

24th ANNUAL REPORT 2018-19

**ODISHA HYDRO POWER
CORPORATION LIMITED**
(A Government of Odisha Undertaking)



CONTENTS

Sl No.	Description	Page No.
1.	Directors Report	05
2.	Report of Secretarial Auditors	23
3.	Key Financial Performance Highlights	36
4.	Comments of the C&AG of India on Standalone & Consolidated Financial Statements & replies of the Management thereon	44
5	Independent Auditor's Report on Standalone Financial Statements	76
6.	Standalone Financial Statements	97
7.	Annual Report of a wholly owned subsidiary – GEDCOL	150
8.	Independent Auditor's Report on Consolidated Financial Statements	246
9.	Consolidated Financial Statements	266

24TH ANNUAL REPORT 2018-19

Board of Directors

Sh Bishnupada Sethi, IAS
Chairman-Cum-Managing Director

Dr. Saurabh Garg, IAS Director.	Sh Partha Sarathi Mishra, IAS Director.
Dr. Satya Priya Rath Director.	Sh Pravakar Mohanty Director (Finance).
Dr. Prabodh Kumar Mohanty Director (HR).	Sh Ramesh Chandra Tripathy Director.
Mrs. Saveeta Mohanty Director.	Sh Dronadeb Rath Director.
Sh Manoranjan Biswal CGM(EI.) & Director(Operation)I/c	

Company Secretary
Sh P K Mohanty

STATUTORY AUDITORS

M/s. A B P & Associates
Chartered Accountants

SECRETARIAL AUDITOR

M/s. Saroj Panda & Co.
Company Secretaries

COST AUDITORS

M/s. Niran & Co.
Cost Accountants

BANKERS : State Bank of India
Indian Overseas Bank
Union Bank of India
Punjab National Bank
Axis Bank
IDBI Bank

Registered Office : Janpath, Bhoi Nagar, Bhubaneswar - 751022

Vision

To be a leading power utility in the energy sector through diversified energy portfolio with due care & concern to the environment.

Mission

- ♦ To develop water resources in the State and elsewhere in the Country while augmenting Hydro Power generating capacity by setting up new hydro power projects.
- ♦ To adopt state of the art technology for up gradation of the existing hydro power stations to achieve the highest level of efficiency.
- ♦ To establish and operate thermal power plants through joint ventures and also explore the opportunities to develop renewable energy resources viz- small hydro, wind, solar.
- ♦ To develop and operate coal mines allocated jointly in favour of OHPC and other public sector undertakings by the Ministry of Coal, Govt. of India.
- ♦ To improve productivity through effective planning and implementation of ERP system with development of robust and concurrent IT infrastructure.
- ♦ To professionalize the work force in line with the modern management / technical knowhow.

Objectives

- ♦ Acquire, establish, construct and operate hydroelectric generating stations, thermal and nuclear electric generating stations and any other electric generating stations based on any non-conventional sources of energy.
- ♦ Manufacture, Trading and Co-ordination.
- ♦ Investigate and prepare project reports.
- ♦ Own, acquire, operate and carry on the business of coal mining etc.



Payment of dividend cheque by the Hon'ble Minister Energy; Home, Industries; Micro, Small & Medium Enterprises, Govt. of Odisha on behalf of OHPC to the Hon'ble Chief Minister, Odisha for the financial year 2018-19.



OHPC funded the Covid Care Centre at Paralakhemundi, Dist- Gajapati managed by Hi-tech Medical College & Hospital towards CSR expenditure.



OHPC funded the Covid Hospital at Balasore managed by Jyoti Hospital, Balasore towards CSR Expenditure.

ODISHA HYDRO POWER CORPORATION LTD

DIRECTORS' REPORT 2018-19

Dear Members,

Your Directors are pleased to present the 24th Annual Report of the company along with audited Financial Statement, Report of the Auditors and Comments of the Comptroller and Auditor General of India for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS :

The Financial results for the year ended 31st March, 2019 are summarized below.

(Rs. in Crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
REVENUE				
Revenue from Operation	480.09	468.48	496.78	484.01
Other Income	172.08	161.75	175.24	165.63
Total Revenue	652.17	630.23	672.02	649.64
EXPENSES				
Employees' Benefit Expenses	199.11	264.95	199.85	265.49
Finance cost	73.29	75.40	73.29	76.13
Depreciation and Amortization Expenses	62.68	75.10	68.38	80.75
Other expenses including exceptional items	89.77	87.25	92.47	95.62
Total expenses	424.85	502.70	433.97	517.99
Profit before non-controlling interests /share in Net-profit of Joint Venture / Associate	227.32	127.53	238.05	131.65
Share in Profit / (Loss) of Joint Venture / Associate	-	-	(0.95)	(1.44)
Profit before Tax	227.32	127.53	237.10	130.21
Tax expenses				
-Current Tax	84.85	33.93	87.20	34.80
-Deferred Tax	(1.92)	(5.10)	(2.82)	(4.64)
Profit after tax	144.39	98.70	152.72	100.05
Other Comprehensive Income	(39.13)	(36.52)	(39.13)	(36.52)
Total Comprehensive Income	105.26	62.18	113.59	63.53

2. REVENUE & PROFITS :

The standalone gross revenue (including income from other sources) during the year under review is Rs.652.17 crore as against Rs.630.23 crore in the previous year 2017-18. The Company's standalone profit before tax is Rs.227.32 crore for the Financial Year 2018-19 as against Rs.127.53 crore in the previous financial year. The standalone profit after tax is Rs.144.39 crore for the Financial Year 2018-19 as against Rs.98.70 crore during the previous financial year.

The Joint Venture / Associate Companies are under implementation/trial production stage. However, GEDCOL, the wholly owned subsidiary Company is in operation. Consolidated Accounts with the subsidiary, joint venture & associates companies have resulted in increase in profit of Consolidated

group by Rs.8.33 crore (P.Y. Rs.1.35 crore) mainly due to elimination of intra group transactions as compared to the standalone account and increase of proportionate share of profit by Rs.0.49 crore to Rs.0.95 crore in current year (P.Y. Rs.1.44 crore) from GEDCOL.

3. GENERATION :

- I) Gross Energy Generation from various Hydro Power stations of the Units of the Company during F.Y. 2018-19 over the previous year is as under:

[Million Units (MU)]

Name of the Power House	Gross Generation (MU)Current Year 2018-19	Gross Generation (MU) Previous Year 2017-18	Excess(+) / shortfall (-) over previous year (MU)
HHEP, Burla	380.003	614.069	-234.066
CHEP, Chipilima	158.384	219.111	-60.727
RHEP, Rengali	745.974	762.544	-16.570
BHEP, Balimela	1679.009	1475.072	+203.937
UKHEP, Upper Kolab	924.085	675.649	+248.436
UIHEP, Mukhiguda	2144.203	1740.820	+403.383
Total (MU)	6031.658	5487.265	+544.393

- ii) The Annual Plant Availability Factor (APAF) achieved for different Hydro Power stations during this year and previous year are as under:-

(In percent)

Unit	Achievement 2018-19	Achievement 2017-18	Excess over previous year
HHEP, Burla	36.42	67.84	-31.42
CHEP, Chipilima	54.68	58.27	-3.59
RHEP, Rengali	80.85	72.02	+8.83
BHEP, Balimela	87.75	81.99	+5.76
UKHEP, Upper Kolab	73.19	65.06	+8.13
UIHEP, Mukhiguda	86.42	94.65	-8.23
Wt. PAF of OHPC Power Station	76.06	79.42	-3.36

- iii) The total Generation and weighted average PAF achieved by the Company vis-à-vis MoU targets for Financial Year 2018-19 is as under :-

Parameter	Achieved for 2018-19	MoU target for 2018-19	Excess over MoU target
Generation (MU)	6031.658	5478	+553.658
PAF %	76.06	81.00	-4.94

4. DIVIDEND:

Your Board, in pursuant to the Finance Department Office Memorandum dtd 12.12.2011, have recommended a dividend @30% of the post-tax profit to the State Govt. The total dividend payout will be Rs.31.58 crore for the F.Y 2018-19 and dividend tax will be Rs.6.49 crore. Thus, subject to your approval, a dividend of Rs.41.46 per fully paid equity share totalling to

Rs.31.58 crore is proposed to be paid for F.Y 2018-19 as against Rs.26.18 per share totalling to Rs.18.65 crore paid during the previous year.

5. TRANSFER TO RESERVES:

During the year no amount was transferred to Reserves of the Company.

6. MACHKUND JOINT PROJECT:

Machkund is a joint Project of the Govt. of Odisha (Now under administrative control of OHPC) and Govt. of Andhra Pradesh (Now under administrative control of APGENCO). The Odisha share of (30%) in the Project was transferred to OHPC on 01.04.1997. The relevant proportionate portion of the O&M cost pertaining to Odisha share along with the cost of power drawn in excess of 30% are collected by OHPC from GRIDCO and paid to APGENCO. Therefore the Annual Accounts of OHPC do not reflect the financial results of this joint Project except receivable from GRIDCO and payable to APGENCO.

7. COMMERCIAL PERFORMANCE:

The tariff of OHPC power stations has been fixed by OERC based on OERC (Terms and conditions of Tariff) Regulations, 2014 along with the corrective measures of the State Govt.

Broadly, the parameters of the tariff structure of OHPC are as under:

- (I) The Department of Energy vide Notification No.5843 dtd.03.07.2015 has issued order for repayment of loan along with interest @7% for the entire amount of Rs.766.20 crore from 2015-16. However, the effect of loan repayment of Rs.766.20 crore of old power stations in the tariff of OHPC has not been considered by the Hon'ble Commission in the tariff order for FY 2018-19.
- (ii) Interest on debt servicing of the State Govt. loan for UIHEP has been acknowledged by OERC. However, payment of interest will be made after completion of the payment of principal in order to avoid increase in tariff in the interest of the consumers of the State.
- (iii) Return on Equity (RoE) is not allowed in respect of the transferred assets of old power stations as on 01.04.1996. However, RoE is allowed on new assets added after 01.04.1996.
- (iv) Depreciation calculated at pre-1992 norms of Govt. of India or actual amount required for repayment of loan whichever is higher is allowed by the Hon'ble Commission.

OHPC contributes in supplying almost 20% of the total power requirement of Odisha in the FY 2018-19. OHPC provides the cheapest power and meets the substantial peak load requirement of the State Grid. There has been very nominal increase in the tariff of Hydro Power Stations of OHPC fixed by OERC during last 18 (Eighteen) years.

8. CAPITAL STRUCTURE AND NET WORTH

The Authorised Share Capital of the Company is Rs.2000 crore. During the Year, the Company has received equity contribution of Rs.49 crore from Govt. of Odisha towards additional equity contribution of OHPC in OCPL. Equity shares for Rs.49 crore has been allotted to Govt. of Odisha during FY 2018-19. The paid up share capital and net worth of the company as on 31.03.2019 are Rs.761.65 crore and Rs.1776.32 crore respectively.

9. PROJECTS ON ITS OWN AND THROUGH SUBSIDIARIES AND JOINT VENTURES:

Your company has taken initiatives to develop Thermal, Hydro, Renewable Power projects on its own and through joint ventures and Subsidiary. DPR is under preparation for setting up of Pumped Storage Plants (PSP) at Upper Indravati, Mukhiguda (600MW) and Upper Kolab (320MW) respectively. The information on Subsidiary and JV companies along with details of partners of joint ventures and present status are given below:

a) **Odisha Thermal Power Corporation Limited (OTPC).**

OTPC has been incorporated as a Joint Venture Company between OHPC & OMC with 50:50 shareholdings for setting up a coal based supercritical thermal power plant of 3x 800 MW capacity at Kamakshyanagar in the District of Dhenkanal. The Land acquisition and other statutory clearance works are under progress.

b) **Baitarni West Coal Company Limited (BWCCCL).**

The Ministry of Coal, GoI vide letter dtd 25.07.2007 allotted the Baitarni West Coal Block (602MT) through Govt dispensation route to three State PSUs namely, KSEB, GPCL & OHPC each having one third share. The JV Company namely Baitarni West Coal Company Ltd (BWCCCL) was incorporated by the three allocatees during April, 2008. However, the said Coal Block has been de-allocated by the Govt. of India during 2017. Steps are being taken by all the promoters for winding up of the Company.

c) **Green Energy Development Corporation of Odisha Limited (GEDCOL) (a wholly owned subsidiary of OHPC Ltd.)**

COMMERCIAL PERFORMANCE:

20 MW Solar Project at Manamunda in the District of Boudh.

During the year under review, 27.98 Million Units (MU) (previous year 27.92 MU) were generated from 20 MW Solar Project at Manamunda in the District of Boudh. The plant capacity utilization factor during F.Y. 2018-19 was 16.03% as against 15.95% in the previous financial year. GEDCOL has generated revenue from this project for Rs.15.25 crore as against Rs. 15.22 crore in the previous financial year.

Rooftop Solar Project.

2687421 KWH Units generated during F.Y. 2018-19 from MNRE sanctioned 4(Four) MW Roof Top Solar Project on the non-residential Govt. buildings in twin city of Cuttack-Bhubaneswar through PPP mode. The capacity of 3.21 MW out of full capacity of 4 MW commissioning was completed on 31.03.2019.

Status of ongoing Project

Solar Park

GEDCOL is developing Solar Park(s) for 1000 MW of Solar Power Plant in a clustered manner constituting 100-200 MW capacity per Park/Project under the Ultra Mega Solar Power Park (UMSPP) Scheme of Govt. of India.

IFC has been engaged as Transaction Advisor for the Solar Park project to be developed in a PPP mode. DPR has been prepared for 275 MW (Phase-1) Solar Park at 5 sites in Sambalpur and Boudh District

and submitted to MNRE for approval. IDCO is taking up with the District Administrations for acquisition/alienation of 1415 Ac. land at these locations. Entire external transmission infrastructure for power evacuation will be constructed by OPTCL under GEC-II programme, for which DPR has been prepared and submitted to CEA for approval.

Feasibility study by European Union (EU) consortium for floating Solar PV projects in Odisha.

A MOU has been signed between EU Consortium and GEDCOL on 22.02.2019 for providing Technical assistance to assess/scrutinize the existing large, large-medium & medium man-made water bodies/reservoirs in the State and to prepare a list of potential sites for floating Solar project in Odisha and also to conduct pre-feasibility studies and prepare Detail Project Report for 1-2 most suitable sites.

Replication Scheme in 15 (fifteen) towns.

Pursuant to the decisions taken during 32nd ECI held on 27.04.2016 and the Board of Directors of the Company in their meeting dtd. 31.05.2016 and 27.12.2016 respectively, the replication of Bhubaneswar-Cuttack Solar Rooftop project on the Government buildings in 17 other cities of the State is being taken up by GEDCOL.

The scheme will also cover left out buildings in Bhubaneswar & Cuttack cities. Survey has been completed and DPR prepared for 19 MW capacity on 612 nos. of buildings under gross metering model.

The Financial Advisory Services Agreement (FASA) with IFC has been executed on 07.12.2016 with subsequent amendments on 21.06.2018 and 16.04.2019 extending the FASA validity. GEDCOL has approached OERC for notifying Gross Metering Regulation. Transaction structure and RFQ/RFP, PIA, PPA etc. documents are under preparation.

IFC has prepared the DPR for 18.8 MWp solar rooftop capacity on 612 buildings in n Berhampur, Chatrapur, Sambalpur, Burla, Hirakud, Rourkela, Jeypore, Nabarangapur, Koraput, Sunabeda, Balasore, Bhadrak, Baripada, Puri, Khurda, left out buildings in Bhubaneswar and Bolangir (Medical College). The DPR has been approved by MNRE on 07.02.2019. IFC has also submitted the draft bid documents, i.e. RFP (Request for Proposal), PIA (Project Implementation Agreement), PPA (Power Purchase Agreement), Lease Deed and Project Information Memorandum, which were scrutinized at GEDCOL and finalized after discussing in Project Level Steering Committee (PLSC) on 17.04.2018 and Department Level Monitoring Committee (DLMC) on 01.05.2018. The final version documents are forwarded to State PPP & PM Cell, Department of Planning & Convergence on 22.02.2019 for transaction structure approval by the Empowered Committee on Infrastructure (ECI).

Solar Projects in OPTCL Sub-station Premises:

GEDCOL is under process to develop Solar Plants on the un-utilized lands available inside OPTCL Grid Sub-stations at Baripada, Bolangir & Jayanagar including OHPC Power House at Mukhiguda and GEDCOL Solar Plant at Manmunda. DPR has been prepared by Gujarat Energy Research & Management Institute (GERMI) for 8 MW capacity for these sites.

Small Hydro Projects by GEDCOL:

Detailed Project report (DPR) has been prepared for 3MW (2 X 1.5 MW), Jambhira SHEP in Mayurbhanj District and 4.2 MW (2X 2.1 MW), Kanpur SHEP in Keonjhar District and submitted to Engineer-in-Chief (Electricity) for execution of "Implementation Agreement". MOU for Kanpur has been executed with EIC, Electricity. Tender documents are prepared by M/s WAPCOS and presently

under scrutiny. M/s WAPCOS has submitted its techno-commercial offer for study of feasibility with new location of Y-piece, revision of DPR and tender documents for the new location for Jambhira SHEP in Mayurbhanj District.

d) Odisha Coal and Power Limited (OCPL).

OCPL is a Joint Venture Company between Odisha Power Generation Corporation (OPGC) and Odisha Hydro Power Corporation Ltd. (OHPC) with shareholding ratio of 51:49.

The Manoharpur and Dip-Side Manoharpur Coal Blocks have been allocated to OCPL by MoC on 31st August, 2015. Manoharpur Coal Block is an explored block with a reserve of 252.255 Million Tonne. Dip-Side is regionally explored with a reserve of 726.215 Million tonne.

The project cost of Rs.1382 crores for Monoharpur and Dip-side Monoharpur consisting of Rs.1036 crores of term loan and Rs.346 crores of equity participation has been approved by Project Appraisal Committee (PAC) in the meeting held on 06.02.2017. Total expenditure incurred upto 31.03.2019 is about Rs.956.40 crore.

1037.24 Ac. of Private Land out of 1039.51 Ac. has been acquired by OCPL. Similarly, out of 1040.94 Ac. of Government Land, 1007.02 Ac. has been allotted in favour of OCPL and 491 Ac. of Forest Land out of 495 Ac. has been possessed by OCPL & 141.04Ac. of forest land transferred from OPGC to OCPL where the CHP and other infrastructural facilities are being constructed.

Permits for R&R Colony have already been obtained Construction of Rehabilitation & Resettlement Colony (Phase-I) completed with total 240 Houses along with basic infrastructures. Shifting of PDFs started & 234 families have been shifted / relocated. Process for construction of Phase-II R&R Colony is in progress and 54 families have been shifted.

Grant Order for Mining Lease issued & Mining lease deed signed and registered with Collector, Sundergarh on 17-05-2017.

As per the Allotment Agreement signed with the Nominated Authority, MoC, the coal production has already been started during September, 2019. The full production (8 MT) is expected by end of year 2022.

10. RENOVATION & MODERNIZATION.

R&M of CHEP, Chiplimla

Contract was signed with EPC Contractor, M/s Voith Hydro Private Limited., Noida on 15.10.2015. The approved Project cost for the Project is Rs. 65.67 Crores including IDC. The Project was synchronized on 07.11.2019.

R&M of HHEP, Burla

Contract was signed with EPC Contractor, M/s Voith Hydro Private Limited., Noida on 16.10.2015. The approved Project cost for the Project is Rs. 158.77 Crores including IDC. The tentative schedule for completion of the Project is 23.06.2020.

R&M of BHEP, Balimela

Contract was signed with EPC Contractor, M/s Bharat Heavy Electrical Limited on 21.09.2016. The approved Project cost for the Project is Rs. 382.91 Crores including IDC. The tentative schedule for completion of the Project is Feb-2021. However, the Units will be renovated in a phased manner.

WAPCOS Ltd., a Central Government PSU has been selected as the Project Management Consultant for the above 3(three) R&M Projects.

The Renovation and Modernization work of the above Projects are in full swing.

11. HRD INITIATIVES:

(a) MANPOWER

OHPC possess a highly motivated and competent human resources that has contributed its best to bring laurels and making the company a gold rated PSU of the State. The total manpower on the rolls of OHPC (Both direct recruits and absorbed employees) were 1553 as on 31.03.2019 as against previous year (1843).

The attrition rate of the OHPC executives (including Executive Trainees) during the year was very minimal. Meetings with Unions and Associations were conducted at Units and Corporate level regularly to sort out the grievances of the employees during the year.

(b) Training & Development

The Management provides continuous emphasis on development of the skill of its manpower through training. Refresher training to Executives and Non-executives of the power plants is being imparted at the OHPC training centre, an Institute recognized by the CEA. Employees are also being regularly sponsored for undergoing training conducted by reputed Govt. of India Institutes. Further in-house seminars and workshops are being organized for different categories of employees to keep them updated about the recent developments in the power sector.

(c) Industrial Relations

Industrial relations remain cordial and harmonious during the year due to continuous interaction and communication with unions & associations operating in OHPC. No man days lost during the year.

(d) Manpower Restructuring

Manpower restructuring in OHPC was approved by Govt. during the month of January'2018 and the same was implemented during the month of April'2018.

12. SAFETY MANAGEMENT:

OHPC recognizes and accepts its responsibility for establishing and maintaining a safe working environment for all its employees and associates. Proactive steps are being taken for proper implementation of safety procedure in all the Units and Corporate Office.

13. RIGHT TO INFORMATION:

OHPC has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has designated a Central Public Information Officer (CPIO), Public Information Officer (PIO), APIOs & Appellate Authority for all units and Corporate Office of OHPC.

During F.Y. 2018-19, 113 nos. of applications were received under the RTI Act. All applications and appeals are disposed of in time.

14. INFORMATION TECHNOLOGY AND COMMUNICATION:

OHPC has taken initiative to implement an Enterprise Resource Planning (ERP) package covering maximum possible processes across the different domains of the organization. Agreement has been executed with the lowest Bidder M/s PWC, for providing consultancy services for ERP implementation and open tender was floated twice during the month of April, 2018 & 27.11.2018 respectively. However, due to non- receipt/poor response, the tenders were cancelled and a fresh tender for the purpose shall be floated shortly.

15. VIGILANCE:

In order to ensure transparency, objectivity and quality of decision making in its operation, the company has a Vigilance Department headed by Chief Vigilance Officer. All the Executives submit their property return regularly as per the norms prescribed by the Govt. of Odisha.

Your company observes Vigilance Awareness Week every year in its Corporate Office and all Units.

16. PR INITIATIVES:

Achievements of OHPC are duly highlighted through print and electronic media to project your Company as a leading State PSU of the State. OHPC participated in exhibitions, seminars organized by different Agencies at State and National level like IITF etc. OHPC also participated in various sports activities like Power cricket tournament organized by OPTCL between different Power Utilities of the State. Also different National Days, Events, Programmes etc. are organized regularly in OHPC. An in house journal “VARUN” is published half yearly to showcase the important news, achievements etc. of the Corporation.

17. POLICY ON PROHIBITION AND REDRESSAL OF SEXUAL HARRASMENT AT WORK PLACE.

Your Company has zero tolerance policy for sexual harassment at work place and has complied with the provision relating the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year, 2018-19, the Company received NIL Comments on Sexual harassment work at place.

18. Performance Rating Under MOU:

In order to make the Public Sector Units competitive, sustainable and meet the future challenging environment successfully, as per the Corporate Governance Manual issued by PE Dept., Govt. of Odisha, your company is signing Memorandum of Understanding (MoU) with Deptt. of Energy, Govt. of Odisha every year from 2011-12 onwards. Based on the performance made by your company during the year 2018-19 as per the MoU signed with DoE, Govt. of Odisha, PE Deptt, GoO has rated your company as “Excellent”.

19. GOLD RATED PSU:

Based on categorization parameters fixed by Public Enterprises Department, Govt. of Odisha, Your Company have been categorized as Gold rated PSU and powers are being delegated in selected areas to the Board of Directors based on the assigned category.

