</b>	<b>2061.46</b>
14	Revenue Earned (Less prompt payment Discount)	1851
<b>15</b>	<b>Gap/(Surplus)</b>	<b>210.80</b>

4

## Cumulative projected Gap

Sr No	Particulars	Units	FY 2020-21 (3 Months)	FY 2021-22	FY 2022-23	Total
1	Regulatory Gap/(Surplus)	Rs Cr	-16.59	-4.47	210.80	
2	Applicable Interest Rate	% p.a	8.45%	7.30%	7.55%	
3	Carrying Cost period	Months	31.5	24	12	
<b>4</b>	<b>Carrying cost</b>	<b>Rs Cr</b>	<b>-3.68</b>	<b>-0.65</b>	<b>15.92</b>	<b>11.58</b>

Sr No	Particulars	Units	FY 2020-21 (3 Months)	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening Gap	Rs Cr	0	-20.27	-25.39	201.33
2	Addition	Rs Cr	-16.59	-4.47	210.80	304.18
3	Relevant Carrying Cost	Rs Cr	-3.68	-0.65	15.92	
4	Closing Gap	Rs Cr	-20.27	-25.39	201.33	505.51

## **III –Rent for Smart Meter Installation**

1

**Capital Cost of Meter**

Sr No	Particulars	Units	Single Phase
1			1-5 KW
2	Type of Meter		Smart
3	Meter Cost	Rs/Meter	3802
4	Meter Installation cost (including Removal Costs)	Rs/Meter	893
5	Meter Seals	Rs/Meter	18
6	Meter Box	Rs/Meter	484
<b>7= sum(1:6)</b>	<b>Total cost of meter installation</b>	<b>Rs/Meter</b>	<b>5197</b>

2

**Cost of Capital for Discounting**

Sr No	Source	Units	Ratio	Cost of Source	Tax	Effective Cost of Source	Share in Cost of Capital
a	b	c	d	e	f	$g=e/(1-f)$	$h=gxd$
1	Debt	%	100%	6.9%		6.9%	6.9%
2	Equity	%	0%	16%	25.17%	21.4%	0.0%
<b>Total</b>			<b>100%</b>				<b>6.9%</b>

3a

**Meter Rent of 5 years**

Discount Rate 6.90%

Year No	Meter Rent Rs/Month	Meter Rent Rs/Year	Present Value Factor	Present Value of the Meter Rent Rs
1	105.3	1264	0.935	1183
2	105.3	1264	0.875	1106
3	105.3	1264	0.819	1035
4	105.3	1264	0.766	968
5	105.3	1264	0.716	906
<b>Total</b>				<b>5197</b>

3b

**Meter Rent of 7 years**

Sr No	Particulars	Units	Single Phase
			1-5 KW
1	Capital Cost to be recovered	Rs/Meter	5197
2	Rentals Required for recovery of the Meter Costs @ cost of Capital for 84 months	Rs/Month	80.1
<b>3</b>	<b>Meter Rent ( to cover the variation in prices of 5% )</b>	<b>Rs/Month</b>	<b>84</b>
4	Existing Meter Rent	Rs/Month	60
5	Proposed Meter Rent	Rs/Month	84

## **IV –Business Plan for FY 2023-24**



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## Business Plan Projections for FY 2023-24

Sr No	Particulars	Amount (Rs Cr)
1a	Power Purchase Costs (Including Transmission Cost and SLDC)	1219.9
1b	Less Rebate on Power Purchase (Considered in NTI)	
1	Net Power Purchase Costs	1219.9
2	Interest on Long Term Debt	28.34
3	Interest on Working Capital	20.27
4	Interest on Consumer Security Deposit	18.13
5	Depreciation	62.09
6	O&M Expenditure -Employee Expenditure	608.9
7	O&M Expenditure -R&M Expenditure	155.4
8	O&M Expenditure - A&G Expenditure	137.6
9	Provision for Doubtful Debt	19.86
10	Income Tax	20.80
11	Return on Equity	54.14
12	Less Non Tariff Income	-55.57
<b>13</b>	<b>Total ARR</b>	<b>2289.89</b>
14	Revenue Earned (Prior to Prompt Payment Discount)	1985.71
<b>15</b>	<b>Gap/(Surplus)</b>	<b>304.18</b>

- Business Plan for One year i.e FY 2023-24 submitted at present
  - Business Plan projections in line with the ARR for FY 2023-24 submitted
  - Various changes in the state envisaged –
    - Expected spurt in Sales on account of interest shown by various industries to invest in Odisha,
    - liberalisation of Tariff for incentivising the industries to move their consumption to Distribution Licensee (from Captive),
  - The sales estimates for FY 2024-25 to FY 2027-28 are difficult to project.
- Request more time for balance Four years
  - Pray for granting time till end of April 2023 for submission of the Business Plan



# Thank You