20. ISO CERTIFICATION:

Corporate office along with Hirakud HEP and Upper Indravati HEP were certified with ISO 9001:2008 standards in the year 2011-12 for implementing quality management system. Following this, an Integrated Quality Management System comprising quality, environment and occupation health-cum-safety was launched successfully across the entire organization in the year 2014-15 leading to award of ISO 9001:2008, ISO 14001 : 2004 and OHSAS 18001:2007 to the Corporation.

21. RESERVATION FOR SC/ST/SEBC:

Your Company follows the provisions of the ORV Act, 1975 and Rules framed there under relating to reservation of posts for SC/ST/SEBC in service as per the directives issued by Govt. of Odisha from time to time for recruitment and promotion of employees. During the Departmental Promotion Committee meeting of Non- Executives and Executives up to the rank of E-3, representative of SC/ST Deptt. is being invited as a member.

22. FIXED DEPOSITS:

During the year your Company has not accepted any fixed deposit within the meaning of Section 73 of Companies Act, 2013 and the rules made there under.

23. STATUTORY AND OTHER INFORMATIONS:

The information required to be furnished as per the Companies Act, 2013 of your Company, on the following matters is placed at respective annexures and form integral part of the Directors Report:-

- i) Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and out go – **Annexure-I.**
- ii) Annual Report on CSR Activities – **Annexure-II.**

24. RELATED PARTY TRANSACTIONS:

All transactions entered with related parties for the year were in the ordinary course of business and on an arms' length basis. Further, there are no material related party transactions during the year with the promoters, directors or key managerial personnel. The Company's related party transaction are made with its subsidiary Company (GEDCOL) and Joint Venture Company (OCPL). All related party transactions are placed before the Audit Committee and also to the Board for approval.

25. INTERNAL FINANCIAL CONTROLS:

The company has adequate internal control system and the transactions / processes are guided by delegation of powers, policies, rules, guidelines and manuals framed in compliance with relevant laws and regulations. The organizational structure is well defined in terms of structured authority/responsibility involved at each particular hierarchy/level. In order to ensure adequacy of internal control system, internal audit is conducted by the independent Chartered Accountants/Cost & Management Accounts firms in close coordination with company's own internal Audit Department. The internal Audit process includes review and evaluation of effectiveness of existing processes, controls and compliances. It also ensures adherence to rules, procedures, policies and systems and mitigation of the operational risks perceived for each area under audit. The significant Audit observations and Action Taken reports are placed before the Audit Committee headed by an Independent Director. The recommendation and directions of the Audit Committee are carried out and complied with. During the year, such controls were tested and no such material weakness in the design or operation were observed. Further the Management is also strengthening the internal controls to the extent of Industry best standard.

26. CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Indian Accounting Standard (IND AS)-110 on Consolidated Financial Statements read with AS-111 on Joint Arrangements and IND AS-112 on disclosure of interest in other entities, the Audited Consolidated Financial Statements are provided in the Annual Report. Directors' Report/Financial Statements in respect of wholly owned Subsidiary Company i.e Green Energy Development Corporation of Odisha Limited (GEDCOL) are also included in this Annual Report.

27. BOARD OF DIRECTORS:

The Board of your Company comprised of following Directors:

Sl No.	Name	Date of Appointment	Date of Cessation	Designation
1.	Sh Bishnupada Sethi, IAS (DIN:-02268656)	04.09.2019	-	CMD
2.	Dr. Saurabh Garg, IAS (DIN-02603725)	27.09.2019	-	Director
3.	Sh Vishal Kumar Dev, IAS (DIN:-01797521)	26.07.2017	31.08.2019	CMD
4.	Sh Hemant Sharma, IAS (DIN:- 01296263)	02.08.2013	27.09.2019	Director
5.	Sh Pravakar Mohanty (DIN:-01756900)	25.10.2016	-	Director (Finance) & CFO
6.	Dr. Prabodh Kumar Mohanty (DIN:-07902418)	01.08.2017	-	Director (HRD)
7.	Sh Sanjib Kumar Tripathy (DIN:-07915634)	01.02.2018	31.10.2019	Director (Operation)
8.	Sh Sarat Chandra Bhadra (DIN:- 01896713)	09.07.2010	-	Director
9.	Sh Ramesh Chandra Tripathy (DIN: 05322840)	07.09.2012	-	Director
10.	Mrs. Saveeta Mohanty (DIN:-01854837)	14.07.2015	-	Woman Director
11.	Sh Dronadeb Rath (DIN:-00317139)	12.04.2017	-	Director
12.	Dr. Satya Priya Rath (DIN:-08004438)	23.11.2017	-	Director
13.	Sh Yudhisthir Nayak (DIN:-08569358)	30.08.2019	-	Director
14.	Sh Pravat Kumar Lenka (DIN:08072268)	21.02.2018	30.08.2019	Director

The Board of Directors places on record its deep appreciation of the valuable services rendered and guidance provided by Sh Sh Vishal Kumar Dev, IAS in the capacity of CMD and Sh Hemant Sharma, IAS, Sh Pravat Kumar Lenka and Sh Sanjib Kumar Tripathy during their tenure as Directors of the Company.

28. BOARD MEETINGS:

The Board Meetings are held normally at Bhubaneswar. During the financial year 2018-19, total 5(Five) nos. of Board Meetings were held on 28.06.2018, 05.09.2018, 27.09.2018, 22.12.2018, 19.03.2019 respectively.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance to Section 134 (3) (C) of the Companies Act, 2013, the Directors confirm that: -

- a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable Accounting Standards read with requirements set out under Schedule-III to the Act have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently except as disclosed in the Notes on Accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have had laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

30. AUDIT COMMITTEE:

The Audit Committee comprises the following Members:

1. Shri S C Bhadra, Independent Director, Chairman.
2. Sh R.C Tripathy, Independent Director, Member.
3. Dr. Satya Priya Rath, Govt. nominee, Member.
4. Director (Operation), Member.

During the Financial Year 2018-19, total 7 nos. of Audit Committee Meetings were held on 08.06.2018, 03.09.2018, 26.09.2018, 19.11.2018, 03.12.2018, 13.12.2018 & 02.03.2019 respectively for review of the accounts, report of the Auditors, Cost Audit report, Internal Auditors' observations and other financial transactions from time to time.

31. CSR COMMITTEE :

The CSR Committee comprises the following Members:

- | | | | |
|----|----------------------------|----------------------|----------|
| 1. | Shri Bishnupada Sethi, IAS | CMD | Chairman |
| 2. | Shri S C Bhadra | Independent Director | Member |
| 3. | Shri Pravakar Mohanty | Director(Finance) | Member |
| 4. | Dr. Prabodh Kumar Mohanty | Director(HRD) | Member |

During the Financial Year 2018-19, total 2 nos. of meeting of CSR Committee were held on 21.08.2018 & 18.03.2019 respectively.

32. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

33. RISK MANAGEMENT:

The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. The Company has adopted a Risk Management Policy in accordance with the provisions of the Act.

34. AUDITORS:

M/s. ABP & Associates, Chartered Accountants, Bhubaneswar was appointed as the Statutory Auditors of the Company.

35. AUDITORS' REPORTS:

The Report of the Statutory Auditors and comments of the C&AG on the accounts of the Company for the Financial Year 2018-19 and the replies of the Management to the report/comments of the Auditors on both stand alone and consolidated Financial Statements are enclosed to this report. No instance of fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

36. COST AUDIT:

In accordance with the Companies (Cost Records and Audit) Rules, 2014, notified by Ministry of Company Affairs on 30th June, 2014, the Cost Accounting Records are being maintained by all power stations of the company. M/s Niran & Co., Cost Accountants, Bhubaneswar was appointed to conduct audit of Cost Accounting records of power stations for the financial year 2018-19 under Section 148 of the Companies Act, 2013. The Cost Auditor has not given any reservations or Qualifications in his Report for the F.Y. 2018-19.

37. SECRETARIAL STANDARDS:

Your Company has complied with the applicable Secretarial Standards during the Financial Year ended 31.03.2019.

38. SECRETARIAL AUDITOR:

The Board has appointed M/s Saroj Panda & Co, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is placed at **Annexure-III**.

39. KEY MANAGERIAL PERSONNEL:

During the year, in compliance with Section 203 of the Companies Act, 2013, following were designated as Key Managerial Personnel:

1. Sh Bishnupada Sethi, IAS, Chairman-cum-Managing Director.
2. Sh Pravakar Mohanty, Director (Finance) & CFO.
3. Dr. Prabodh Kumar Mohanty, Director (HRD).
4. Sh S.K Tripathy, Director (Operation).
5. Sh P K Mohanty, Company Secretary.

40. CORPORATE GOVERNANCE:

OHPC ensures compliance of the Corporate Governance Manual issued by the State Govt. Department of Public Enterprises and maintains transparency in all its business transactions.

41. DECLARATION OF INDEPENDENCE:

Your company has received declaration from all the independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedule and Rules issued there under.

42. PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED.

Particulars of loan given investment made, guarantee given and securities provided along with the purpose for which the loan guarantee etc. is proposed to be utilized are as under :

Particulars	Details
Loan given	Refer note No.13 (b) of standalone financial statement.
Guarantee given	Refer note No.43 (B) xvii) (b) (i) of standalone financial statement.
Investment made	Refer note No.4 of standalone financial statement.
Securities provided	NIL

43. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. There have been no Material Changes and Commitments subsequent to the date of Balance Sheet.

44. ACKNOWLEDGEMENTS:

The Board of Directors acknowledges with deep appreciation of the co-operation and guidance received from the Govt. of India in particular the Ministry of Power, CEA, Govt. of Odisha in particular Deptt. of Energy, Finance, PE and SC & ST Deptt, GRIDCO, OPTCL, SLDC, ERPC, POSOCO, PGCIL, PFC, CERC, REC, IREDA, SECI, OERC, Bankers and other associated organizations.

The Board expresses its sincere thanks to all the business associates, professional consultants, counsels for their continued patronage and assistance.

The Board acknowledges with thanks the constructive suggestions received from C&AG, the Statutory Auditors, the Cost Auditors and Secretarial Auditor for their valued co-operation.

The relationship with the employees remained cordial during the year. Your Directors wish to express their appreciation for the sincere and dedicated services rendered by the OHPCians at all levels and look forward to receive such support and co-operation in future as well to ensure that Company continues to grow and excel.

FOR AND ON BEHALF OF THE BOARD

Place: Bhubaneswar
Date: 19.11.2019

BISHNUPADA SETHI, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-02268656)

ANNEXURE-I

Annexure to Director's Report

DISCLOSURE REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken and on hand.

With a view to assess and optimize the performance of generating stations, energy audit of HHEP, Burla and BHEP, Balimela has been conducted by M/s Eaga. The firm has submitted the final Energy Audit Report for the above Power House.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy.

Based on the Energy Audit Report, necessary investment will be made during the R & M work of the power house with installation of energy efficient equipments.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Energy efficient device equipments shall be installed in phased manner and during R & M work replacing the low performance one's based the Energy Audit Report.

(d) Energy Auditing and Accounting of OHPC Power Stations.

All the Power Stations of OHPC are monitoring the auxiliary equipment consumption and transformer loss. In order to quantify the exact consumption and loss within the different power stations, the energy auditing and accounting meters have been installed in the different locations as per the CEA regulation. The work order for testing of all these energy meters has been issued to the OEM (i.e. M/s. Secure Meters Ltd.). Thereafter observing the consumption / loss pattern, the higher loss making electrical equipments shall be planned for replacement in a phased manner.

(e) Energy efficiency measures through installation of LED street lighting as demonstration project in the project colonies of OHPC :

(i) Upper Kolab Power Station :

The existing street light fittings inside the colony and Power House areas has been replaced with LED street lights at a cost of Rs.43.69 lakhs.

(ii) UPPER Indravati Power Station :

The existing street light fittings of Upper Indravati colony has been replaced with LED street lights at a cost of Rs.16.83 lakhs.

(iii) Rengali Power House :

The existing street light fittings of Rengali Power House colony has been replaced with LED street lights at a cost of Rs.36.38 lakhs.

(iv) Chiplima Power House :

The existing street light fittings of Chiplima Power House colony has been replaced with LED street lights at a cost of Rs.4.94 lakhs.

B. TECHNOLOGY ABSORPTION

OHPC is adopting the latest state of art of technologies available in the hydro power sector through the process of Renovation and Modernization and capital maintenance works.

Some of the advance technologies being adopted in the R&M Projects are highlighted below:-

- 1) Replacement of Turbine, Generator and Transformer to achieve higher efficiency.
- 2) Replacement of Hydro-mechanical Governor with Digital Governing System complying to latest IEGC Code and applicable standards.
- 3) Replacement of conventional excitation system with Static Excitation System and Digital Microprocessor based AVR for better stability of Power System.
- 4) Adoption of Numerical Microprocessor based Protection System and PLC based Control System.
- 5) Water Lubricated Turbine Guide bearing has been adopted for R&M of CHEP and HHEP which will eliminate the Oil lubrication system and there will be reduced wear and tear of bearings.

Apart from above all the equipment are being replaced as per latest technology and applicable standards.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2018-19

(Rs. In lakhs)

		2018-19	2017-18
(a)	Earnings in Foreign Currency	Nil	Nil
(b)	Foreign Exchange Outgo :		
(i)	Value of imports calculated on CIF basis for capital good and spare parts.	Nil	Nil
(ii)	Expenditure in foreign currency for foreign visits.	Nil	Nil
(iii)	Expenditure incurred in foreign currency for payments of consultants.	Nil	Nil

ANNEXURE -II

CORPORATE SOCIAL RESPONSIBILITY OF OHPC

1. **Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

Introduction:

The company has formulated a CSR policy in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Highlights of the Policy:-

The CSR activities shall be undertaken by OHPC, as per its stated CSR Policy, as projects or programmes or Activities (either new or ongoing) excluding activities undertaken in pursuance of its normal course of business.

The CSR Policy *inter alia* include but not limited to a list of CSR projects or programmes which OHPC plans to undertake falling within the purview of the Schedule- VII of the Act, specifying modalities of execution of such project or programmes and implementation schedule for the same; and monitoring process of such projects or programmes.

CSR Activities do not include the activities undertaken in pursuance of normal course of business of OHPC. The Board of Director (BoD) of OHPC shall ensure that the surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of OHPC.

OHPC shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities.

Programmes Covered under CSR:

The major focus area of CSR activities should be at locations in and around six power stations under the control of OHPC across the state of Odisha. However due consideration may be given to the peripheral developmental activities which OHPC has been carrying out for past several years provided such activities/programmes/schemes are covered under the Schedule-VII.

The CSR Policy of OHPC will prioritize its activities for the displaced families from the reservoir area & rehabilitated in those villages in & around BHEP, Balimela, UIHEP, Mukhiguda & UKHEP, Bariniput.

After identification of all such villages, the priority will be for imparting skill development training to the interested persons of the said villages & to implement deep bore well Scheme of Govt. of Odisha. OHPC will make an endeavor to support various social sector spending by Govt. of Odisha especially those covered under the items enlisted under Schedule-VII of the Companies Act, 2013 and Rules framed there-under read with subsequent amendments &/or clarifications, if any, which broadly include but not limited to the followings:-

- ♦ Supporting fees (tuition & hostel) of some needy SC/ST/SEBC candidates pursuing technical education through DTET, Odisha.

- ◆ Supporting efforts of Govt. of Odisha for promoting Clean India Movement through OPEPA & Deptt of Education.
- ◆ Providing ambulance services to Health Administration of Govt. of Odisha.
- ◆ Contribution towards old age home, orphanage and such organizations working in the field of uplifting differently abled persons.

2. **The Composition of the CSR Committee :**

At present, the composition of Committee of Directors on CSR is as under:

1.	Shri Bishnupada Sethi, IAS	Director	Chairman
2.	Shri S C Bhadra	Independent Director	Member
3.	Shri Pravakar Mohanty	Director (Finance)	Member
4.	Dr. Prabodh Kumar Mohanty	Director (HRD)	Member

3. **Average net profit before tax of the Company for last three financial years:**

The details of net profit before tax for last 3 financial years for the purpose of computation of CSR Budget as per Section 198 of Companies Act, 2013 are as under:

(All figures in Lakhs)

Sl. No	Financial Year	Net Profit before Tax	Average Net Profit before tax
1	2015-16	13862.22	
2	2016-17	14708.73	11,912.87
3	2017-18	7167.67	

4. Prescribed CSR Expenditure in FY 2018-19 comes to Rs.238.26 lakhs i.e.2% of average net profit of Rs.11,912.87 lakhs for past 3 Financial Years as mentioned above.
5. Details of CSR spent during the Financial Year:-
- (a) Total amount to be spent for the Financial Year: Rs.238.26 lakhs.
 - (b) Amount spent during the Financial Year: Rs.364.26 lakhs.
 - (c) Amount unspent, if any: Nil.
 - (d) Manner in which the amount spent during the Financial Year is detailed below :

(in Rs.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs- wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or Program (2) Over-heads :	Cumulative-expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Group CSR Project of Power Sector PSUs	Education (Financial Assistance for coaching of meritorious student for economically weaker sections)	Khorda, Odisha	44,41,880/-	44,41,880/-		Through Akash Institute , BBSR
2.	Grant-in-Aid / Financial Assistance to Indravati Mahavidyalaya, Jaipatna & Indravati Project College, Khatiguda	Education (Grant-in-aid for providing education facilities in the local area)	Jaipatna	79,00,000/-	79,00,000/-		Direct
			Khatiguda	55,91,083/-	55,91,083/-		
3.	Borewell / Drinking water facility	Welfare activities	Khatiguda	-	93,57,791/-		Through RWSS, Nabaran gpur
4.	Power Boat	Transportation of public conveyance at reservoir	Khatiguda	-	49,00,000/-		Through Collector , Nabaran gpur
5.	Electrification & Infrastructure Development	Electrification of Un-Electrified villages, installation of LT Energy, providing street lights and construction of infrastructure work near by	Mukhiguda	-	41,33,769/-		Though OPTCL
6.	Drinking water facility at Rengali Project Hospital	Welfare activities	Rengali		1,01,230/-		Direct
Total				1,79,32,963/-	3,64,25,753.00		

6. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: Implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.

FOR AND ON BEHALF OF THE BOARD

**Place: Bhubaneswar
Date: 19.11.2019**

**BISHNUPADA SETHI, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
& CHAIRMAN, COMMITTEE OF DIRECTORS
ON CSR
(DIN:-02268656)**



Shri M. R. Biswal Unit Head, UKHEP received the “Smart Safety-Economical Sustainability” award at ODISHA STATE SAFETY CONCLAVE-2019

SAROJ PANDA & CO
COMPANY SECRETARIES

Saroj K.Panda, M Com, LLB, FCS
2nd Floor, Biswal Commercial Complex
Cuttack Road
Bhubaneswar-751006
Ph.0674-2314500
Email.saroj66@yahoo.co.in

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ODISHA HYDRO POWER CORPORATION LIMITED
(CIN NO. U40101OR1995SGC003963)
VANI VIHAR CHHAK, JANPATHBHOI NAGAR
BHUBANESWAR-751022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ODISHA HYDRO POWER CORPORATION LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 ("Audit Report") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit Period).**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not Applicable to the Company during the Audit Period).**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period).**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during the Audit Period).**
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period).**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable to the Company during the Audit Period).**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period).**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period).**
 - (f) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period).**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period).**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period).**
- (vi) Other laws as may be applicable specifically to the company:
1. Indian Electricity Act, 2003
 2. Environmental (Protection) Act, 1986
 3. Income Tax Act, 1961
 4. Wealth Tax Act, 1948
 5. Service Tax Act, 1994
 6. The Orissa Entry Tax Act, 1999
 7. The Central Sales Tax Act, 1956
 8. The Orissa Value Added Tax Act, 2004
 9. The Indian Stamp Act, 1889
 10. Right to Information Act, 2005

11. The Industrial and Labour Laws consisting of

- a) Contract Labour (Regulation and Abolition) Act, 1970
- b) The Minimum Wages Act, 1948
- c) Payment of Wages Act, 1936
- d) Maternity Benefit Act, 1961
- e) Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013
- f) The Orissa Shop and Establishment Act, 1956
- g) Employees Provident Fund and Misc. Prov. Act, 1952
- h) Payment of Gratuity Act, 1972
- i) The Employees State Insurance Corporation Act, 1948
- j) The payment of Bonus Act, 1965
- k) The Industrial Dispute Act, 1947

We have also examined compliance with the applicable clauses of the following:

- (i) The Company has Complied the Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) ; **(Not Applicable to the Company during the Audit Period)**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act .

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period that the Company has allotted 4,90,000 Equity shares of Rs 1000/- each during the year under the provisions of Section 62 of the Companies Act 2013 on 24.12.2018.

NOTE: This report is to be read with our letter of even date which is annexed as Annexure A and form an integral part of this report.

Place : BHUBANESWAR

Date : 20.08.2019

Signature:

Name of Company Secretary in practice/Firm: SAROJ PANDA & CO
SAROJ KUMAR PANDA

FCS No. F 5071

C P No.: 3699



View of Penstock from Valve House, UIHEP, Mukhiguda

To,
The Members,
ODISHA HYDRO POWER CORPORATION LIMITED
BHUBANESWAR

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : BHUBANESWAR
Date : 20.08.2019

Signature:
Name of Company Secretary in practice/Firm: SAROJ PANDA & CO
SAROJ KUMAR PANDA

FCS No. F 5071
C P No.: 3699

FORM No.MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	U40101OR1995SGC003963
ii)	Registration Date	21 st April, 1995
iii)	Name of the Company	Odisha Hydro Power Corporation Ltd.
iv)	Category / Sub-Category of the Company	Public Company / Government Company
v)	Address of the Registered Office and contact details	Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar -751022
vi)	Whether listed Company Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be Stated:-

Sl No.	Name and Description of main products /services	NIC Code of the Product /service *	% to total turnover of the Company**
1.	Energy (Hydro Power) Electric Power Generation by Hydro Electric Power Plants.	35101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name of the Company	Address	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held by the Company/Subsidiary/Associate Company	Applicable Section
1.	Odisha Thermal Power Corporation Ltd (OTPC)	3 rd Floor, Setu Bhawan, Nayapalli, Plot No.3-D of Orissa Bridge Corporation Ltd. Bhubaneswar-751012	U40102OR2007SGC009145	Joint Venture	50%	2 (6)
2.	Baitarni West Coal Company Ltd (BWCCCL)	3 rd Floor, Setu Bhawan, Nayapalli, Plot No.3-D of Orissa Bridge Corporation Ltd. Bhubaneswar-751012	U40102OR2008SGC009955	Joint Venture	33.33%	2(6)
3.	Green Energy Development Corporation of	OHPC Corporate Office, Vani Vihar Chhak, Janpath, Bhoi	U40102OR2013SGC016747	A wholly owned subsidiary	100%	2(87)

	Odisha Ltd (GEDCOL)	Nagar, Bhubaneswar - 751022.				
4.	Odisha Coal and Power Ltd., (OCPL)	Zone-A, Ground Floor, Fortune Towers, Bhubaneswar- 751023.	U10100OR2015 SGC018623	Joint Venture	49%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual (Nominee)	0	6	6	0.0001	0	6	6	0.0001	0.00
h) Central Govt									
i) State Govt(s)	0	7126501	7126501	99.99	0	7616501	7616501	99.99	0.00
j) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
k) Banks /FI	0	0	0	0	0	0	0	0	0.00
l) Others	0	0	0	0	0	0	0	0	0.00
Sub-Totals (A) (1):	0	7126507	7126507	100.00	0	7616507	7616507	100.00	0.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
e) Others	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	0	7126507	7126507	100.00	0	7616507	7616507	100.00	0.00
B. Public Shareholding	0	0	0	0	0	0	0	0	0.00
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	0	0	0	0.00	0	0	0	0.00	0.00

2. Non-Institutions									
a) Bodies Corporate.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
a) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
b) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total public shareholding (B) = (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	7126507	7126507	100.00	0	7616507	7616507	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Governor of Odisha along with 6 nominees.	7126507	7126507	0	7616507	100.00	0	Nil
	Total	7126507	7126507	0	7616507	100.00	0	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change) –No change.

Sl No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	7126507	100.00	7126507	100.00
	Shares allotted on 26.03.2019	490000	-	490000	100.00
	At the end of the year (As on 31.03.2019)	7616507	100.00	7616507	100.00

2. Non-Institutions									
a) Bodies Corporate.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
a) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
b) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total public shareholding (B) = (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	7126507	7126507	100.00	0	7616507	7616507	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Governor of Odisha along with 6 nominees.	7126507	7126507	0	7616507	100.00	0	Nil
	Total	7126507	7126507	0	7616507	100.00	0	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change) –No change.

Sl No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	7126507	100.00	7126507	100.00
	Shares allotted on 26.03.2019	490000	-	490000	100.00
	At the end of the year (As on 31.03.2019)	7616507	100.00	7616507	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	0	0	0	0
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Shareholding		Date	Increase / Decrease in Sharehold-ing	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
A.	DIRECTORS	No. of Shares at the Beginning (01.04.2018)/ end of the year (31.03.2019)	%of total Shares of the Company				Share	%of total shares of the Company
1.	Sh Vishal Kumar Dev, IAS	1	.000029	01.04.2018	0	-	1	.000029
		1	.000029	31.03.2019	-	0	1	.000029
2.	Sh Sanjib Kumar Tripathy	1	.000029	01.04.2018	0	0	1	.000029
		1	.000029	31.03.2019	-	0	1	.000029
4.	Sh Satya Priya Rath, Director	1	.000029	01.04.2018	-	-	1	.000029
		1	.000029	31.03.2019	-	0	1	.000029
5.	Sh S C Bhadra, Ind. Director	1	.000029	01.04.2018	0	0	1	.000029
		1	.000029	31.03.2019	-	0	1	.000029
6.	Sh Pravakar Mohanty, Director (Finance) & CFO	1	.000029	01.04.2018	-	0	1	.000029
		1	.000029	31.03.2019	-	0	1	.000029
7.	Sh P.K Lenka	0	0	01.04.2018	0	Nil	0	0

Sl No.	Particulars of Remuneration		Name of MD/WTD/Manager					Total Amount (in Rs.)
		Sh Vishal Kumar Dev, IAS, CMD*	Pravakar Mohanty, Director (F) & CFO	Dr. Prabodh Kumar Mohanty Director(H)	Sanjib Kumar Tripathy Director(O)	-	-	
1.	Gross salary (a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	-	30,42,544.00	24,81,632.00	26,64,966.00			81,89,142.00
	(b) Value of perquisites u/s 17(2) Income Tax Act,1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	--	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	--
4.	Commission - As % of profit - Others , specify.....	-	-	--	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	
	Total (A)	-	30,42,544.00	24,81,632.00	26,64,966.00	-	-	81,89,142.00
	Ceiling as per the Act	Not applicable being a Govt. Company (Ministry of Corporate Affairs notification dated 05.06.2015)						
	Note: *Sh Vishal Kumar Dev, IAS, Commissioner-cum-Secretary, Sports & Youth Services Department and Tourism Department is additional charge of Chairman-cum-Managing Director, OHPC.							

B. Remuneration to other Directors :

Sl No.	Particulars of Remuneration	Sh S C Bhadra	Sh R C Tripathy	Mrs. S. Mohanty	Sh D.Rath			
1.	Independent Directors							
	Fee for attending Board Committee Meetings	1,36,000.00	1,36,000.00	40,000.00	40,000.00			
	Commission	Nil	Nil	Nil	Nil			

	Others, please specify (conveyance)	12,750.00	12,750.00	750.00	2,250.00			
2.	Total (1)	1,48,750.00	1,48,750.00	40,750.00	42,250.00			
3.	Other Non Executive Directors	-	-	-	-	-	Sh Hemant Sharma, IAS	Sh Pravat Kumar Lenka, IAS
4.	Fee for attending Board Committee Meetings	-	-	-	-	-	Nil	Nil
	Commission	-	-	-	-	-	Nil	Nil
	Others, please specify	-	-	-	-	-	Nil	Nil
5	Total (2)	0	0	0	0	0	Nil	Nil
6.	Total (B) = (1+2)	1,48,750.00	1,48,750.00	40,750.00	42,250.00	0	0	0
7.	Total Managerial Remuneration	0	0	0	0	0	0	0
8.	Overall Ceiling as per the Act	NA	0	0	0	0	0	0

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD.

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1.	Gross salary	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	19,16,780.00	Nil	19,16,780.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
-	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit	-	-	-
	-others, specify....	-	-	-
5.	Others, please specify	-	-	-
	Total	19,16,780.00	Nil	19,16,780.00

D) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

KEY FINANCIAL PERFORMANCE HIGHLIGHTS

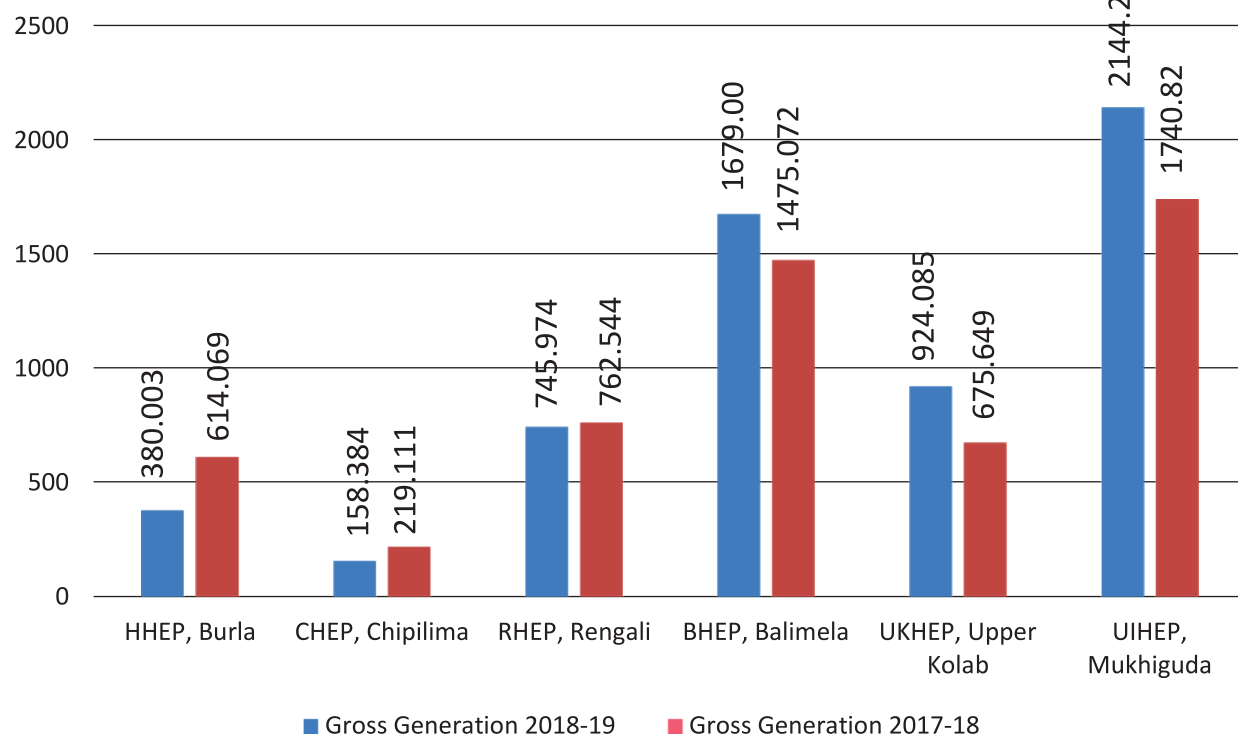
(Rs. in crores)

		2018-19	2017-18	2016-17	2015-16	*2014-15
A.	Revenue					
1	Revenue from operations	480.09	468.48	432.49	419.13	493.24
2	Other income	172.08	161.75	166.85	196.35	131.60
3	TOTAL REVENUE	652.17	630.23	599.34	615.48	624.84
B.	Expenses					
4	Employees Benefits Expense	199.11	264.95	129.19	123.18	159.90
5	Administration & Other Expenses	89.77	86.80	69.95	74.74	94.97
6	Prior Period	-	-	-	-	(29.92)
7	Exceptional items (+) income (-) loss	-	0.45	0.21	0.02	-
8	TOTAL EXPENDITURE	288.88	352.20	199.35	197.94	224.95
9	GROSS MARGIN (PBDIT) (3-8)	363.29	278.03	399.99	417.54	399.89
10	Depreciation & Amortization	62.68	75.10	115.74	137.59	294.73
11	GROSS PROFIT (PBIT) (9-10)	300.61	202.93	284.25	279.95	105.16
12	Finance Cost	73.29	75.40	78.69	84.25	58.47
13	Profit Before Tax	227.32	127.53	205.56	195.70	46.69
14	Tax (net)	82.93	28.83	76.45	70.39	31.09
15	Profit after tax	144.39	98.70	129.11	125.31	15.60
16	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss	(59.84)	(55.85)	(58.48)	(57.08)	-
	Income tax relating to items that will not be reclassified to profit or loss	20.71	19.33	20.24	19.76	-
17	Total Comprehensive Income	105.26	62.18	90.87	87.99	15.60
C	Assets					
18	Total fixed Assets (Net Block)	804.89	862.31	905.50	1016.31	1085.17
19	Investment (Financial Assets)	341.52	341.52	292.52	174.55	174.12
20	Other Non-Current Assets	914.66	793.82	739.41	737.25	679.65
21	Current Assets	1812.49	1668.42	1608.23	1515.17	1221.13
22	Total Assets	3873.56	3666.07	3545.66	3443.28	3160.07
D	Liabilities					
23	Equity Share Capital	761.65	712.65	693.65	638.65	339.80
24	Other Equity	1005.91	923.14	893.77	834.42	678.12
25	Borrowings	986.52	1016.75	1077.21	1107.44	1300.66

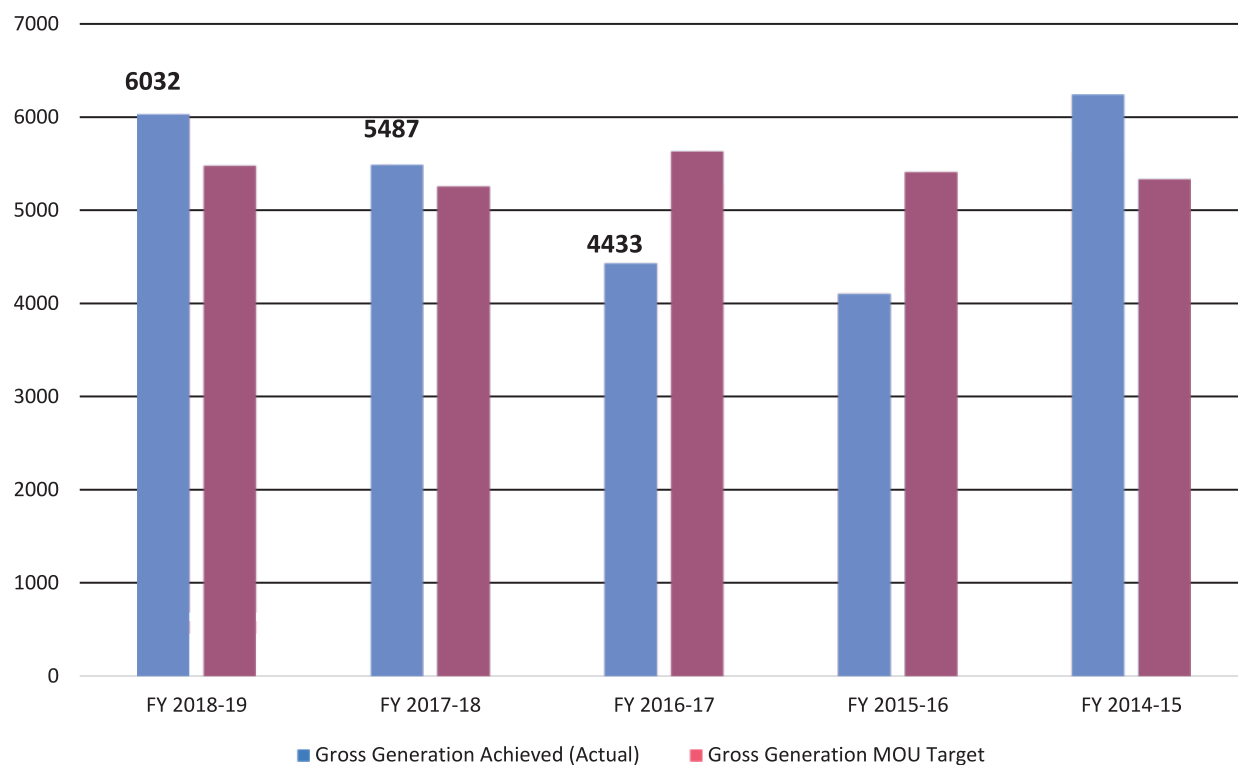
26	Other Non-current liabilities including Financial Liabilities and provisions other than borrowings	66.34	59.65	33.50	52.86	394.59
27	Deferred tax liabilities (Net)	118.87	141.50	165.93	179.81	-
28	Short term Borrowings	14.30	14.30	14.30	14.30	-
29	Current Liabilities (other than short term borrowing)	919.97	798.08	667.30	615.80	446.90
30	Total Liabilities	3873.56	3666.07	3545.66	3443.28	3160.07
31	Net Worth (23+24)	1767.56	1635.79	1587.42	1473.07	1017.92
32	Capital Employed (23+24+25-Capital work in progress)	2505.85	2530.38	2597.48	2541.19	2268.18
33	Dividend For the year	31.58	18.65	27.26	26.19	4.68
E	Ratios					
34	Earning per share (Par value of Rs.1000 share each)	198.94	140.58	201.45	231.19	49
35	Current Ratio (21/28+29)	1.94	2.05	2.36	2.40	2.73
36	Debt to Equity (25/23+24)	0.56	0.62	0.68	0.75	1.28
37	Return on Capital Employed (11/32)	12%	8.02%	10.94%	11.02%	4.64%
38	Return on Net Worth (15/31)	0.08	0.06	0.08	0.09	0.02
39	Net Profit to Revenue from Operation (15/1)	0.30	0.21	0.30	0.30	0.03
40	Dividend Per Share (in Rs.1000/-) (Share of Rs.1000 each)	41.4611	26.175	39.302	37.755	7.325

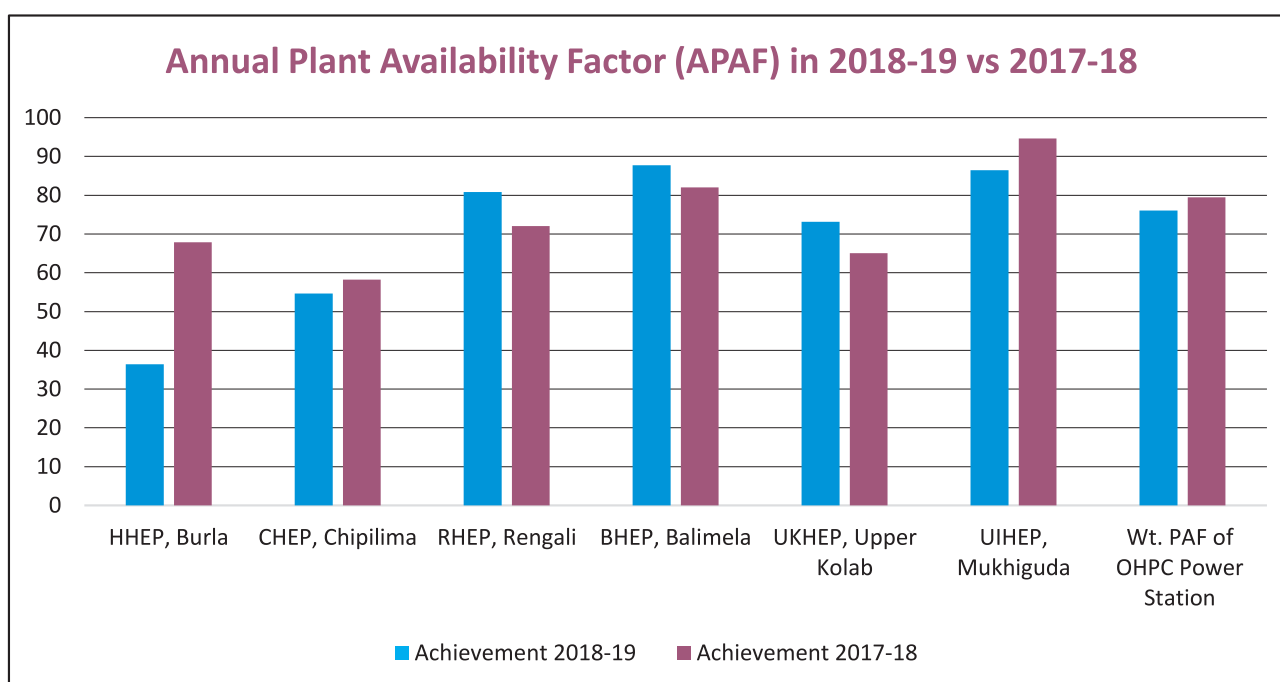
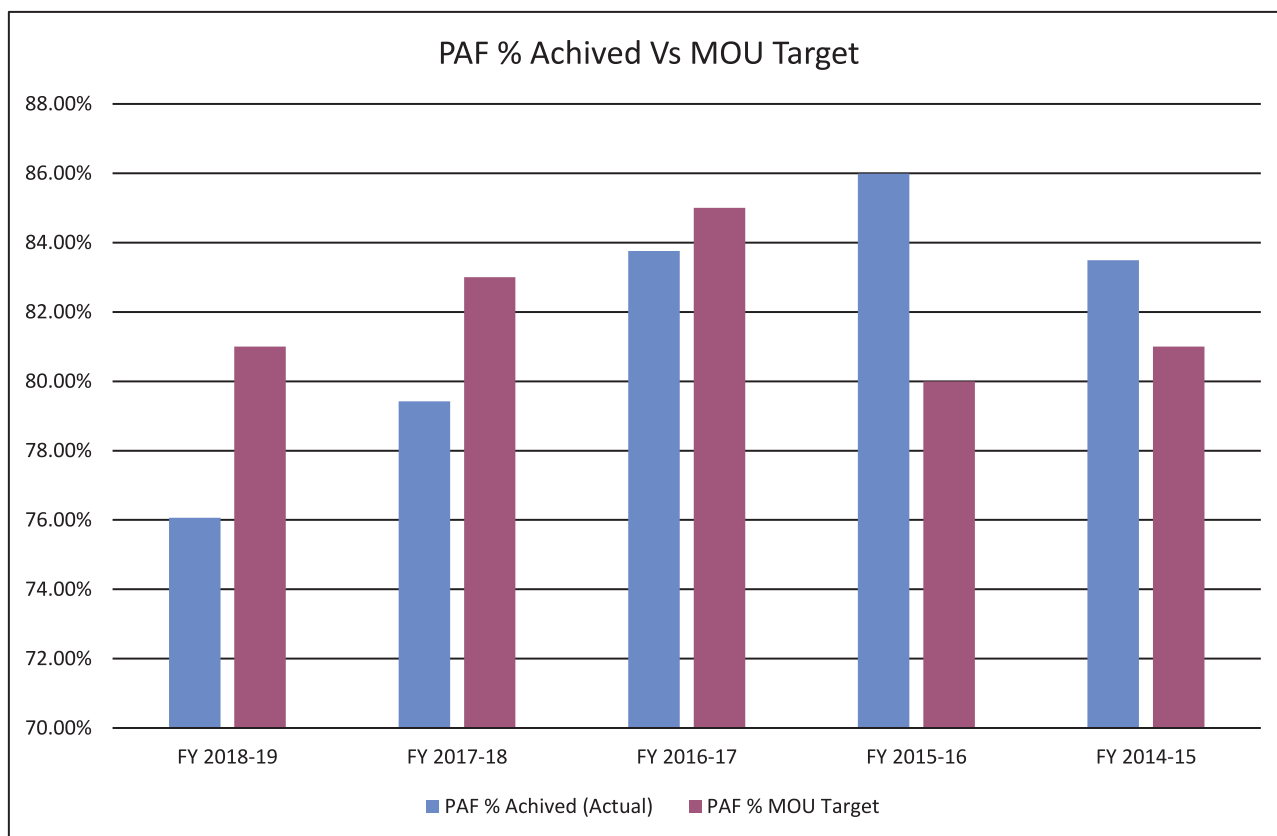
- The Financial information pertaining to FY *2014-15 are is given under Indian GAAP.

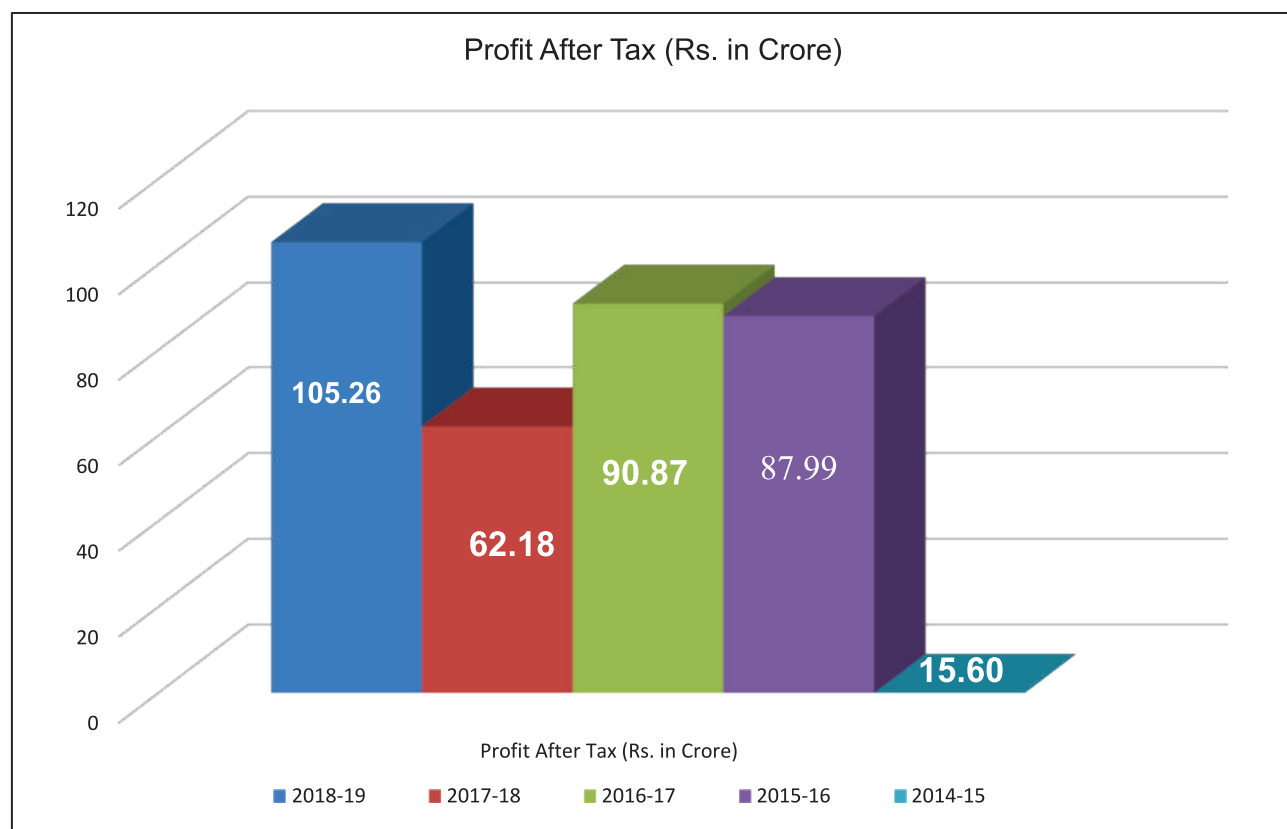
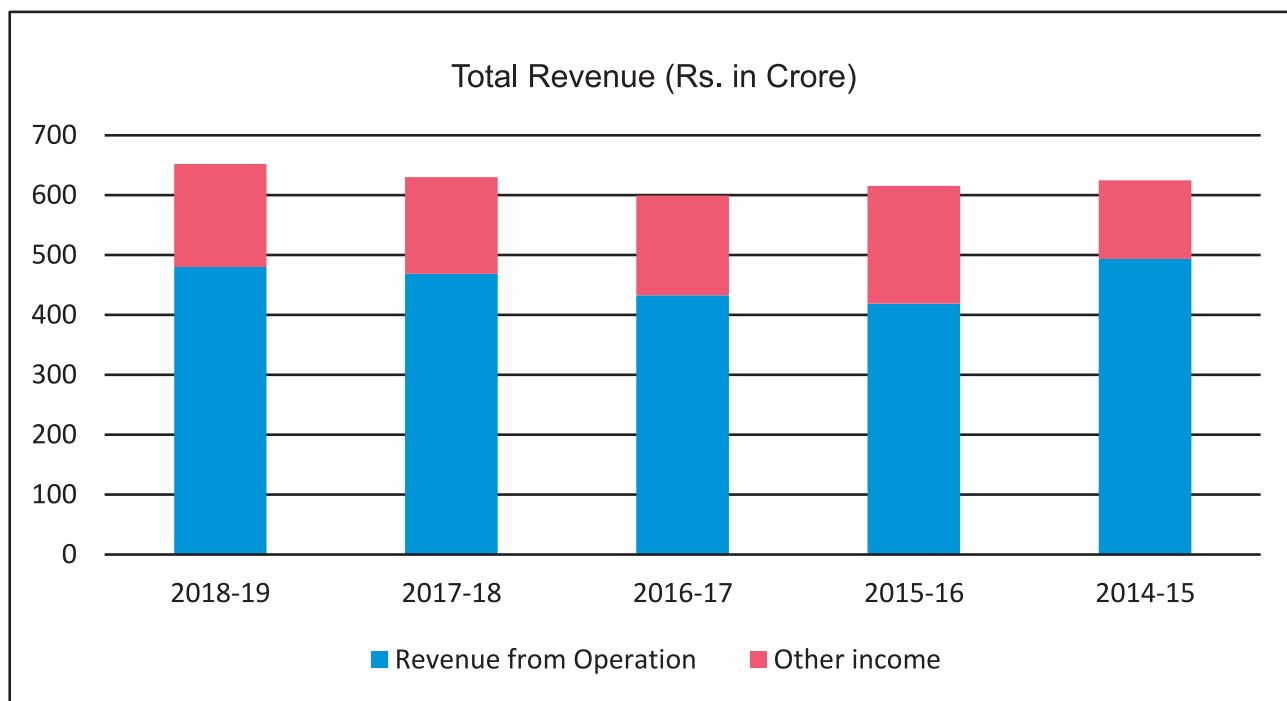
Gross Generation in 2018-19 vs 2017-18 (in MU)

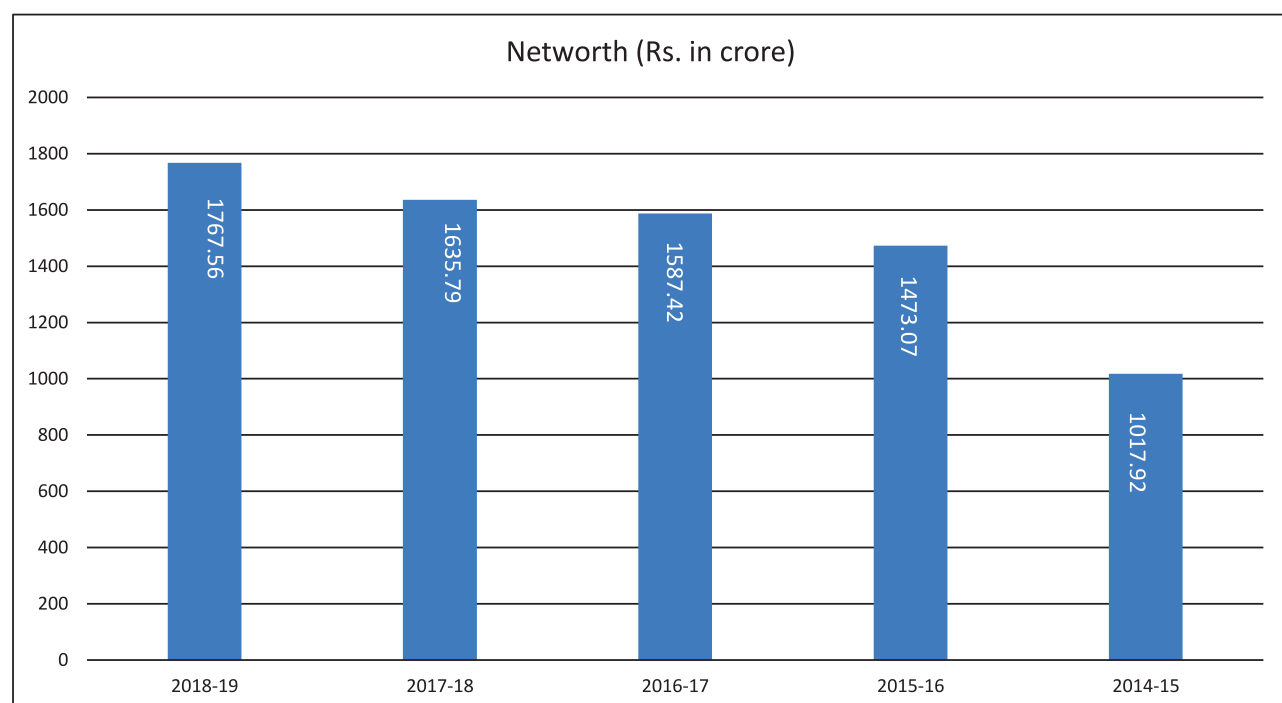
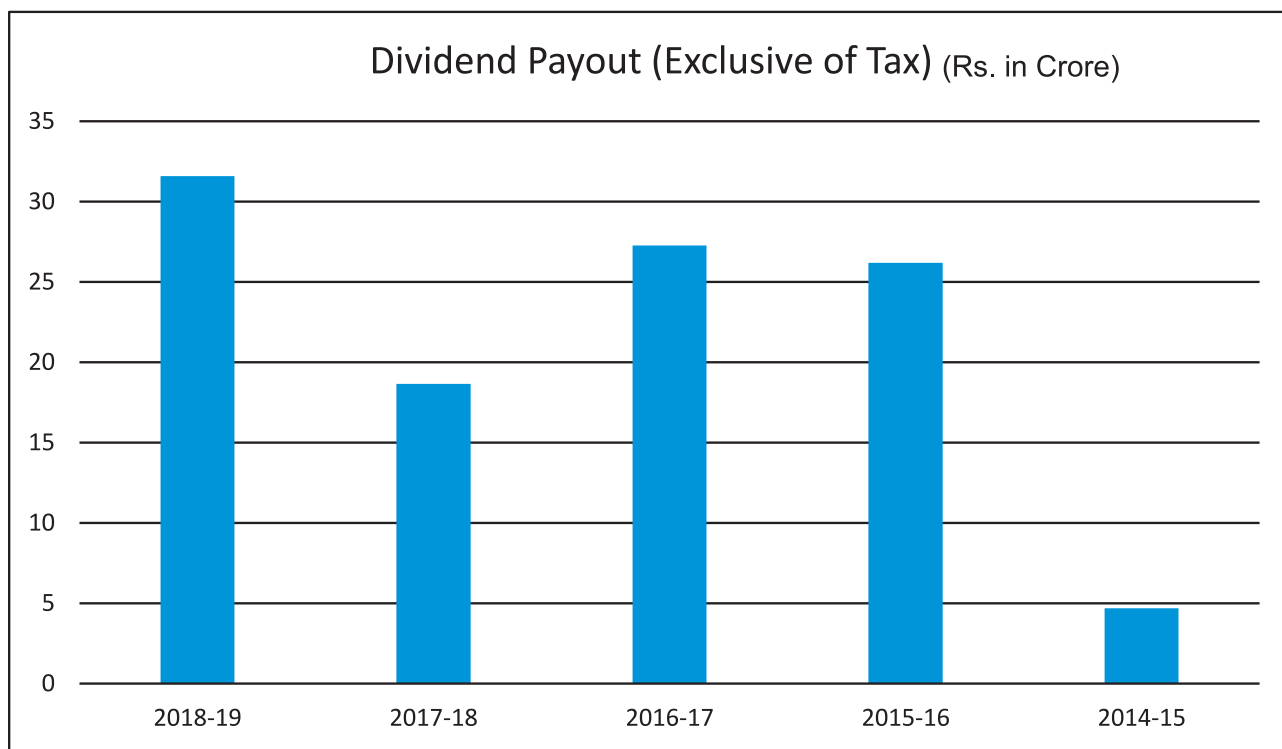


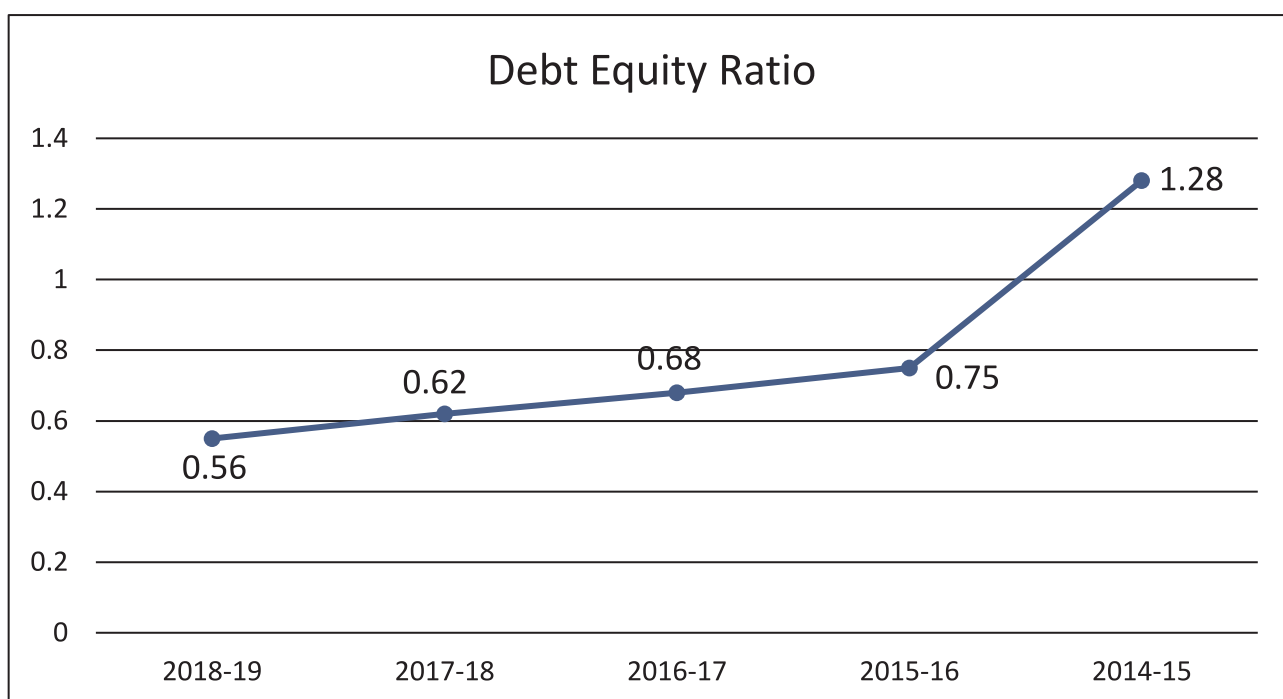
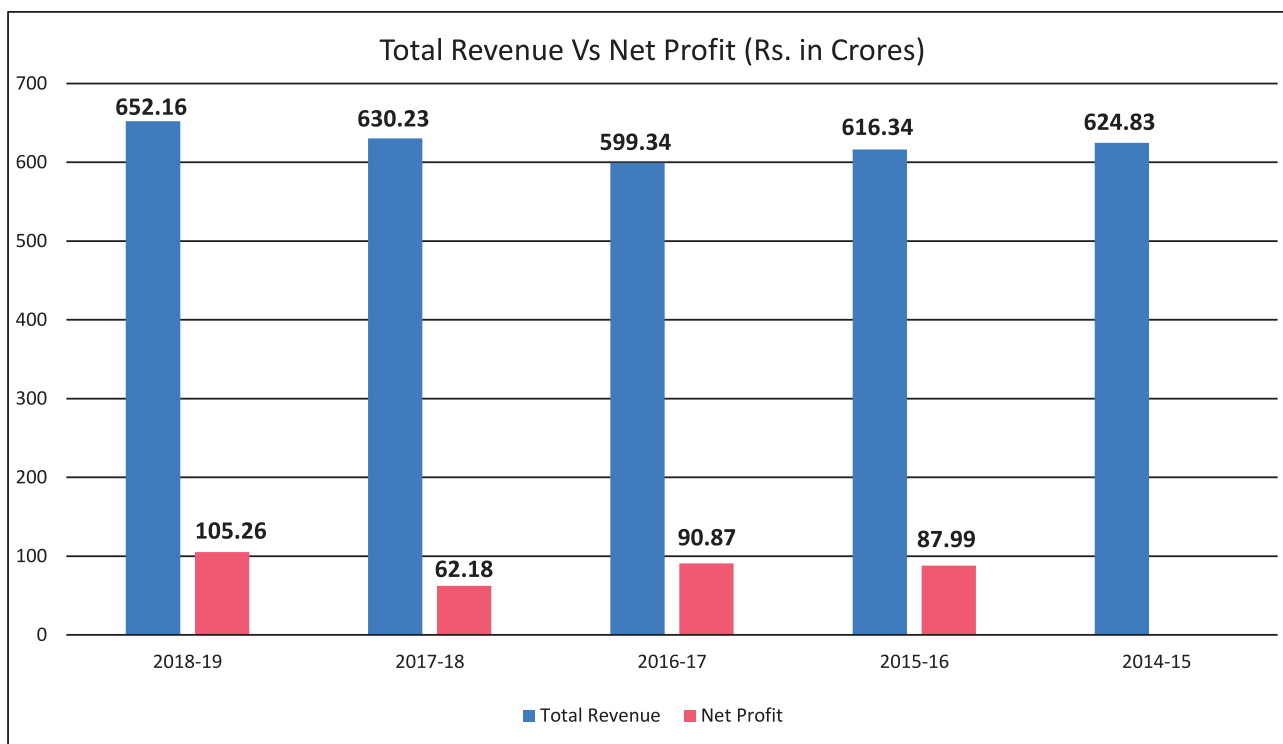
Gross Generation Achieved Vs MOU Target (in MU)



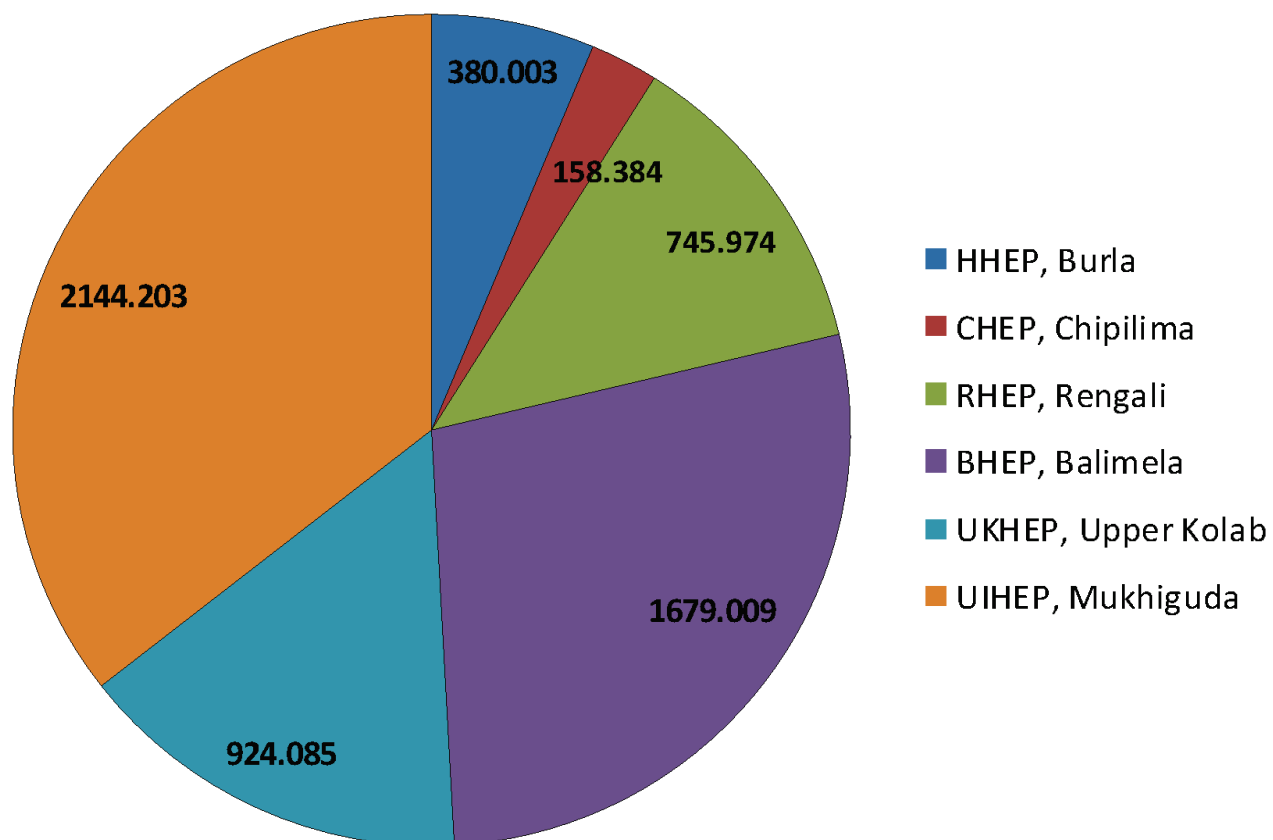








Generation Share of different units of OHPC (in MU)



Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the standalone Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31st March 2019.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 August 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better outstanding of the financial statements and the related Audit Report.

Sl. No.	Comments of C & AG of India	Replies of the management
A.	Comment on Profitability Statement of Profit and Loss Other Income (Note-29) Rs.172.08 Crore	
1.	The above is understated by Rs.4.36 crore due to non-accounting of the amount receivable from Baitarani West Coal Company towards proportionate share of cost of consent received by it from the Ministry of Coal, Govt. of India for cancellation of allocation of coal mines. This has also resulted in understatement of other Current Asset (Receivable for BWCC) and profit for the year to the same extent.	The amount is received by BWCCCL as the share of cost of consent on behalf of prior allottees. The amount will be considered in the books of accounts after due approval of the Board & on receipt of the amount.
B	Comments on Disclosure.	
2	Contingent Liability The above is understated by Rs.2.42 crore due to non-accounting of outstanding ways & means advance	As against demand from Govt. of Odisha, after verification of records of OHPC, it is found that no such amount is due to Govt. towards Ways &

<p>along with interest payable to Government of Odisha. Disputed by the company pending reconciliation.</p>	<p>Means advance. Hence no provision has been made in the books of account. Matter has however been communicated to Govt. for confirmation. After receipt of further intimation from Govt., necessary accounting entry will be made, if required.</p>
<p>C Other Comments</p>	
<p>3 The Company has received Rs.37.49 crore towards reimbursement of Income Tax as per the approval of OERC and booked under “miscellaneous Income” instead of presenting it in a separate head which is in violation of Ind AS-I.</p>	<p>This practice is being followed consistently & does not have any impact either on the profitability or the financial statement.</p>
<p>4 The Company has offset operating, Administrative and General Expenses of Rs.12.19 crore with other operating income which is in contravention of para 32 of Ind AS-I.</p>	<p>The water cess, ED, SLDC charges contribution to ERPC, ARR application fee etc. are paid as per the statutory requirements of Govt. of Odisha and the same is reimbursed from GRIDCO. Had it been shown as expenses without offsetting, the said amount would have increased the tariff for the consumers. This is however being followed consistently.</p>

**For and on behalf of
Comptroller & Auditor General of India**

For and on behalf of the Board of Directors

**Sd/-
PRINCIPAL ACCOUNTANT GENERAL**

**BISHNUPADA SETHI, IAS
CHAIRMAN -CUM-MANAGING DIRECTOR
(DIN: -02268656)**

**Place : Bhubaneswar
Date :04.11.2019**

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Consolidated Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31st March 2019.

The preparation of Consolidated Financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with 129(4) of the Companies Act, is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act, based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 August 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the Consolidated Financial Statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 under Section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Green Energy Development Corporation Limited & Odisha Thermal Power Corporation Limited but did not conduct a supplementary audit on the financial statement of Baitarini West Coal Company Limited and Odisha Coal and Power Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 146(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and related audit report.

Sl. No.	Comments of C & AG of India	Replies of the management
A.	Comment on Disclosure	
1.	A reference is invited to Note No.30 of Standalone Financial Statement of M/s Green Energy Development Corporation of Odisha Limited (GEDCOL), a wholly owned subsidiary of OHPC. As per the said note .VGF grant of Rs.33.60 crore for the year 2016-17 to 2018-19 receivable from SECI has not been considered as revenue since the modality to receive the said amount is yet to be completed. The said disclosure was not included in the Consolidated Financial Statements of OHPC Ltd. In this regard it is stated that subsequent to meeting held on 3 rd July 2019 between Solar Energy Corporation Limited (SECI), Grid Corporation of Odisha Limited (GRIDCO) and GEDCOL, the uncertainties on receipt of VGF by	Noted.

GEDCOL was removed. However, GEDCOL had not recognized the VGF amount as revenue on accrual basis in its accounts for the year 2018-19 and disclosed the same by way of notes. This being significantly material, should have been included by OHPC in Notes to CFS for the year ended 31 March 2019.

**For and on behalf of
Comptroller & Auditor General of India**

**Sd/-
PRINCIPAL ACCOUNTANT GENERAL**

**Place : Bhubaneswar
Date :04.11.2019**

For and on behalf of the Board of Directors

**BISHNUPADA SETHI, IAS
CHAIRMAN -CUM -MANAGING DIRECTOR
(DIN: -02268656)**

Annexure to Director's Report

REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS OF THE STATUTORY AUDITORS (STANDALONE) FOR THE FINANCIAL YEAR 2018 - 19

Sl. No.	Observation of the Statutory Auditors	Replies of the Management																				
	NON-CURRENT ASSETS : Rs.206107.51 lakhs																					
1	<p>Refer Note No.3 : CAPITAL WORK-IN-PROGRESS: Rs.24822.74 lakhs</p> <p>It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the Statement of Profit and Loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs. 2350.56 lakhs</p> <table><tr><th></th><th>Particulars of Projects/Assets</th><th>Units/Corporate Office</th><th>Amount (Rs. in lakhs)</th></tr><tr><td>(i)</td><td>(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets). (b)Capital Advances</td><td>Potteru (UKHEP)</td><td>2289.10 12.52</td></tr><tr><td>(ii)</td><td>Expenditure on DPR (Sindol Project)</td><td>Corporate Office, Bhubaneswar</td><td>28.78</td></tr><tr><td>(iii)</td><td>Office Building & Staff Quarters</td><td>Corporate Office, Bhubaneswar</td><td>20.16</td></tr><tr><td></td><td></td><td>Total (Rs.)</td><td>2350.56</td></tr></table> <p>Further, there are long pending CWIP balances, the detailed status of which has not been provided to us. The impact of the same on the financial statements cannot be ascertained.</p>		Particulars of Projects/Assets	Units/Corporate Office	Amount (Rs. in lakhs)	(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets). (b)Capital Advances	Potteru (UKHEP)	2289.10 12.52	(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78	(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16			Total (Rs.)	2350.56	<p>OHPC has appointed professional Chartered Accountant Firms for physical verification of Fixed Assets and certification regarding impairment of assets. As per the physical verification report and the certificate received there is no impairment of Asset. Hence there is no impairment loss.</p> <p>However, the expenditure incurred & booked under CWIP relating to DPR (Sindol Project), office building and staff quarters <i>may be written off after obtaining necessary approval from the Board.</i></p> <p>The expenditure incurred for Potteru (UKHEP) shall be written off once the approval from Govt in this regard is obtained.</p> <p>Around Rs. 19000 lakhs of the remaining CWIP relates to R&MU of HHEP, CHEP and BHEP which is not long outstanding and will be capitalized in due course on completion of renovation of the respective unit.</p>
	Particulars of Projects/Assets	Units/Corporate Office	Amount (Rs. in lakhs)																			
(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets). (b)Capital Advances	Potteru (UKHEP)	2289.10 12.52																			
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78																			
(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16																			
		Total (Rs.)	2350.56																			
2	<p>FINANCIAL ASSETS</p> <p>Refer Note No.4 : NON-CURRENT INVESTMENTS: Rs.34152.47 lakhs</p> <p>As per statutory audit report of M/s Baitarni West Coal Company Limited for FY 2017-18, Baitarni West Coal Company Limited has shown a balance payable under other Financial Liabilities (Current Liabilities) of Rs 435.96 lakhs to OHPC. However, the said amount of Rs.435.96 lakhs is not reflected in the financial statement of OHPC. The details of the above transaction is not made available to us.</p>	<p>All information received from BWCCCL have been submitted to Statutory Auditors. As per the Letter No. BWCCCL/Tech-13/2019-20/-3257 dated 16.05.2019 of BWCCCL, the said amount was received by BWCCCL</p>																				

		as OHPC's share of cost of consent on behalf of prior allottees. The amount will be considered in the accounts after due approval of the Board.
3	<p>Refer Note No.5: TRADE RECEIVABLES(NON CURRENT):- Rs.2735.22 lakhs</p> <p>Refer Note No.47(d):</p> <p>a) It includes a sum of Rs.1135.41 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2017-18 and non-reconciliation of sales of energy for the financial year 2018-19 and consequential adjustment required on such dispute and reconciliation of above "Trade Receivable" from GRIDCO Ltd and its impact over Trade Receivables as well as statement of profit & loss for the year is not ascertainable. As per confirmation received from GRIDCO, there is total credit balance of Rs.13143.49 lakhs in their books as on 31.03.2019 as against a debit balance of Rs.11923.48 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement.</p>	<p>Reconciliation of disputed amount of INR 1135.41 lakhs with GRIDCO is under process and shall be accounted for as soon as the same is over.</p> <p>The energy account for the FY 2018-19 has been sent to GRIDCO for reconciliation and any discrepancy noticed during reconciliation including difference in figures already communicated to GRIDCO at the time of accounts finalization, shall be accounted for during FY 2019-20.</p>
	<p>b) Refer Note No.47(c): Sale of energy of 16.39126 MU to CSPDCL @ INR 2.0475 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhattisgarh and the same may be revised in future. The effect of the same on financial statements is unascertainable.</p>	<p>It has been decided by both OHPC & CSPDCL that from FY 2008-09 onwards CSPDCL shall pay at the rate as approved by OERC provisionally till the rate is approved by appropriate authority. Meanwhile the job of Truing up has been assigned to outside agency i.e. M/s Feedback Infra Private Limited and the work is under process. The final revised bill shall be raised only after fixation of final tariff is determined by OERC and accordingly the same shall be accounted for in case of any difference is found out.</p>
	<p>c) Further an amount of Rs.155.85 lakhs receivable from Chhattisgarh State Power Distribution Company Limited (CSPDCL) on account of sale of energy relating to different past period continue in accounts without any recovery and again no confirmation is received from the party to be payable, but has been considered as good debts, without considering allowance for bad and doubtful debts and expected credit loss.</p>	<p>CSPDCL has not disputed the outstanding dues of INR 155.85 lakhs. The said amount mainly relates to the difference between the audited Cost of Generation claimed by OHPC and the OERC rate (paid by CSPDCL) for the respective years. This is purely on provisional basis. In a meeting dtd.28.10.2014 at CSPDCL office, it was provisionally agreed by both OHPC & CSPDCL that OHPC</p>

	On account of such non-provision, for above “Trade Receivable” from (CSPDCL) shown under Non-Current Financial Assets as well as profit for the year is overstated by Rs.155.85 lakhs.	OHPC & CSPDCL that OHPC shall file application before Hon’ble OERC for fixation of tariff for sale of energy to CSPDCL from the FY 2006-07 to 2014-15 which has been assigned to an outside Agency i.e. M/s Feedback Infra Private Ltd. and the work is under process. The final revised bill shall be raised only after fixation of final tariff by OERC and in case of any difference is found out, the same shall be accounted for accordingly. So provision of Bad & doubt full debt at present is not required and so there is no overstatement of non-current asset as well as profit to the extent of INR 155.85 lakhs.
4	CURRENT ASSETS	
	<p>Refer Note No.9:- INVENTORIES: Rs.4449.15 lakhs</p> <p>a. Inventories have been valued at cost instead of lower of cost and net realisable value since net realisable value in none of the items have been determined for the purpose of valuation of inventories. Thus requirement of Ind-AS-2 has not been complied with this respect.</p>	<p>The inventories of stores, spares and consumables are utilized in power house for maintenance of the machine. Most of the inventories are supplied by the OEM along with original equipments. Besides some items have been procured long back for which the current prices may not be available. Moreover these inventories are not meant for sale. Hence, the same is booked as per the cost price.</p>
	<p>b. It includes a large number of obsolete/ unserviceable/ damaged items. Pending determination of the same, provision for impairment in value has not been made in the accounts. The work for identifying obsolete/ unserviceable/ damaged items and assessing the value of such inventory is given to MECON. MECON has given a report of such inventory in two parts, that is, financial and quantitative. The financial report part of MECON is not yet opened by the company. The management has reported that the MECON report will be opened in the e-auction process. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.</p>	<p>After the acceptance of the report and completion of the E-auction process necessary action will be taken.</p>

	<p>c. The above amount does not include the value of inventory issued during the year but lying at site waiting for use at the year-end.</p> <table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th></tr><tr><td>UKHEP, Bariniput</td><td>16.17</td></tr><tr><td>RHEP, Rengali</td><td>52.67</td></tr><tr><td></td><td>68.84</td></tr></table> <p>On account of such non-accounting for above, the inventories as well as profit for the year is understated by Rs.68.84 lakhs.</p>	Name of the units	Amount (Rs in lakhs)	UKHEP, Bariniput	16.17	RHEP, Rengali	52.67		68.84	<p>UKHEP- The observation of the audit is noted for future guidance. RHEP- The materials are issued from General store to site store and booked to concerned head of account. In some cases all the materials are not fully utilized at site due to non-availability of other related materials and technical issues of OEM. However, the audit observation may be taken into account in the next financial year.</p>		
Name of the units	Amount (Rs in lakhs)											
UKHEP, Bariniput	16.17											
RHEP, Rengali	52.67											
	68.84											
	<p>d. Though the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.</p>	<p>Noted for future guidance.</p>										
	<p>e. The amount of inventories includes and amount of Rs.313.08 lakhs on account of stores kept at Central Store of HHEP unit as on 31.03.2019. The same could not be verified at the year-end as it was under lock and key since 28.02.2019 due to delay in handover of charge. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end. The impact of non-verification of the said stores cannot be ascertained on the financial statements.</p>	<p>Noted for future guidance.</p>										
5	<p>(a) Refer Note No.13(b):- LOANS TO RELATED PARTIES:- Rs.4550.00 lakhs</p> <table><tr><td></td><td>Amount (Rs in lakhs)</td></tr><tr><td>GEDCOL (100% subsidiary Company.)</td><td>4550.00</td></tr></table> <p>(b) Refer Note No.14:- INTEREST RECEIVABLE FROM OTHERS:-Rs.834.24 lakhs</p> <table><tr><td></td><td>Amount (Rs in lakhs)</td></tr><tr><td>Interest Receivable from GEDCOL (100% subsidiary Company.)</td><td>834.24</td></tr><tr><td>Total</td><td>Rs.5384.24</td></tr></table> <p>In absence of any agreement by the company with the above subsidiary and without any stipulation of schedule of repayment of principal as well as payment of interest to be made by subsidiary and further non-payment of principal as well as interest by the subsidiary for earlier period till date classification and presentation of Loans to Related Parties as well as Interest Receivable under Current Assets instead of Non-Current Assets is not proper. Consequently Current Assets is overstated and Non-Current Assets is understated by Rs.5384.24 lakhs.</p>		Amount (Rs in lakhs)	GEDCOL (100% subsidiary Company.)	4550.00		Amount (Rs in lakhs)	Interest Receivable from GEDCOL (100% subsidiary Company.)	834.24	Total	Rs.5384.24	<p>The ST loan of INR 4550.00 lakhs was released to M/s GEDCOL on the terms & condition as approved by both OHPC and GEDCOL Board. GEDCOL being 100% subsidiary of OHPC no further agreement was made since the sanction is as per the Board approved terms & conditions. Accordingly, interest provision is made in the books of accounts of OHPC. Since the amount of INR 5384.24 lakhs (i.e. both Principal and interest) is payable on demand by M/s GEDCOL, it is shown under current asset. So there is no overstatement of current asset and understatement of non-current asset.</p>
	Amount (Rs in lakhs)											
GEDCOL (100% subsidiary Company.)	4550.00											
	Amount (Rs in lakhs)											
Interest Receivable from GEDCOL (100% subsidiary Company.)	834.24											
Total	Rs.5384.24											

	<p>(c) Refer Note No.14:- CLAIM RECEIVABLE:- Rs.703.86 lakhs</p> <p>It includes a total sum of Rs.345.77 lakhs comprising of Electricity Duty of Rs.5.26 lakhs for the period from Feb 15 to March 15, Water Cess of Rs.326.73 lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to Rs.13.78 lakhs recoverable from GRIDCO Ltd is continuing in accounts without any recovery and again not accepted by the party to be payable. Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.345.77 lakhs.</p>	<p>The claims receivable of INR 345.77 lakhs comprising of ED of INR 5.26 lakhs, Water Cess INR 326.73 lakhs and SLDC charges of INR 13.78 lakhs which has been raised on GRIDCO.</p> <p>After two rounds of meeting with GRIDCO, they have sent the final statement which has been verified by OHPC and resubmitted to GRIDCO for payment. Hence OHPC has again resubmitted the total claim vide letter No. 4200/20.05.2019 & 4151/18.05.2019 which is likely to be settled very soon, after which necessary entry will be passed. Hence, no provision is required for the same.</p>
6	<p>Refer Note No.15:- OTHER CURRENT ASSETS:- Rs.10188.27 lakhs (a) ADVANCE TO OTHERS:- Rs.856.99 lakhs</p> <p>i. It includes a sum of Rs.813.14 lakhs paid to GEDCOL out of which an amount of Rs.60.60 lakhs is towards salary of deputationists and other expenses for the FY 2018-19, these advances are in nature of loan for which interest is to be charged instead of interest free advance. Specific approval for terms and condition of repayment of such payment to subsidiary company is not approved by Board of Directors of the company. The impact of such dispute is not ascertained since the interest rate and outstanding in various years including interest has not been computed.</p>	<p>As per decision taken in 121st Board of Director's Meeting held on 10.06.2014 based on the recommendation of Audit Committee, the expenditure incurred towards salary of deputed staff to GEDCOL and other incidental expenses shall be debited to GEDCOL A/c and accordingly it is debited to GEDCOL accounts under the head "Advance to others" but not to loan account for which interest shall be charged. This is also approved by the Board of Directors of GEDCOL. There is no dispute in the figures as confirmed by GEDCOL in their accounts. Hence there is no dispute exists and no impact.</p>
	<p>ii. It includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.</p>	<p>RHEP- Payment has been made to M/s RWSS Division, Talcher for Rs. 16.57 lakhs as advance for water supply work in different years. As the same amount has been booked to expenditure by debiting P & L account in the</p>

	<table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th><th>Remarks</th></tr><tr><td>RHEP, Rengali</td><td>16.57</td><td>RWSS division, Talcher</td></tr><tr><td>Corporate office, Bhubaneswar</td><td>1.98</td><td>E.E OPTCL</td></tr><tr><td></td><td>18.55</td><td></td></tr></table> <p>On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.18.55 lakhs.</p>	Name of the units	Amount (Rs in lakhs)	Remarks	RHEP, Rengali	16.57	RWSS division, Talcher	Corporate office, Bhubaneswar	1.98	E.E OPTCL		18.55		<p>respective year of payment, profit for the current financial year is not overstated.</p> <p>C.O- Advance payment has been made to OPTCL for repair & maintenance of staff quarters building. On availability of the utilization certificates, necessary accounting action will be taken.</p>												
Name of the units	Amount (Rs in lakhs)	Remarks																								
RHEP, Rengali	16.57	RWSS division, Talcher																								
Corporate office, Bhubaneswar	1.98	E.E OPTCL																								
	18.55																									
	<p>(b) <u>ADVANCE TO STAFF:-</u> Rs.424.07 lakhs</p> <p>It includes following old balances given to staff either retired or left the company but shown as either recoverable or payable towards GPF advances and payroll deductions (GPF) continuing in accounts since past several years remaining un-reconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back. Necessary steps to be taken for identifying entries and accordingly the balances should be adjusted after reconciliation.</p> <p>(Rs in lakhs)</p> <table><tr><th>Name of the units</th><th>Heads of ccount</th><th>Debit</th><th>Credit</th></tr><tr><td>(i)Corporate Office, Bhubaneswar</td><td>GPF Advances (Deputationist)</td><td>2.32</td><td>-</td></tr><tr><td>(ii)UKHEP,Bariniput</td><td>GPF Advance</td><td>0.80</td><td>-</td></tr><tr><td>(iii) RHEP, Rengali</td><td>GPF Advance</td><td>0.54</td><td>-</td></tr><tr><td>(iii) BHEP, Balimela</td><td>PRD(GPF)</td><td>-</td><td>0.64</td></tr><tr><td></td><td>Total</td><td>3.66</td><td>0.64</td></tr></table>	Name of the units	Heads of ccount	Debit	Credit	(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2.32	-	(ii)UKHEP,Bariniput	GPF Advance	0.80	-	(iii) RHEP, Rengali	GPF Advance	0.54	-	(iii) BHEP, Balimela	PRD(GPF)	-	0.64		Total	3.66	0.64	<p>Steps are taken to find out the details and reconcile the said head of accounts to pass necessary adjustment entry in the books of account during the FY 2019-20.</p>
Name of the units	Heads of ccount	Debit	Credit																							
(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2.32	-																							
(ii)UKHEP,Bariniput	GPF Advance	0.80	-																							
(iii) RHEP, Rengali	GPF Advance	0.54	-																							
(iii) BHEP, Balimela	PRD(GPF)	-	0.64																							
	Total	3.66	0.64																							
	<p>CURRENT FINANCIAL LIABILITIES:</p>																									
7	<p>Refer Note No.24 : TRADE PAYABLES: Rs.7321.80 lakhs SUNDRY CREDITORS FOR WORKS: Rs.207.05 lakhs</p> <p>It includes the following balance continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable but not written back.</p> <table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th></tr><tr><td>BHEP, Balimela</td><td>36.22</td></tr></table> <p>On account of such non-write back, trade Payable is overstated by Rs. 36.22 lakhs and profit for the year is understated is by same amount.</p>	Name of the units	Amount (Rs in lakhs)	BHEP, Balimela	36.22	<p>The said amount consist of following 02 vendors:</p> <p>a) M/s OCC Limited- Rs. 5.40 lakhs</p> <p>b) M/s Power Machine India Ltd.- Rs. 30.82 lakhs</p> <p>M/s OCC Ltd.- The aforementioned amount is balance payable to M/s OCC Limited on successful commissioning of work and to be shown under retention money account. Necessary adjustment entry will be passed in the current Financial year.</p> <p>M/s Power Machine India Ltd.- The amount payable is under dispute & treatment will be made after resolution of dispute.</p>																				
Name of the units	Amount (Rs in lakhs)																									
BHEP, Balimela	36.22																									

8	<p>Refer Note No.25:- OTHERS:- Rs.80754.97 lakhs EMPLOYEES LIABILITIES: - Rs.5979.63 lakhs It includes the following amount continues in the books of Khatiguda, UIHEP, since long arising out of improper accounting/adjustment lying un-reconciled and unpaid no longer payable but not written back in accounts.</p> <table><tr><th>Particulars</th><th>Amount (Rs in lakhs)</th></tr><tr><td>Wages Payable</td><td>16.58</td></tr><tr><td>Salary Payable</td><td>27.96</td></tr><tr><td>Total</td><td>44.54</td></tr></table> <p>On account of such non-write back, Current liabilities is overstated by Rs.44.54 lakhs and profit for the year is understated by same amount.</p>	Particulars	Amount (Rs in lakhs)	Wages Payable	16.58	Salary Payable	27.96	Total	44.54	<p>The accounts are under scrutiny. The actual payable amount will be ascertained after final scrutiny of original document, which is getting delayed due to difficulty in getting/ non-available of documents, as these are very old. However action has been initiated to complete the same by FY 2019-20.</p>
Particulars	Amount (Rs in lakhs)									
Wages Payable	16.58									
Salary Payable	27.96									
Total	44.54									
9	<p>Refer Note No.27:- PROVISIONS:- Rs.3861.91 lakhs PROVISION FOR ARREAR SALARY: - Rs.1920.55 lakhs The above amount of provision for arrear salaries falls short in respect of 60% of the 7th Pay Commission amounting to Rs.390.04 lakhs.</p> <table><tr><th>Particulars</th><th>Amount (Rs in lakhs)</th></tr><tr><td>BHEP</td><td>305.90</td></tr><tr><td>UKHEP</td><td>84.14</td></tr><tr><td>Total</td><td>390.04</td></tr></table> <p>On account of such non-provision, current liabilities in understated and profit is overstated to that extent.</p>	Particulars	Amount (Rs in lakhs)	BHEP	305.90	UKHEP	84.14	Total	390.04	<p>Noted. Necessary entries will be passed on the basis of actual liability in the year 2019-20.</p>
Particulars	Amount (Rs in lakhs)									
BHEP	305.90									
UKHEP	84.14									
Total	390.04									
10	<p>Refer Note No.26:- OTHER CURRENT LIABILITIES Rs.58.76 lakhs ADVANCE AGAINST SALE OF SCRAP Rs. 58.76 lakhs The above amount continues in accounts of different units since last few years remains unconfirmed, un-reconciled and un-adjusted on account of certain disputes. The impact of such dispute is not ascertainable.</p>	<p>Advance against sale of scrap of INR 58.76 lakhs comprise of INR 20.19 lakhs in favour of M/s Gourav Electricals, INR 34.26 lakhs in favour of M/s Mahavir Metals & Co, Kolkota and INR 4.19 lakhs in favor of RAB Enterprises as the cases are under sub-judice in the High Court of Calcutta & Odisha. Necessary entry shall be passed in the respective year of finalization of the above cases.</p>								
11	<p>OTHERS (TERMINAL BENEFITS) In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.</p>	<p>Necessary steps are being taken to make separate valuation by an actuary for Machhakund Project. After the said valuation, necessary accounting entry shall be passed in the FY 2019-20.</p>								

12	<p>Ind AS 16 – Property, Plant & Equipment Refer Note No:-2 PPE Rs.80489.26 lakhs Land Rs.10906.03 lakhs</p> <p>a. Out of 6.780 Acres of lease hold land held by Corporate Office, only 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company. No provision has been made by the company in this respect. Accordingly, the current year profit is overstated by Rs.954 lakhs as well as Land under PPE is overstated to the extent of Rs.954 lakhs.</p> <p>b. The lease hold land amounting to Rs.1414.67 lakhs after adjusting the value of Rs.954 lakhs is Rs.460.67 lakhs which is included in PPE instead of showing it under prepaid expenses under other Non-current Asset. Accordingly the adjustment needs to be made in respective heads.</p> <p>c. Note 2:- PPE is measured at cost less accumulated depreciation leaving apart the decommissioning or restoration cost. Due to non-availability of information in this regard, the effect due to the same is not quantifiable</p>	<p>Necessary steps are being taken to take the physical possession of the balance land of 3.60 Acres of lease hold land. In view of the above steps taken for possession of said land, no provision is required.</p> <p>The lease hold land amounting to INR 1414.71 lakhs has been shown correctly under PPE in line with accounting procedure. So, no adjustment is required to be made in the respective heads.</p> <p>Since there is no decommissioning, there is no restoration cost as well in case of OHPC, as such PPE is rightly measured at cost less accumulated depreciation.</p>
13	<p>IND AS-12 INCOME TAX Refer Note No.21:- DEFERRED TAX Rs. 11886.68 lakhs</p> <p>(a) Deferred tax is calculated on few items like PPE, provision for leave encashment, actuarial gain/loss on employee funds only. There are a few items of time difference not considered and the effect of the same is unascertainable.</p> <p>(b) During the year, there was a change in the effective tax rate however the financial impact of the same was not taken into consideration for the computation of deferred tax. This has resulted in the deferred tax liability to be understated and profit for the year to be overstated by Rs.137.37 lakhs.</p>	<p>The deferred tax liability has been calculated correctly as per Ind AS-12 considering the items to be included / deducted. No items have been left over while calculating deferred tax liability for accounting purpose. Noted.</p>
14	<p>Ind AS-115- Revenue Recognition</p> <p>Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS-115. The company accounts for reimbursement of income tax from GRIDCO on cash basis. The amount of Rs.1093 lakhs for FY 18-19 has not been accounted for in the financial statement of the company for the year FY 18-19. So the other income/profit for the FY 18-19 is understated to that extent. Further, the claim receivable under current fixed asset, others is under stated to the same extent. The effect of the other income items is not ascertainable.</p>	<p>As per accounting policy of the company vide clause No.1.6.1, revenue is recognized for some items on cash basis consistently instead of accrual basis due to uncertainty in collection of those item which have been followed by OHPC from inception.</p>

15	<p>GRIDCO collectability:</p> <p>Trade Receivable from GRIDCO was converted to Loan to GRIDCO based on balance payable as on 31.3.2013 for Rs.61900 lakhs with moratorium of 3 years from the date of agreement at 8% interest per annum. The repayment of Principal was to commence from April'2017. GRIDCO has defaulted in payment of principal to the tune of Rs.16948.81 lakhs for FY 2018-19. Further, GRIDCO has paid interest to the tune of Rs.1473.81 lakhs for the year and defaulted in payment of interest to the tune of Rs.5388.92 lakhs as on 31.03.2019. The company has recognised only interest Rs.1473.81 lakhs during the year on realisation basis which is not in conformity with Ind AS-115. Due to the above reasons, serious doubt has been created for the ultimate collection of these dues from GRIDCO. However, the total effect of the same on financial statements is unascertainable.</p>	<p>As a matter of accounting policy, OHPC is considering the interest income on debt securitization on cash basis from the inception and correctly taken into account. As regards recovery of INR 619 crores, Department of Energy, Govt. of Odisha has arranged a meeting on 24.09.2018 based on OHPC's request vide letter No. 1371 dtd.13.02.2018 & 9066 dtd.01.09.2018 in which both Director (Finance), GRIDCO & OHPC were present. So after receipt of final decision from Department of Energy, Govt. of Odisha, being the final authority as per terms of securitization agreement, necessary action shall be taken by OHPC. OHPC has however received Rs. 1473.81 lakhs during the FY 2018-19 and properly booked under other income head. The matter is under reconciliation after which necessary accounting entry will be passed.</p>
16	<p>Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts. The effect of the same on financial statements is unascertainable.</p>	<p>The balance confirmation letter have been issued to all the parties but few parties have only replied to this. In absence of any reply, it is presumed that the balance shown in our letter is confirmed and reconciled as per the terms of the letter.</p>
17	<p>STATEMENT OF PROFIT AND LOSS Refer Note No.33:- ADMINISTRATIVE & GENERAL EXPENSES Rs. 2822.76 lakhs CORPORATE SOCIAL RESPONSIBILITY EXPENSES Rs. 364.26 lakhs The above includes the following advances that were adjusted without the receipt of utilisation certificates. This accounting treatment was done on the approval of the Board.</p>	<p>OHPC books CSR expenditure on payment basis rather than after obtaining UC from the authorities.</p>

	Name of the units	Amount (Rs in lakhs)	Remarks	This is done as per the policy and guidelines framed by the BoD of OHPC and circulated vide Letter No.OHPC-HQ-HRD-PR-64/2016/9885, dated 08-11-2016.
	UIHEP, Mukhiguda	36.01	DRDA Kalahandi & WESCO	
	UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers	
	TOTAL	114.02		
This results in the profit being understated and advance to others under current assets being understated to the extent of Rs. 114.02 lakhs.				
18.	STATEMENT OF CASH FLOW Cash-flow from operating activities The income tax paid during the year 2018-19 has been understated by Rs.304.50 lakhs and the change in other assets is overstated to the same extent. This resulted into understatement of Rs.304.50 lakhs taxes paid and overstatement of net cash provided by operating activities before taxes.			Noted.

For ABP & ASSOCIATES
Chartered Accountants
FRN No.315104E

Sd/-
CA. DEBASIS PARIDA
PARTNER
ICAI M. No.062867

Date : 21.08.2019
Place : Bhubaneswar

For and on behalf of the Board of Directors

BISHNUPADA SETHI, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-02268656)

Annexure to Director's Report

REPLIES OF THE MANAGEMENT IN THE OBSERVATIONS OF THE STATUTORY AUDITORS (CONSOLIDATED) FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2018-19

Sl. No.	Observation of the Statutory Auditors	Replies of the Management																								
	NON-CURRENT ASSETS: - Rs.215235.09 lakhs																									
1	<p>Refer Note No.3:- CAPITAL WORK-IN-PROGRESS:- Rs.25936.07 lakhs</p> <p>It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the Statement of Profit and Loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs. 2350.56 lakhs</p> <table><tr><th></th><th>Particulars of Projects/Assets</th><th>Units / Corporate Office</th><th>Amount (Rs. in lakhs)</th></tr><tr><td>(i)</td><td>(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets).</td><td>Potteru (UKHEP)</td><td>2289.10</td></tr><tr><td></td><td>(b)Capital Advances</td><td></td><td>12.52</td></tr><tr><td>(ii)</td><td>Expenditure on DPR (Sindol Project)</td><td>Corporate Office, Bhubaneswar</td><td>28.78</td></tr><tr><td>(iii)</td><td>Office Building & Staff Quarters</td><td>Corporate Office, Bhubaneswar</td><td>20.16</td></tr><tr><td></td><td></td><td>Total (Rs.)</td><td>2350.56</td></tr></table> <p>Further, there are long pending CWIP balances, the detailed status of which has not been provided to us. The impact of the same on the financial statements cannot be ascertained.</p>		Particulars of Projects/Assets	Units / Corporate Office	Amount (Rs. in lakhs)	(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets).	Potteru (UKHEP)	2289.10		(b)Capital Advances		12.52	(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78	(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16			Total (Rs.)	2350.56	<p>OHPC has appointed professional Chartered Accountant Firms for physical verification of Fixed Assets and certification regarding impairment of assets. As per the physical verification report and the certificate received there is no impairment of Asset. Hence there is no impairment loss.</p> <p>However, the expenditure incurred & booked under CWIP relating to DPR (Sindol Project), office building and staff quarters may be written off after obtaining necessary approval of the Board.</p> <p>The expenditure incurred for Potteru (UKHEP) shall be written off once the approval from Govt. in this regard is obtained.</p> <p>Around Rs. 19000.00 lakhs of the remaining CWIP relates to R&MU of HHEP, CHEP and BHEP which is not long outstanding and will be capitalized in due course on completion of renovation of the respective unit.</p>
	Particulars of Projects/Assets	Units / Corporate Office	Amount (Rs. in lakhs)																							
(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets).	Potteru (UKHEP)	2289.10																							
	(b)Capital Advances		12.52																							
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78																							
(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16																							
		Total (Rs.)	2350.56																							
	FINANCIAL ASSETS																									
2	<p>Refer Note No.4:- NON-CURRENT INVESTMENTS:- Rs.28449.87 lakhs</p> <p>As per statutory audit report of M/s Baitarni West Coal Company Limited for FY 2017-18, Baitarni West Coal Company Limited has shown a</p>	<p>All information received from BWCCCL have been submitted to</p>																								

	<p>balance payable under other Financial Liabilities (Current Liabilities) of Rs 435.96 lakhs to OHPC. However, the said amount of Rs.435.96 lakhs is not reflected in the financial statement of OHPC. The details of the above transaction is not made available to us.</p>	<p>Statutory Auditors. As per the Letter No. BWCCCL/Tech-13/2019-20/-3257 dated 16.05.2019 of BWCCCL, the said amount was received by BWCCCL as OHPC's share of cost of consent on behalf of prior allottees. The amount will be considered in the accounts after due approval of the Board.</p>
3	<p>Refer Note No.5:- TRADE RECEIVABLES(NON CURRENT):- Rs.2735.22 lakhs</p> <p>Refer Note No.47(d):-</p> <p>a.It includes a sum of Rs.1135.41 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2017-18 and non-reconciliation of sales of energy for the financial year 2018-19 and consequential adjustment required on such dispute and reconciliation of above "Trade Receivable" from GRIDCO Ltd and its impact over Trade Receivables as well as statement of profit & loss for the year is not ascertainable. As per confirmation received from GRIDCO, there is total credit balance of Rs.13143.49 lakhs in their books as on 31.03.2019 as against a debit balance of Rs.11923.48 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement.</p> <p>b.Refer Note No.47(c):- Sale of energy of 16.39126 MU to CSPDCL @ INR 2.0475 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhattisgarh and the same may be revised in future. The effect of the same on financial statements is unascertainable.</p> <p>c. Further an amount of Rs.155.85 lakhs receivable from Chhattisgarh State Power Distribution Company Limited (CSPDCL) on account of sale of energy relating to different past period continue in accounts without any recovery and again no confirmation is received from the party to be payable, but has been considered as good debts, without considering allowance for bad and doubtful debts and expected credit loss. On account of such non-provision, for above "Trade Receivable" from (CSPDCL) shown under Non-Current Financial Assets as well as profit for the year is overstated by Rs.155.85 lakhs.</p>	<p>Reconciliation of disputed amount of INR 1135.41 lakhs with GRIDCO is under process and shall be accounted for as soon as the same is over.</p> <p>The energy account for the FY 2018-19 has been sent to GRIDCO for reconciliation and any discrepancy noticed during reconciliation including difference in figures already communicated to GRIDCO at the time of accounts finalization, shall be accounted for during FY 2019-20.</p> <p>It has been decided by OHPC & CSPDCL that from 2008-09 onwards CSPDCL shall pay at the rate as approved by OERC provisionally. Meanwhile the job of Truing up has been assigned to outside agency i.e. M/s Feedback Infra Private Limited and the work is under process. The final revised bill shall be raised only after fixation of final tariff by OERC and</p>

		<p>accordingly the same shall be accounted for in case of any difference is find out.</p> <p>CSPDCL has not disputed the outstanding dues of INR 155.85 lakhs. The said amount mainly relates to the difference between the audited Cost of Generation claimed by OHPC and the OERC rate (paid by CSPDCL) for the respective years. This is purely on provisional basis. In a meeting dtd.28.10.2014 at CSPDCL office, it was provisionally agreed by both OHPC & CSPDCL that OHPC shall file application before Hon'ble OERC for fixation of tariff for sale of energy to CSPDCL from the FY 2006-07 to 2014-15 which has been assigned to an outside Agency i.e. M/s Feedback Infra Private Ltd. and the work is under process. The final revised bill shall be raised only after fixation of final tariff by OERC and in case of any difference is found out, the same shall be accounted for accordingly. So provision of Bad & doubt full debt at present is not required and so there is no overstatement of non-current asset as well as profit to the extent of INR 155.85 lakhs.</p>
	<u>CURRENT ASSETS</u>	
4	<p><u>Refer Note No.9:- INVENTORIES:- Rs.4449.15 lakhs</u></p> <p>d. Inventories have been valued at cost instead of lower of cost and net realisable value since net realisable value in none of the items have been determined for the purpose of valuation of inventories. Thus requirement of Ind-AS-2 has not been complied with this respect.</p> <p>e. It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in value has not been made in the accounts. The work for identifying obsolete/unserviceable/damaged items and assessing the value of such inventory is given to MECON. MECON has given a report of such inventory in two parts, that is, financial and quantitative. The financial report part of MECON is not yet opened by the company. The</p>	<p>The inventories of stores, spares and consumables are utilized in power house for maintenance of the machine. Most of the inventories are supplied by the OEM along with original equipments. Besides some items have been procured long back for which the current prices may not be available. Moreover these inventories are not meant for sale. Hence, the same is booked as per the cost price.</p>

	<p>management has reported that the MECON report will be opened in the e-auction process. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.</p> <p>f. The above amount does not include the value of inventory issued during the year but lying at site waiting for use at the year-end.</p> <table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th></tr><tr><td>UKHEP, Bariniput</td><td>16.17</td></tr><tr><td>RHEP, Rengali</td><td>52.67</td></tr><tr><td></td><td>68.84</td></tr></table> <p>On account of such non-accounting for above, the inventories as well as profit for the year is understated by Rs.68.84 lakhs.</p> <p>g. Though the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.</p> <p>h. The amount of inventories includes and amount of Rs.313.08 lakhs on account of stores kept at Central Store of HHEP unit as on 31.03.2019. The same could not be verified at the year-end as it was under lock and key since 28.02.2019 due to delay in handover of charge. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end. The impact of non-verification of the said stores cannot be ascertained on the financial statements.</p>	Name of the units	Amount (Rs in lakhs)	UKHEP, Bariniput	16.17	RHEP, Rengali	52.67		68.84	<p>After the acceptance of the report and completion of the E-auction process necessary action will be taken.</p> <p>UKHEP- The observation of the audit is noted for future guidance. RHEP- The materials are issued from General store to site store and booked to concerned head of account. In some cases all the materials are not fully utilized at site due to non-availability of other related materials and technical issues of OEM. However, the audit observation may be taken into account in the next financial year.</p> <p>Noted for future guidance.</p> <p>Noted for future guidance.</p>
Name of the units	Amount (Rs in lakhs)									
UKHEP, Bariniput	16.17									
RHEP, Rengali	52.67									
	68.84									
5	<p>Refer Note No.14 CLAIM RECEIVABLE: - Rs.703.86 lakhs</p> <p>It includes a total sum of Rs.345.77 lakhs comprising of Electricity Duty of Rs.5.26 lakhs for the period from Feb 15 to March 15, Water Cess of Rs.326.73 lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to Rs.13.78 lakhs recoverable from GRIDCO Ltd is continuing in accounts without any recovery and again not accepted by the party to be payable. Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.345.77 lakhs.</p>	<p>The claims receivable of INR 345.77 lakhs comprising of ED of INR 5.26 lakhs, Water Cess INR 326.73 lakhs and SLDC charges of INR 13.78 lakhs which has been raised on GRIDCO.</p> <p>After two rounds of meeting with GRIDCO, they have sent the final statement which has been verified by OHPC and resubmitted to GRIDCO for payment. Hence OHPC has again resubmitted the total claim vide letter No. 4200/20.05.2019 & 4151/18.05.2019 which is likely to be settled very soon, after which necessary entry will be passed. Hence, no provision is required for the same.</p>								

6	<p>Refer Note No.15 OTHER CURRENT ASSETS:- Rs.9715.38 lakhs</p> <p>(c) ADVANCE TO OTHERS:- Rs.45.03 lakhs</p> <p>iii. It includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.</p> <table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th><th>Remarks</th></tr><tr><td>RHEP, Rengali</td><td>16.57</td><td>RWSS division, Talcher</td></tr><tr><td>Corporate office, Bhubaneswar</td><td>1.98</td><td>E.E OPTCL</td></tr><tr><td></td><td>18.55</td><td></td></tr></table> <p>On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.18.55 lakhs.</p> <p>(d) ADVANCE TO STAFF:- Rs.424.07 lakhs</p> <p>It includes following old balances given to staff either retired or left the company but shown as either recoverable or payable towards GPF advances and payroll deductions (GPF) continuing in accounts since past several years remaining un-reconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back. Necessary steps to be taken for identifying entries and accordingly the balances should be adjusted after reconciliation.</p> <p style="text-align: right;">(Rs in lakhs)</p> <table><tr><th>Name of the units</th><th>Heads of Account</th><th>Debit</th><th>Credit</th></tr><tr><td>(i)Corporate Office, Bhubaneswar</td><td>GPF Advances (Deputationist)</td><td>2.32</td><td>-</td></tr><tr><td>(ii)UKHEP,Bariniput</td><td>GPF Advance</td><td>0.80</td><td>-</td></tr><tr><td>(iii) RHEP, Rengali</td><td>GPF Advance</td><td>0.54</td><td>-</td></tr><tr><td>(iii) BHEP, Balimela</td><td>PRD(GPF)</td><td>-</td><td>0.64</td></tr><tr><td></td><td>Total</td><td>3.66</td><td>0.64</td></tr></table>	Name of the units	Amount (Rs in lakhs)	Remarks	RHEP, Rengali	16.57	RWSS division, Talcher	Corporate office, Bhubaneswar	1.98	E.E OPTCL		18.55		Name of the units	Heads of Account	Debit	Credit	(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2.32	-	(ii)UKHEP,Bariniput	GPF Advance	0.80	-	(iii) RHEP, Rengali	GPF Advance	0.54	-	(iii) BHEP, Balimela	PRD(GPF)	-	0.64		Total	3.66	0.64	<p>RHEP- Payment has been made to M/s RWSS Division, Talcher for Rs. 16.57 lakhs as advance for water supply work in different years. As the same amount has been booked to expenditure by debiting P & L account in the respective year of payment, profit for the current financial year is not overstated.</p> <p>C.O- Advance payment has been made to OPTCL for repair & maintenance of staff quarters building. On availability of the utilization certificates, necessary accounting action will be taken.</p> <p>Steps are taken to find out the details and reconcile the said head of accounts to pass necessary adjustment entry in the books of account during the FY 2019-20.</p>
Name of the units	Amount (Rs in lakhs)	Remarks																																				
RHEP, Rengali	16.57	RWSS division, Talcher																																				
Corporate office, Bhubaneswar	1.98	E.E OPTCL																																				
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(iii) RHEP, Rengali	GPF Advance	0.54	-																																			
(iii) BHEP, Balimela	PRD(GPF)	-	0.64																																			
	Total	3.66	0.64																																			
	<p>CURRENT FINANCIAL LIABILITIES :-</p>																																					
7	<p>Refer Note No.24 TRADE PAYABLES:- Rs.11739.80 lakhs</p> <p>SUNDRY CREDITORS FOR WORKS:- Rs.1401.28 lakhs</p> <p>It includes the following balance continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable but not written back.</p>	<p>The said amount consist of following 02 vendors:</p> <p>c) M/s OCC Limited- Rs. 5.40 lakhs</p> <p>d) M/s Power Machine India Ltd.- Rs. 30.82 lakhs</p>																																				

	<table><tr><th>Name of the units</th><th>Amount (Rs in lakhs)</th></tr><tr><td>BHEP, Balimela</td><td>36.22</td></tr></table> <p>On account of such non-write back, trade Payable is overstated by Rs.36.22 lakhs and profit for the year is understated is by same amount.</p>	Name of the units	Amount (Rs in lakhs)	BHEP, Balimela	36.22	<p>M/s OCC Ltd.- The aforementioned amount is balance payable to M/s OCC Limited on successful commissioning of work and to be shown under retention money account. Necessary adjustment entry will be passed in the current Financial year.</p> <p>M/s Power Machine India Ltd.- The amount payable is under dispute & treatment will be made after resolution of dispute.</p>				
Name of the units	Amount (Rs in lakhs)									
BHEP, Balimela	36.22									
8	<p><u>Refer Note No.25:- OTHERS:- Rs.82918.64 lakhs</u> <u>EMPLOYEES LIABILITIES: - Rs.5980.42 lakhs</u></p> <p>It includes the following amount continues in the books of Khatiguda, UIHEP, since long arising out of improper accounting/adjustment lying un-reconciled and unpaid no longer payable but not written back in accounts.</p> <table><tr><th>Particulars</th><th>Amount (Rs in lakhs)</th></tr><tr><td>Wages Payable</td><td>16.58</td></tr><tr><td>Salary Payable</td><td>27.96</td></tr><tr><td>Total</td><td>44.54</td></tr></table> <p>On account of such non-write back, Current liabilities is overstated by Rs.44.54 lakhs and profit for the year is understated is by same amount.</p>	Particulars	Amount (Rs in lakhs)	Wages Payable	16.58	Salary Payable	27.96	Total	44.54	<p>The accounts are under scrutiny. The actual payable amount will be ascertained after final scrutiny of original document, which is getting delayed due to difficulty in getting/ non-available of documents, as these are very old. However action has been initiated to complete the same by FY 2019-20.</p>
Particulars	Amount (Rs in lakhs)									
Wages Payable	16.58									
Salary Payable	27.96									
Total	44.54									
9	<p><u>Refer Note No.27:- PROVISIONS:- Rs.4094.44 lakhs</u> <u>PROVISION FOR ARREAR SALARY: - Rs.1920.55 lakhs</u></p> <p>The above amount of provision for arrear salaries falls short in respect of 60% of the 7th Pay Commission amounting to Rs.390.04 lakhs.</p> <table><tr><th>Particulars</th><th>Amount (Rs in lakhs)</th></tr><tr><td>BHEP</td><td>305.90</td></tr><tr><td>UKHEP</td><td>84.14</td></tr><tr><td>Total</td><td>390.04</td></tr></table> <p>On account of such non-provision, current liabilities in understated and profit is overstated to that extent.</p>	Particulars	Amount (Rs in lakhs)	BHEP	305.90	UKHEP	84.14	Total	390.04	<p>Noted. Necessary entries will be passed on the basis of actual liability in the year 2019-20.</p>
Particulars	Amount (Rs in lakhs)									
BHEP	305.90									
UKHEP	84.14									
Total	390.04									

10	<p>Refer Note No.26:- OTHER CURRENT LIABILITIES Rs.58.76 lakhs ADVANCE AGAINST SALE OF SCRAP Rs. 58.76 lakhs The above amount continues in accounts of different units since last few years remains unconfirmed, un-reconciled and un-adjusted on account of certain disputes. The impact of such dispute is not ascertainable.</p>	<p>.</p> <p>Advance against sale of scrap of INR 58.76 lakhs comprise of INR 20.19 lakhs in favour of M/s Gourav Electricals, INR 34.26 lakhs in favour of M/s Mahavir Metals & Co, Kolkota and INR 4.19 lakhs in favor of RAB Enterprises as the cases are under sub-judice in the High Court of Calcutta & Odisha. Necessary entry shall be passed in the respective year of finalization of the above cases.</p>
11	<p>OTHERS (TERMINAL BENEFITS) In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.</p>	<p>Necessary steps are being taken to make separate valuation by an actuary for Machhakund Project. After the said valuation, necessary accounting entry shall be passed in the FY 2019-20.</p>
12	<p>Ind AS 16 – Property, Plant & Equipment Refer Note No:-2 PPE Rs.94206.11 lakhs Land Rs.11867.91 lakhs</p> <p>d. Out of 6.780 Acres of lease hold land held by Corporate Office, only 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company. No provision has been made by the company in this respect. Accordingly, the current year profit is overstated by Rs.954 lakhs as well as Land under PPE is overstated to the extent of Rs.954 lakhs.</p> <p>e. The lease hold land amounting to Rs.1414.67 lakhs after adjusting the value of Rs.954 lakhs is Rs.460.67 lakhs which is included in PPE instead of showing it under prepaid expenses under other Non-current Asset. Accordingly the adjustment needs to be made in respective heads.</p> <p>f. Note 2:- PPE is measured at cost less accumulated depreciation leaving apart the decommissioning or restoration cost. Due to non-availability of information in this regard, the effect due to the same is not quantifiable</p>	<p>Necessary steps are being taken to take the physical possession of the balance land of 3.60 Acres of lease hold land. In view of the above steps taken for possession of said land, no provision is required.</p> <p>The lease hold land amounting to INR 1414.71 lakhs has been shown correctly under PPE in line with accounting procedure. So, no adjustment is required to be made in the respective heads.</p> <p>Since there is no decommissioning, there is no restoration cost as well in case of OHPC, as such PPE is rightly measured at cost less accumulated depreciation.</p>

13	<p>IND AS-12 INCOME TAX</p> <p><u>Refer Note No.21:- DEFERRED TAX Rs. 11931.23 lakhs</u></p> <p>(c) Deferred tax is calculated on few items like PPE, provision for leave encashment, actuarial gain/loss on employee funds only. There are a few items of time difference not considered and the effect of the same is unascertainable.</p> <p>(d) During the year, there was a change in the effective tax rate however the financial impact of the same was not taken into consideration for the computation of deferred tax. This has resulted in the deferred tax liability to be understated and profit for the year to be overstated by Rs.137.37 lakhs.</p>	<p>The deferred tax liability has been calculated correctly as per Ind AS-12 considering the items to be included / deducted. No items have been left over while calculating deferred tax liability for accounting purpose.</p> <p>Noted.</p>
14	<p>Ind AS-115- Revenue Recognition</p> <p>Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS-115. The company accounts for reimbursement of income tax from GRIDCO on cash basis. The amount of Rs.1093 lakhs for FY 18-19 has not been accounted for in the financial statement of the company for the year FY 18-19. So the other income/profit for the FY 18-19 is understated to that extent. Further, the claim receivable under current fixed asset, others is under stated to the same extent. The effect of the other income items is not ascertainable.</p>	<p>As per accounting policy of the company vide clause No.1.6.1, revenue is recognized for some items on cash basis consistently instead of accrual basis due to uncertainty in collection of those item which have been followed by OHPC from inception.</p>
15	<p>GRIDCO collectability:</p> <p>Trade Receivable from GRIDCO was converted to Loan to GRIDCO based on balance payable as on 31.3.2013 for Rs.61900 lakhs with moratorium of 3 years from the date of agreement at 8% interest per annum. The repayment of Principal was to commence from April'2017. GRIDCO has defaulted in payment of principal to the tune of Rs.16948.81 lakhs for FY 2018-19. Further, GRIDCO has paid interest to the tune of Rs.1473.81 lakhs for the year and defaulted in payment of interest to the tune of Rs.5388.92 lakhs as on 31.03.2019. The company has recognised only interest Rs.1473.81 lakhs during the year on realisation basis which is not in conformity with Ind AS-115. Due to the above reasons, serious doubt has been created for the ultimate collection of these dues from GRIDCO. However, the total effect of the same on financial statements is unascertainable.</p>	<p>As a matter of accounting policy, OHPC is considering the interest income on debt securitization on cash basis from the inception and correctly taken into account. As regards recovery of INR 619 crores, Department of Energy, Govt. of Odisha has arranged a meeting on 24.09.2018 based on OHPC's request vide letter No. 1371 dtd.13.02.2018 & 9066 dtd.01.09.2018 in which both Director (Finance), GRIDCO & OHPC were present. So after receipt of final decision from Department of Energy, Govt. of Odisha, being the final authority as per terms of securitization agreement, necessary action shall be taken by OHPC. OHPC has however received Rs. 1473.81 lakhs during the FY 2018-19 and properly booked under other</p>

		income head. The matter is under reconciliation after which necessary accounting entry will be passed.												
16	Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts. The effect of the same on financial statements is unascertainable.	The balance confirmation letter have been issued to all the parties but few parties have only replied to this. In absence of any reply, it is presumed that the balance shown in our letter is confirmed and reconciled as per the terms of the letter.												
17	<p>STATEMENT OF PROFIT AND LOSS Refer Note No.33:- ADMINISTRATIVE & GENERAL EXPENSES Rs. 2856.77 lakhs CORPORATE SOCIAL RESPONSIBILITY EXPENSES Rs. 358.81 lakhs The above includes the following advances that were adjusted without the receipt of utilisation certificates. This accounting treatment was done on the approval of the Board.</p> <table border="1"> <thead> <tr> <th>Name of the units</th><th>Amount (Rs in lakhs)</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>UIHEP, Mukhiguda</td><td>36.01</td><td>DRDA Kalahandi & WESCO</td></tr> <tr> <td>UIHEP, Khatiguda</td><td>78.01</td><td>Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers</td></tr> <tr> <td>TOTAL</td><td>114.02</td><td></td></tr> </tbody> </table> <p>This results in the profit being understated and advance to others under current assets being understated to the extent of Rs. 114.02 lakhs.</p>	Name of the units	Amount (Rs in lakhs)	Remarks	UIHEP, Mukhiguda	36.01	DRDA Kalahandi & WESCO	UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers	TOTAL	114.02		<p>OHPC books CSR expenditure on payment basis rather than after obtaining UC from the authorities.</p> <p>This is done as per the policy and guidelines framed by the BoD of OHPC and circulated vide Letter No.OHPC-HQ-HRD-PR-64/2016/ 9885, dated 08-11-2016.</p>
Name of the units	Amount (Rs in lakhs)	Remarks												
UIHEP, Mukhiguda	36.01	DRDA Kalahandi & WESCO												
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers												
TOTAL	114.02													
18.	<p>STATEMENT OF CASH FLOW Cash-flow from operating activities The income tax paid during the year 2018-19 has been understated by Rs.304.50 lakhs and the change in other assets is overstated to the same extent. This resulted into understatement of Rs.304.50 lakhs taxes paid and overstatement of net cash provided by operating activities before taxes.</p>	Noted.												

For ABP & ASSOCIATES
Chartered Accountants
FRN No.315104E

Sd/-
CA. DEBASIS PARIDA
PARTNER
ICAI M. No.062867

Date : 21.08.2019
Place : Bhubaneswar

For and on behalf of the Board of Directors

BISHNUPADA SETHI, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-02268656)

**COMPLIANCE TO THE CARO (SFS) OBSERVATIONS OF THE STATUTORY
AUDITOR FOR THE FINANCIAL YEAR 2018-19 (ANNEXURE-“A”)**

Sl. No.	Observation of the Statutory Auditors	Replies of the Management
i	<p>In respect of Fixed Assets (Property, plant & Equipment):</p> <p>a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment excepting lands, building under different nomenclature/ description, Transmission lines and Distribution lines.</p> <p>b) All movable assets/immovable assets (excepting lands and building, Transmission lines and Distribution lines) have been verified by the management through outside agencies during the year. The frequency of verification in our opinion is reasonable. No material discrepancies were noticed on such verification.</p> <p>c) On the basis of our examination of the records of the Company and various information and explanations given to us, the title deeds of most of the immovable properties recorded in the books of the company are not held in the name of the company excepting a part of the free hold lands i.e. 90.79 Acres held by UKHEP, Bariniput and 6.780 Acres of lease hold land held by Corporate Office, Bhubaneswar respectively. Out of these lease hold land i.e. 3.60 acres is under the physical possession of the company and rest of the lease hold land is not under the physical possession of the company. Further, title deeds of the rest of land is not available with the company as the land were transferred by Government of Odisha and formalities of transfer is yet to be completed.</p>	<p>No Compliance required.</p> <p>No Compliance required.</p> <p>Necessary steps are being taken for obtaining RoR of the balance land of 3.60 Acres of lease hold land.</p>
ii	<p>The inventories have been physically verified during the year by the management/outside agencies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material.</p> <p>However, the stores kept at Central store of HHEP unit was not verified at year-end due to delay in handing over charge by store-keeper. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end.</p> <p>Further, the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.</p>	<p>Noted for future guidance.</p>
iii	<p>a) According to the information and explanations given to us, the Company has granted unsecured loans of Rs. 4550 lakhs to Green Energy Development Corporation of Odisha Limited (GEDCOL), its subsidiary up to the period ending 31st March 2019 covered in the register maintained under Section 189 of the Companies Act 2013. No stipulation regarding terms and conditions of grant of such loan including schedule of repayment of principal and payment of interest has been made.</p>	<p>As per the decision of OHPC Board, Rs.4550.00 lakhs was released to GEDCOL, being a wholly owned Subsidiary Company with the terms and conditions approved in the Board and accordingly, interest provision is made in the books of accounts of OHPC. GEDCOL shall release the</p>

	<p>Apart from above, a sum of Rs. 813.14 lakhs including Rs.60.60 lakhs for the current year has been paid to GEDCOL up to 31st March 2019 towards salary of deputationists and payment of other expenses. However it is contended by the management that the amount has been paid to GEDCOL towards salary of deputationists and payment of other expenses the same is paid in the ordinary course of business, it is therefore not in the nature of loan or advance. In our opinion, it is an interest free loan in nature, and recorded in the register maintained under Section 189 of the Companies Act 2013.</p>	<p>amount on demand and hence no schedule of repayment has been made.</p> <p>As per the decision of the OHPC Board based on the recommendation of the Audit Committee, the expenditure incurred towards salary of deputed staff to GEDCOL and payment of other expenses are debited to GEDCOL A/c under the head "Advance to others. GEDCOL shall release the payment on demand.</p>
	<p>b) In absence of any loan agreement between the company and the parties with respect to the terms and conditions of the grant of such loans and in absence of schedule of repayment of principal and payment of interest by the party, we are of opinion that prima facie it appears that the same is prejudicial to the company's interest, but not in a position to comment to what extent it is prejudicial to the interest of the Company.</p>	<p>The reply is stated at Para-I of iii) a above.</p>
	<p>c) Subject to our comments given in (iii)(a) and (iii)(b) above, in absence of any stipulation of repayment, overdue amount for more than ninety days and extent of steps required by the Company for recovery of the principal and interest could not be commented upon.</p>	
iv	<p>Section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the loans and investments made.</p>	<p>No Compliance required.</p>
v	<p>The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provision of the Act.</p>	<p>No Compliance required.</p>
vi	<p>The Central Government has prescribed for maintenance of cost records under Section 148(1) of the Companies Act, 2013. On the basis of limited review of the books of accounts maintained by the company, we are of the opinion that prima facie the relevant records are maintained. However, we have not carried out a detailed examination of the same to determine whether they are accurate or complete.</p>	<p>No Compliance required.</p>
vii	<p>(a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of</p>	<p>Steps are being taken to find out the details and reconcile the said head of accounts to pass necessary</p>

undisputed statutory dues including provident fund, income-tax, duty of customs, Goods and Services Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. We have been informed that, Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid statutory dues was in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable except the following:-

Name of the Statute/Authority	Particulars	Name of the Units/corporate office	Amount (Rs in Lakhs)
Govt. of Odisha	Pay Roll Deduction(GPF)	BHEP, Balimela	0.64
Govt. of Odisha	Pay Roll Deduction(GPF)	CHEP, Chipilima	0.20
Odisha State Tax	Professional Tax	CHEP, Chipilima	0.10
Income Tax Act 1961	TDS Salary Payable	CHEP, Chipilima	0.19
Income Tax Act 1961	TDS Contractors Payable	CHEP, Chipilima	0.23
Finance Act 1994	Service Tax Payable	Corporate Office Bhubaneswar	0.91

However, it is contended by the management that most of the aforesaid balances are carried forward from earlier years arising out of improper accounting adjustment and ultimately may not be payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following dues of income tax, duty of custom, Goods and Services tax, or other statutory dues have not been deposited on account of dispute.

Nature of the statute	Nature of Dues	Amount (Rs. In lakhs)	Year to which it pertains to	Forum at which case is pending
Odisha Entry Tax Act 1999	Entry Tax(BHEP)	0.74	2000-01	Commissioner of

adjustment entry in the books of account during the FY 2019-20.

Matter is pending at tribunal & after receiving judgement, necessary accounting entries will be passed.

				Commercial Tax, Cuttack
Income Tax Act 1961	Income Tax	218	2007-08	Income Tax Appellate Tribunal, Cuttack
Income Tax Act 1961	Income Tax	545	2014-15	Income Tax Appellate Tribunal, Cuttack
Income Tax Act 1961	Income Tax	178	2015-16	Income Tax Appellate Tribunal, Cuttack

- viii** Based on our audit procedures and as per the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution and Government of Odisha. No Compliance required.
- ix** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. No Compliance required.
- x** According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year. No Compliance required.
- xi** Section 197 of the Act regarding managerial remuneration is not applicable to the Company vide Notification No. G .S. R 463(E) dated 05.06.2015 No Compliance required.
- xii** Based on our audit procedures and according to the information and explanations given to us by the management, the Company is not a Nidhi company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company. No Compliance required.
- xiii** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. No Compliance required.
- xiv** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. No Compliance required.

xv	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.	No Compliance required.
xvi	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.	No Compliance required.

For ABP & ASSOCIATES
Chartered Accountants
FRN No.315104E

For and on behalf of the Board of Directors

Sd/-
CA. DEBASIS PARIDA
PARTNER
ICAI M. No.062867

BISHNUPADA SETHI, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-02268656)

Date :21.08.2019
Place : Bhubaneswar



Power House of HHEP, Burla

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR
No. ES-I (T)/Accts/OHPC/18-19/21/19-20/371 dt. 04.11.2019**

To
The Chairman-cum Managing Director,
Odisha Hydro Power Corporation Limited,
Bhubaneswar.

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Odisha Hydro Power Corporation Limited (SFS) and (CFS) for the year 2018-19.

Sir,

I enclose Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha Hydro Power Corporation Limited for the year 2018-19.

Three copies of the Annual Reports placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,

Sd/-
PRINCIPAL ACCOUNTANT GENERAL

Comments of the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013 on the Standalone Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31st March 2019.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 August 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comment on Profitability

Statement of Profit and Loss Other Income (Note-29) Rs. 172.08 Crore

1. The above is understated by Rs. 4.36 crore due to non-accounting of the amount receivable from Baitarani West Coal Company towards proportionate share of cost of consent received by it from the Ministry of Coal, Govt. of India for cancellation of allocation of coal mines. This has also resulted in understatement of other Current Asset (Receivable for BWCC) and profit for the year to the same extent.

B. Comments on Disclosure

2. Contingent Liability

The above is understated by Rs. 2.42 crore due to non-accounting of outstanding ways and means advance along with interest payable to Government of Odisha. Disputed by the company pending reconciliation.

C. Other Comments

3. The company has received Rs. 37.49 crore towards reimbursement of Income Tax as per the approval of OERC and booked under "miscellaneous Income" instead of presenting it in a separate head which is in violation of Ind AS-I.
4. The Company has offset operating, Administrative and General Expenses of Rs.12.19 crore with other operating income which is in contravention of para 32 of Ind AS-I.

**For and on behalf of
Comptroller & Auditor General of India**

Sd/-

PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar

Date :04.11.2019

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Consolidated Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2019.

The preparation of Consolidated Financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with 129(4) of the Companies Act, is responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act, based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 August 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the Consolidated Financial Statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2019 under Section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Green Energy Development Corporation Limited & Odisha Thermal Power Corporation Limited but did not conduct a supplementary audit on the financial statement of Baitarini West Coal Company Limited and Odisha Coal and Power Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 146(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statement and related audit report.

A. Comment on Disclosure

1. A reference is invited to Note No. 30 of Standalone Financial Statement of M/s Green Energy Development Corporation of Odisha Limited (GEDCOL), a wholly owned subsidiary of OHPC. As per the said note. VGF grant of Rs. 33.60 crore for the year 2016-17 to 2018-19 receivable from SECI has not been considered as revenue since the modality to receive the said amount is yet to be completed. The said disclosure was not included in the **Consolidated Financial Statement** of OHPC Ltd. In this regard it is stated that subsequent to meeting held on 3rd July 2019 between Solar Energy Corporation Limited (SECI), Grid Corporation of Odisha Limited (GRIDCO) and GEDCOL, the uncertainties on receipt of VGF by GEDCOL was removed. However, GEDCOL had not recognized the VGF amount as revenue on accrual basis in its accounts for the year 2018-19 and disclosed the same by way of notes. This being significantly material, should have been included by OHPC in Notes to cfs for the year ended 31 March, 2019.

For and on behalf of
Comptroller & Auditor General of India

Place : Bhubaneswar
Date :04.11.2019

Sd/-
PRINCIPAL ACCOUNTANT GENERAL

ODISHA HYDRO POWER CORPORATION LIMITED

**(A Government of Odisha Undertaking)
(A Gold Rated State PSU)**



**AUDITED STANDALONE
FINANCIAL STATEMENTS
2018-19**

JANPATH, BHOI NAGAR, BHUBANESWAR

INDEPENDENT AUDITORS REPORT

To the Governor of Odisha / Members of The Odisha Hydro Power Corporation Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **The Odisha Hydro Power Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The following are the basis for our qualified opinion:-

NON-CURRENT ASSETS:-

Rs.206107.51 lakhs

1. Refer Note No.3:- CAPITAL WORK-IN-PROGRESS:- Rs.24822.74 lakhs

It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the Statement of Profit and Loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs. 2350.56 lakhs

	Particulars of Projects/Assets	Units/Corporate Office	Amount (Rs. in lakhs)
(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets). (b)Capital Advances	Potteru (UKHEP)	2289.10 12.52
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78
(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16
		Total (Rs.)	2350.56

Further, there are long pending CWIP balances, the detailed status of which has not been provided to us. The impact of the same on the financial statements cannot be ascertained.

FINANCIAL ASSETS

2. Refer Note No.4:- NON-CURRENT INVESTMENTS:- Rs.34152.47 lakhs

As per statutory audit report of M/s Baitarni West Coal Company Limited for FY 2017-18, Baitarni West Coal Company Limited has shown a balance payable under other Financial Liabilities (Current Liabilities) of Rs 435.96 lakhs to OHPC. However, the said amount of Rs.435.96 lakhs is not reflected in the financial statement of OHPC. The details of the above transaction is not made available to us.

3. Refer Note No.5:- TRADE RECEIVABLES(NON CURRENT):- Rs.2735.22 lakhs

Refer Note No.47(d):-

- a. It includes a sum of Rs.1135.41 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2017-18 and non-reconciliation of sales of energy for the financial year 2018-19 and consequential adjustment required on such dispute and reconciliation of above "Trade Receivable" from GRIDCO Ltd and its impact over Trade Receivables as well as statement of profit & loss for the year is not ascertainable. As per confirmation received from GRIDCO, there is total credit balance of Rs.13143.49 lakhs in their books as on 31.03.2019 as against a debit balance of Rs.11923.48 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement.
- b. **Refer Note No.47(c):-** Sale of energy of 16.39126 MU to CSPDCL @ INR 2.0475 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhattisgarh and the same may be revised in future. The effect of the same on financial statements is unascertainable.
- c. Further an amount of Rs.155.85 lakhs receivable from Chhattisgarh State Power Distribution Company Limited (CSPDCL) on account of sale of energy relating to different past period continue in accounts without any recovery and again no confirmation is received from the party to be payable, but has been considered as good debts, without considering allowance for bad and doubtful debts and expected credit loss.
On account of such non-provision, for above "Trade Receivable" from (CSPDCL) shown under Non-Current Financial Assets as well as profit for the year is overstated by Rs.155.85 lakhs.

CURRENT ASSETS

4. Refer Note No.9:- INVENTORIES:- Rs.4449.15 lakhs

- a) Inventories have been valued at cost instead of lower of cost and net realisable value since net realisable value in none of the items have been determined for the purpose of valuation of inventories. Thus requirement of Ind-AS-2 has not been complied with this respect.
- b) It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in value has not been made in the accounts. The work for identifying obsolete/unserviceable/damaged items and assessing the value of such inventory is given to MECON. MECON has given a report of such inventory in two parts, that is, financial and quantitative. The financial report part of MECON is not yet opened by the company. The management has reported that the MECON report will be opened in the e-auction process. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

- c) The above amount does not include the value of inventory issued during the year but lying at site waiting for use at the year-end.

Name of the units	Amount (Rs in lakhs)
UKHEP, Bariniput	16.17
RHEP, Rengali	52.67
	68.84

On account of such non-accounting for above, the inventories as well as profit for the year is understated by Rs.68.84 lakhs.

- d) Though the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.
- e) The amount of inventories includes and amount of Rs.313.08 lakhs on account of stores kept at Central Store of HHEP unit as on 31.03.2019. The same could not be verified at the year-end as it was under lock and key since 28.02.2019 due to delay in handover of charge. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end. The impact of non-verification of the said stores cannot be ascertained on the financial statements.

5. (a) Refer Note No.13(b):- LOANS TO RELATED PARTIES:- Rs.4550.00 lakhs

	Amount (Rs in lakhs)
GEDCOL (100% subsidiary Company.)	4550.00

(b) Refer Note No.14:- INTEREST RECEIVABLE FROM OTHERS:-Rs.834.24 lakhs

	Amount (Rs in lakhs)
Interest Receivable from GEDCOL (100% subsidiary Company.)	834.24
Total	Rs.5384.24

In absence of any agreement by the company with the above subsidiary and without any stipulation of schedule of repayment of principal as well as payment of interest to be made by subsidiary and further non-payment of principal as well as interest by the subsidiary for earlier period till date classification and presentation of Loans to Related Parties as well as Interest Receivable under Current Assets instead of Non-Current Assets is not proper. Consequently Current Assets is overstated and Non-Current Assets is understated by Rs.5384.24 lakhs.

c) Refer Note No.14:- CLAIM RECEIVABLE:- Rs.703.86 lakhs

It includes a total sum of Rs.345.77 lakhs comprising of Electricity Duty of Rs.5.26 lakhs for the period from Feb 15 to March 15, Water Cess of Rs.326.73 lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to Rs.13.78 lakhs recoverable from GRIDCO Ltd is continuing in accounts without any recovery and again not accepted by the party to be payable. Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.345.77 lakhs.

6. Refer Note No.15:- OTHER CURRENT ASSETS:- Rs.10188.27 lakhs

(a) ADVANCE TO OTHERS:- Rs.856.99 lakhs

- i . It includes a sum of Rs.813.14 lakhs paid to GEDCOL out of which an amount of Rs.60.60 lakhs is towards salary of deputationists and other expenses for the FY 2018-19, these advances are in nature of loan for which interest is to be charged instead of interest free advance. Specific approval for terms and condition of repayment of such payment to subsidiary company is not

approved by Board of Directors of the company. The impact of such dispute is not ascertained since the interest rate and outstanding in various years including interest has not been computed.

- ii. It includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.

Name of the units	Amount (Rs in lakhs)	Remarks
RHEP, Rengali	16.57	RWSS division, Talcher
Corporate office, Bhubaneswar	1.98	E.E OPTCL
	18.55	

On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.18.55 lakhs.

(b) ADVANCE TO STAFF:-

Rs.424.07 lakhs

It includes following old balances given to staff either retired or left the company but shown as either recoverable or payable towards GPF advances and payroll deductions (GPF) continuing in accounts since past several years remaining un-reconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back. Necessary steps to be taken for identifying entries and accordingly the balances should be adjusted after reconciliation.

(Rs in lakhs)

Name of the units	Heads of Account	Debit	Credit
(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2.32	-
(ii)UKHEP,Bariniput	GPF Advance	0.80	-
(iii) RHEP, Rengali	GPF Advance	0.54	-
(iii) BHEP, Balimela	PRD(GPF)	-	0.64
	Total	3.66	0.64

CURRENT FINANCIAL LIABILITIES:-

7. Refer Note No.24:- TRADE PAYABLES:-

Rs.7321.80 lakhs

SUNDRY CREDITORS FOR WORKS:-

Rs.207.05 lakhs

It includes the following balance continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable but not written back.

Name of the units	Amount (Rs in lakhs)
BHEP, Balimela	36.22

On account of such non-write back, trade Payable is overstated by Rs. 36.22 lakhs and profit for the year is understated is by same amount.

8. Refer Note No.25:- OTHERS:- Rs.80754.97 lakhs

EMPLOYEES LIABILITIES: - Rs.5979.63 lakhs

It includes the following amount continues in the books of Khatiguda, UIHEP, since long arising out of improper accounting/adjustment lying un-reconciled and unpaid no longer payable but not written back in accounts.

Particulars	Amount (Rs in lakhs)
Wages Payable	16.58
Salary Payable	27.96
Total	44.54

On account of such non-write back, Current liabilities is overstated by Rs.44.54 lakhs and profit for the year is understated is by same amount.

9. Refer Note No.27:- PROVISIONS:- Rs.3861.91 lakhs

PROVISION FOR ARREAR SALARY: - Rs.1920.55 lakhs

The above amount of provision for arrear salaries falls short in respect of 60% of the 7th Pay Commission amounting to Rs.390.04 lakhs.

Particulars	Amount (Rs in lakhs)
BHEP	305.90
UKHEP	84.14
Total	390.04

On account of such non-provision, current liabilities in understated and profit is overstated to that extent.

10. Refer Note No.26:- OTHER CURRENT LIABILITIES Rs.58.76 lakhs

ADVANCE AGAINST SALE OF SCRAP

Rs. 58.76 lakhs

The above amount continues in accounts of different units since last few years remains unconfirmed, un-reconciled and un-adjusted on account of certain disputes. The impact of such dispute is not ascertainable.

11. OTHERS (TERMINAL BENEFITS)

In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.

12. Ind AS 16 – Property, Plant & Equipment

Refer Note No:-2 PPE Rs.80489.26 lakhs

Land Rs.10906.03 lakhs

- Out of 6.780 Acres of lease hold land held by Corporate Office, only 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company. No provision has been made by the company in this respect. Accordingly, the current year profit is overstated by Rs.954 lakhs as well as Land under PPE is overstated to the extent of Rs.954 lakhs.
- The lease hold land amounting to Rs.1414.67 lakhs after adjusting the value of Rs.954 lakhs is Rs.460.67 lakhs which is included in PPE instead of showing it under prepaid expenses under other Non-current Asset. Accordingly the adjustment needs to be made in respective heads.
- Note 2:- PPE is measured at cost less accumulated depreciation leaving apart the decommissioning or restoration cost. Due to non-availability of information in this regard, the effect due to the same is not quantifiable

13. IND AS-12 INCOME TAX

Refer Note No.21:- DEFERRED TAX Rs. 11886.68 lakhs

- Deferred tax is calculated on few items like PPE, provision for leave encashment, actuarial gain/loss on employee funds only. There are a few items of time difference not considered and the effect of the same is unascertainable.
- During the year, there was a change in the effective tax rate however the financial impact of the same was not taken into consideration for the computation of deferred tax. This has resulted in the deferred tax liability to be understated and profit for the year to be overstated by Rs.137.37 lakhs.

14. Ind AS-115- Revenue Recognition

Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS-115. The company accounts for reimbursement of income tax from GRIDCO on cash basis. The amount of Rs.1093 lakhs for FY 18-19 has not been accounted for in the financial statement of the company for the year FY 18-19. So the other income/profit for the FY 18-19 is understated to that extent. Further, the claim receivable under current fixed asset, others is under stated to the same extent. The effect of the other income items is not ascertainable.

15. GRIDCO collectability:

Trade Receivable from GRIDCO was converted to Loan to GRIDCO based on balance payable as on 31.3.2013 for Rs.61900 lakhs with moratorium of 3 years from the date of agreement at 8% interest per annum. The repayment of Principal was to commence from April'2017. GRIDCO has defaulted in payment of principal to the tune of Rs.16948.81 lakhs for FY 2018-19. Further, GRIDCO has paid interest to the tune of Rs.1473.81 lakhs for the year and defaulted in payment of interest to the tune of Rs.5388.92 lakhs as on 31.03.2019. The company has recognised only interest Rs.1473.81 lakhs during the year on realisation basis which is not in conformity with Ind AS-115. Due to the above reasons, serious doubt has been created for the ultimate collection of these dues from GRIDCO. However, the total effect of the same on financial statements is unascertainable.

16. Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts. The effect of the same on financial statements is unascertainable.

17. STATEMENT OF PROFIT AND LOSS

Refer Note No.33:- ADMINISTRATIVE & GENERAL EXPENSES Rs. 2822.76 lakhs
CORPORATE SOCIAL RESPONSIBILITY EXPENSES Rs. 364.26 lakhs

The above includes the following advances that were adjusted without the receipt of utilisation certificates. This accounting treatment was done on the approval of the Board.

Name of the units	Amount (Rs in lakhs)	Remarks
UIHEP,Mukhiguda	36.01	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
TOTAL	114.02	

This results in the profit being understated and advance to others under current assets being understated to the extent of Rs. 114.02 lakhs.

18. STATEMENT OF CASH FLOW

Cash-flow from operating activities

- (a) The income tax paid during the year 2018-19 has been understated by Rs.304.50 lakhs and the change in other assets is overstated to the same extent. This resulted into understatement of Rs.304.50 lakhs taxes paid and overstatement of net cash provided by operating activities before taxes.

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated in the point Nos 2, 3a, 3b, 4a, 4b, 4d, 4e, 6ai, 6b, 10, 11, 12c, 13a, 14, 15 and 16 of our report on the Standalone IND AS financial statements of the Company for the year ended on 31st March 2019. We further state that without considering the impact of items stated in preceding paras, the effect of which could not be determined, Had the observations made by us in point Nos 1, 3c, 4c, 5a, 5b, 5c, 6aii, 7, 8, 9, 12a, 12b, 13b, 17 and 18 been considered in the Standalone IND AS financial statements, profit before Tax for the year would have been Rs.18415.41 lakhs as against the reported figure of Rs.22731.97 lakhs in the Statement of Profit and Loss. Further, Total Assets reported in balance sheet as on 31st March, 2019 would have been Rs.383714.89 lakhs as against the reported figure of Rs.387356.76 lakhs, Total Liabilities would have been Rs.211047.13 lakhs as against the reported figure of Rs.210600.48 lakhs. The net cash provided by operating activities would have been Rs.22247.20 lakhs as against reported Rs.21942.66 lakhs and Income Taxes paid would have been Rs.8789.12 lakhs as against reported Rs.8484.62 lakhs in Statement of Cash Flow; as under:-

Effects of Qualifications				(INR in lakhs)			
Ref. in point no. covered in our above observation/Qualification	Heads	Ref. of note no. financial statements	Reported figures	Increase/(Decrease) in Assets	Increase/(Decrease) in Liabilities	Figures would have been in view of effects of qualification	Effect on Profit & (Loss) Account
	<u>Non-Current Assets</u>						
1	Capital work-in-progress	3	24,822.74	(2,350.56)	-	22,472.18	(2,350.56)
	<u>Financial Assets</u>						
3(c)	Trade Receivable	5	2,735.22	(155.85)	-	2,579.37	(155.85)
4(c)	Inventories	9	4,449.15	68.84	-	4,517.99	68.84
5	Loans	6	51.85	5,384.24	-	5,436.09	-
	<u>Current Assets</u>						
5(a)	Current Loans	13(b)	4,550.00	(4,550.00)	-	-	-
5(b)	Other Current Financial Assets	14	834.24	(834.24)	-	-	-
5(c)	Claim Receivables	14	703.86	(345.77)	-	358.09	(345.77)
6(a)(ii)	Advance to Others	15(a)(iii)	856.99	(18.55)	-	838.44	(18.55)
	<u>Current Financial Liabilities</u>						
7	Trade Payables	24	207.05	-	(36.22)	170.83	36.22
8	Employee Liabilities	25(b)	5,979.63	-	(44.54)	5,935.09	44.54
9	Provisions	27(a)(i)	1,920.55	-	390.04	2310.59	(390.04)
12(b)	Other Non-Current assets	8	1,955.97	460.67	-	2,416.64	-
12(a)	Land	2	10,906.03	(1,414.67)		9491.36	(954)
13(b)	Deferred tax Liabilities (net)	21	11,886.68	-	137.37	12,024.05	(137.37)
17	Corporate Social Responsibility Expenses	33	364.26	114.02		250.24	(114.02)
TOTAL			72,224.22	(3,641.87)	446.65	68,800.96	(4,316.56)

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The said reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we

are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A" to this report, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In compliance to directions of the Comptroller and Auditor General of India u/s. 143(5) of the Act, we give in Annexure "B" to this report a statement on the matters specified therein.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014, except for the items specified in the Basis of Qualified Opinion para above.

- e) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “C”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note no.43 to the Standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No.315104E**

**PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST, 2019**

**CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAY5788**

ANNEXURE-“A”
THE INDEPENDENT AUDITORS’ REPORT
ON STANDALONE FINANCIAL STATEMENTS
OF THE ODISHA HYDRO POWER CORPORATION LIMITED

(Referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

- i. In respect of Fixed Assets (Property, plant & Equipment):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment excepting lands, building under different nomenclature/ description, Transmission lines and Distribution lines.
 - b) All movable assets/immovable assets (excepting lands and building, Transmission lines and Distribution lines) have been verified by the management through outside agencies during the year. The frequency of verification in our opinion is reasonable. No material discrepancies were noticed on such verification.
 - c) On the basis of our examination of the records of the Company and various information and explanations given to us, the title deeds of most of the immovable properties recorded in the books of the company are not held in the name of the company excepting a part of the free hold lands i.e. 90.79 Acres held by UKHEP, Bariniput and 6.780 Acres of lease hold land held by Corporate Office, Bhubaneswar respectively. Out of these lease hold land i.e. 3.60 acres is under the physical possession of the company and rest of the lease hold land is not under the physical possession of the company. Further, title deeds of the rest of land is not available with the company as the land were transferred by Government of Odisha and formalities of transfer is yet to be completed.
- ii. The inventories have been physically verified during the year by the management/outside agencies. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material. However, the stores kept at Central store of HHEP unit was not verified at year-end due to delay in handing over charge by store-keeper. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end. Further, the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.
- iii. a) According to the information and explanations given to us, the Company has granted unsecured loans of Rs. 4550 lakhs to Green Energy Development Corporation of Odisha Limited (GEDCOL), its subsidiary up to the period ending 31st March 2019 covered in the register maintained under Section 189 of the Companies Act 2013. No stipulation regarding terms and conditions of grant of such loan including schedule of repayment of principal and payment of interest has been made.

Apart from above, a sum of Rs. 813.14 lakhs including Rs.60.60 lakhs for the current year has been paid to GEDCOL up to 31st March 2019 towards salary of deputationists and payment of other expenses. However it is contended by the management that the amount has been paid to GEDCOL towards salary of deputationists and payment of other expenses the same is paid in the ordinary course of business, it is therefore not in the nature of loan or advance. In our opinion, it is an interest free loan in nature, and recorded in the register maintained under Section 189 of the Companies Act 2013.

- b) In absence of any loan agreement between the company and the parties with respect to the terms and conditions of the grant of such loans and in absence of schedule of repayment of principal and payment of interest by the party, we are of opinion that prima facie it appears that the same is prejudicial to the company's interest, but not in a position to comment to what extent it is prejudicial to the interest of the Company.
- c) Subject to our comments given in (iii)(a) and (iii)(b) above, in absence of any stipulation of repayment, overdue amount for more than ninety days and extent of steps required by the Company for recovery of the principal and interest could not be commented upon.
- iv. Section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the loans and investments made.
- v. The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provision of the Act.
- vi. The Central Government has prescribed for maintenance of cost records under Section 148(1) of the Companies Act, 2013. On the basis of limited review of the books of accounts maintained by the company, we are of the opinion that prima facie the relevant records are maintained. However, we have not carried out a detailed examination of the same to determine whether they are accurate or complete.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, Goods and Services Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. We have been informed that, Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid statutory dues was in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable except the following:-

Name of the Statute/Authority	Particulars	Name of the Units/corporate office	Amount (Rs in Lakhs)
Govt. of Odisha	Pay Roll Deduction(GPF)	BHEP, Balimela	0.64
Govt. of Odisha	Pay Roll Deduction(GPF)	CHEP, Chipilima	0.20
Odisha State Tax	Professional Tax	CHEP, Chipilima	0.10
Income Tax Act 1961	TDS Salary Payable	CHEP, Chipilima	0.19
Income Tax Act 1961	TDS Contractors Payable	CHEP, Chipilima	0.23
Finance Act 1994	Service Tax Payable	Corporate Office Bhubaneswar	0.91

However, it is contended by the management that most of the aforesaid balances are carried forward from earlier years arising out of improper accounting adjustment and ultimately may not be payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following dues of income tax, duty of custom, Goods and Services tax, or other statutory dues have not been deposited on account of dispute.

Nature of the statute	Nature of Dues	Amount (Rs. In lakhs)	Year to which it pertains to	Forum at which case is pending
Odisha Entry Tax Act 1999	Entry Tax(BHEP)	0.74	2000-01	Commissioner of Commercial Tax, Cuttack
Income Tax Act 1961	Income Tax	218	2007-08	Income Tax Appellate Tribunal, Cuttack
Income Tax Act 1961	Income Tax	545	2014-15	Income Tax Appellate Tribunal, Cuttack
Income Tax Act 1961	Income Tax	178	2015-16	Income Tax Appellate Tribunal, Cuttack

- viii. Based on our audit procedures and as per the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution and Government of Odisha.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year. Section 197 of the Act regarding managerial remuneration is not applicable to the Company vide Notification No. G .S. R 463(E) dated 05.06.2015
- xi. Based on our audit procedures and according to the information and explanations given to us by the management, the Company is not a Nidhi company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No.315104E

PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST, 2019

CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAY5788

ANNEXURE “B”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE ODISHA HYDRO POWER CORPORATION LIMITED

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

Report on the directions under section 143(5) of the Companies Act’2013 by C&AG

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company, we report that:

SI NO.	PARTICULARS	OUR COMMENTS																														
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?	<p>The company is in the process of identifying leasehold and freehold land separately.</p> <table border="1"> <thead> <tr> <th>Name of the units of the company</th><th>Title Deeds for free hold lands available(Area) with the Company</th><th>Lease Deeds for lease hold land available(Area) with the Company</th></tr> </thead> <tbody> <tr> <td>1.Upper Kolab Hydro Electric Project:- (Bariniput)</td><td>90.79 Acres</td><td>N.A</td></tr> <tr> <td>2.Corporate Office Bhubaneswar</td><td>N.A</td><td>4.780 Acres of lease hold land at Chandrasekharpur, Bhubaneswar, and 2.00 Acres of lease hold land at Industrial Estate, Chandaka, Patia (OHPC Training Centre)</td></tr> </tbody> </table> <p>Title deeds of most of the immovable properties recorded in the books of the company are not held in the name of the company excepting a part of the free hold lands i.e. 90.79 Acres held by UKHEP, Bariniput and 6.780 Acres of lease hold land held by Corporate Office, Bhubaneswar as per above.</p> <p>Out of the leasehold land of Corporate Office, 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company.</p> <p>Further, title deeds of the following land is not available with the company as the land were transferred by Government of Odisha and formalities of transfer is yet to be completed.</p> <table border="1"> <thead> <tr> <th>Name of the Project</th><th>Land</th><th>Under Dist. Collector</th></tr> </thead> <tbody> <tr> <td>Rengali H.E. Project, Rengali</td><td>Ac.1600</td><td>Angul</td></tr> <tr> <td>Hirakud H.E. Project, Burla</td><td>Ac. 497.546</td><td>Sambalpur</td></tr> <tr> <td>Chipilima H.E. Project, Chipilima</td><td>Ac. 400</td><td>Sambalpur</td></tr> <tr> <td>Upper Indravati H.E. Project, Mukhiguda</td><td>Ac. 2500</td><td>Kalahandi</td></tr> <tr> <td>Balimela H.E. Project, Balimela</td><td>Ac. 500</td><td>Malkangiri</td></tr> <tr> <td>Upper Kolab H.E. Project, Bariniput</td><td>Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)</td><td>Koraput</td></tr> </tbody> </table>	Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company	1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A	2.Corporate Office Bhubaneswar	N.A	4.780 Acres of lease hold land at Chandrasekharpur, Bhubaneswar, and 2.00 Acres of lease hold land at Industrial Estate, Chandaka, Patia (OHPC Training Centre)	Name of the Project	Land	Under Dist. Collector	Rengali H.E. Project, Rengali	Ac.1600	Angul	Hirakud H.E. Project, Burla	Ac. 497.546	Sambalpur	Chipilima H.E. Project, Chipilima	Ac. 400	Sambalpur	Upper Indravati H.E. Project, Mukhiguda	Ac. 2500	Kalahandi	Balimela H.E. Project, Balimela	Ac. 500	Malkangiri	Upper Kolab H.E. Project, Bariniput	Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)	Koraput
Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company																														
1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A																														
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Upper Kolab H.E. Project, Bariniput	Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)	Koraput																														

2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	<div>Details to write-off/write-back of debts /loans/interest along with reasons thereof and amount involved as under:</div> <table><tr><th colspan="4">EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF (Rs in lakhs)</th></tr><tr><th>Name of Unit</th><th>EMD amount</th><th>SD Amount</th><th>Retention money</th></tr><tr><td>CO</td><td>2.81</td><td>2.81</td><td></td></tr><tr><td>HHEP</td><td>0.00</td><td>2.84</td><td></td></tr><tr><td>CHEP</td><td>1.00</td><td>0.69</td><td></td></tr><tr><td>BHEP</td><td>0.21</td><td>0.00</td><td></td></tr><tr><td>UKHEP</td><td>1.54</td><td>4.85</td><td>1.27</td></tr><tr><td>TOTAL</td><td>5.56</td><td>11.19</td><td></td></tr></table> <div>The company has old outstanding balances in different heads of accounts and the same were written off/written back/adjusted with respective account heads.</div>	EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF (Rs in lakhs)				Name of Unit	EMD amount	SD Amount	Retention money	CO	2.81	2.81		HHEP	0.00	2.84		CHEP	1.00	0.69		BHEP	0.21	0.00		UKHEP	1.54	4.85	1.27	TOTAL	5.56	11.19	
EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF (Rs in lakhs)																																		
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UKHEP	1.54	4.85	1.27																															
TOTAL	5.56	11.19																																
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants (s) from the Government or other authorities.	<div>Proper records with respect to certain assets like building and equipments including civil works, electrical work and Assets (Tools & Equipments) received as Gift from DIFD for the purpose of Training Centre are maintained by the Company.</div> <div>During the year Rs.16,83,852 has been received from EIC Electricity-cum-Principal Chief Electricity Inspector, Odisha as grant vide cheque no 000092 dated 21.04.2018 towards cost of replacement of old conventional street light fittings with LED light fittings.</div>																																



Tail-race view of HHEP, Burla

Report on the sub-directions under section 143(5) of the Companies Act'2013 by C&AG

SI NO.	PARTICULARS	OUR COMMENTS
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	In almost all the cases (excepting reported in SI no-1 above in directions) detailed full particulars of land including idle land owned by the Company under encroachment/under litigation, not put to use or land declared surplus have not been furnished to us by the management, Therefore adequacy of steps taken by the management to prevent encroachment of Idle land could not be commented. However as explained to us, 4.78 acres of lease hold land at Chandrasekharpur Bhubaneswar held by corporate office Bhubaneswar allotted at a cost Rs 1434 lakhs by G.A Department Govt. of Odisha to OHPC, out of which 3.180 Acres of land presently are under encroachment. The matter being pursued and it is under process. A Misc. case has been filed for another 50 acres of land in UKHEP.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and a transparent manner in all cases. The cases of deviation may please be detailed.	As explained to us, the company is not involved in the land acquisition for setting up new projects.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards except Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS 115. The effect of the same is unascertainable.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	To the best of our information and explanation given to us, no projects have been abandoned during course of our audit excepting. (i) In respects of Potteru Project, which has already been abandoned, total expenditure incurred and shown under Capital Work-in-Progress as at 31.03.2019 is Rs.2301.62 lakhs not yet written off. (ii) In respect of Sindol Project, which has already been abandoned, total cost incurred and booked under Capital Work-in-Progress, but not yet Written off is Rs 28.78 lakhs.
5.	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regards, may be checked and commented upon.	Not applicable as the company generates power through Hydro Electric Projects.
6.	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	Not Applicable.

7.	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	Not Applicable.
8.	How much share of free power was due to the state government and whether the same calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms.	As explained to us, the company does not supply any free power from its existing Power Station to the State Government, so there is no free power due to State Government of Odisha.
9.	In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	Water discharge from the reservoirs are carried at directly by DOWR, Govt. of Odisha consisting the need for flood control, irrigation, supply of drinking water and maintaining bio-diversity. The Company does not have any role in this regard. Therefore non maintenance of bio-diversity causing or resulting imposition of penalty is not applicable to the Company.

**FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No.315104E**

**PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST, 2019**

**CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAY5788**



View of Water conductor system of UKHEP, Bariniput

ANNEXURE “C”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ODISHA HYDRO POWER CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **ODISHA HYDRO POWER CORPORATION LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in internal control as at March 31, 2019.

- (a) The company did not have an appropriate internal control system to ensure that correct or adequate provisions are made pending receipt of bills/utilization certificates from Vendors/Contractors/Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and non-adjustment of advances in time.
- (b) The company did not have an adequate internal control system to obtain year-end balance confirmations in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advances to Contractors/Advances to Others, Trade Payable, Liabilities to Suppliers, Contractors and Others and reconciliation with respective balances with the books of the company. This could potentially result in inaccurate reporting of assets and liabilities and changes in financial statements.
- (c) The company does not maintain its books of accounts in ERP system and uses Tally software for all units separately. Considering the size of the company operating at different geographical locations, the company did not have an adequate internal control system to periodically consolidate the financials of the company. The consolidation of financials are done in Excel. Further, since the accounts are maintained in Tally and each year the financial data is segregated at unit level, it is difficult to generate various reports like age-wise analysis, old balances, etc. for taking appropriate timely steps to monitor various accounts which may lead to inaccurate reporting of assets and liabilities and material misstatement of the company's financial statements.

A 'material weakness' is a deficiency or combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

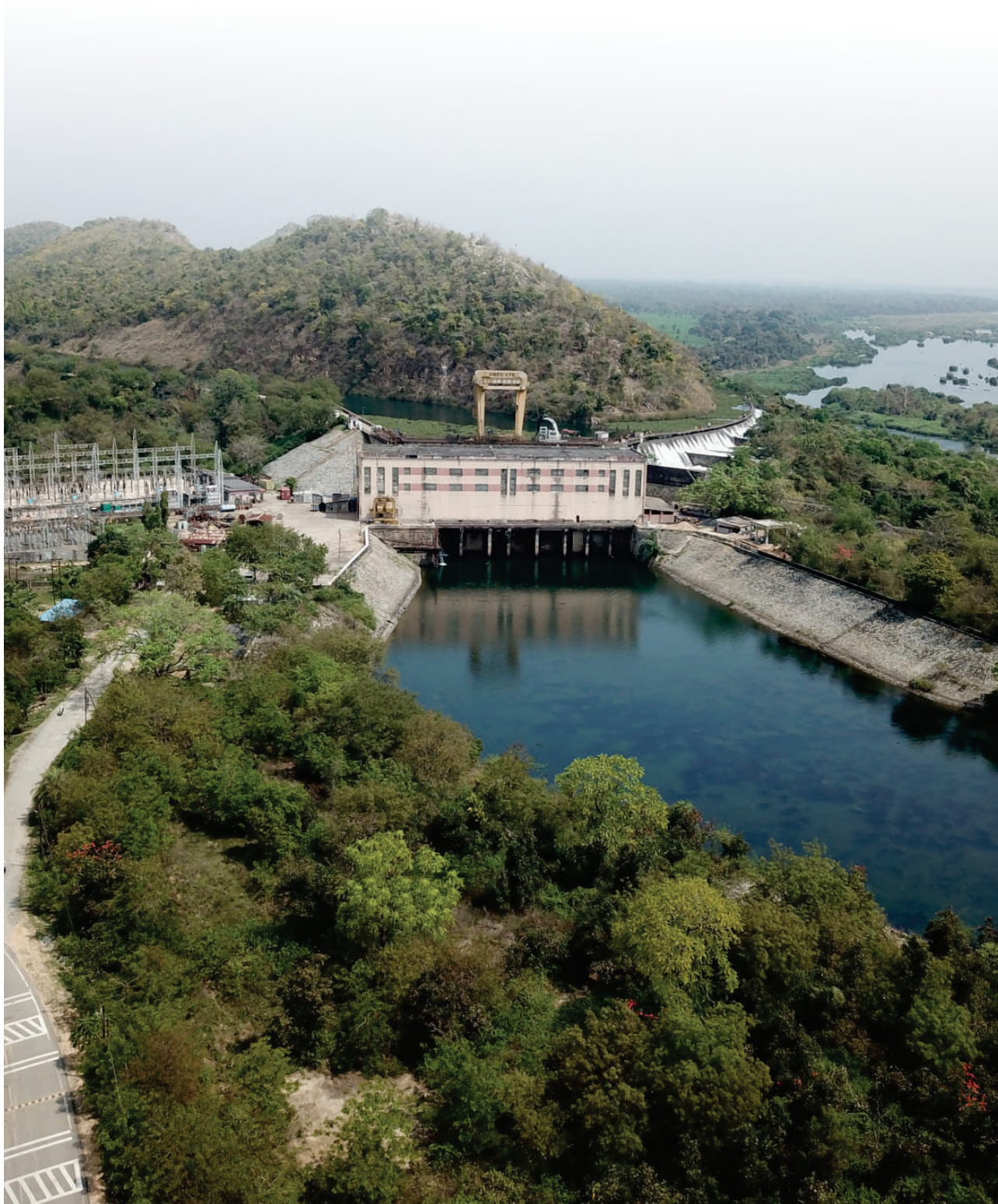
In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objective of the control criteria, the company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the March 31, 2019 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

**FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN NO.315104E**

**PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST, 2019**

**CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAY5788**



Power House of CHEP, Chipilima

Odisha Hydro Power Corporation Limited

Standalone Balance Sheet for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(₹ IN LAKHS)

Sl No	Particulars	Note No.	For the year ended 31 March 2019 Ind AS	For the year ended 31 March 2018 Ind AS
	<u>ASSETS :</u>			
(1)	Non-current Assets			
(a)	Property, plant & equipment	2	80,489.26	86,231.06
(b)	Capital work-in-progress	3	24,822.74	12,216.14
(c)	Financial Assets			
	(i) Investments	4	34,152.47	34,152.47
	(ii) Trade receivables	5	2,735.22	2,445.42
	(iii) Loans	6	51.85	48.25
	(iv) Others	7	61,900.00	62,700.00
(d)	Other non - current assets	8	1,955.97	1,971.77
			206,107.51	199,765.11
(2)	Current Assets			
(a)	Inventories	9	4,449.15	4,375.80
(b)	Financial Assets			
	(i) Trade receivables	10	9,372.69	8,910.29
	(ii) Cash & cash equivalents	11	15,861.67	18,218.35
	(iii) Bank balance other than (ii) above	12	129,358.42	115,544.82
	(iv) Loans	13	4,805.39	4,783.21
	(v) Others	14	7,213.66	5,239.43
(c)	Other current assets	15	10,188.27	9,769.79
			181,249.25	166,841.69
	TOTAL ASSETS		387,356.76	366,606.80
	<u>EQUITY AND LIABILITIES :</u>			
	Equity			
(a)	Equity share capital	16	76,165.07	71,265.07
(b)	Other equity	17	100,591.21	92,313.69
			176,756.28	163,578.76
	Liabilities			
(1)	Non-current Liabilities :			
(a)	Financial Liabilities			
	(i) Borrowings	18	98,651.90	101,674.90
	(ii) Trade Payables			
	(ii) Others	19	9.35	6.53
(b)	Provisions	20	6,186.93	5,958.83
(c)	Deferred tax liabilities (Net)	21	11,886.68	14,149.56
(d)	Other non-current Liabilities	22	438.18	
			117,173.04	121,789.82
(2)	Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	23	1,430.00	1,430.00
	(ii) Trade payables			
	1.Total outstanding dues of micro enterprises and small enterprises			

	2. Total outstanding dues of creditors other than micro enterprises and small enterprises.	24	7,321.80	2,421.59
	(iii) Others	25	80,754.97	71,823.03
(b)	Other current liabilities	26	58.76	58.61
(c)	Provisions	27	3,861.91	5,504.99
			93,427.44	81,238.22
	TOTAL EQUITY AND LIABILITIES		387,356.76	366,606.80

Significant Accounting Policy & Accompanying notes forming part of the financial statements

In terms of our report of even date attached

For ABP & ASSOCIATES

Chartered Accountants

(CA Debasis Parida)
Partner
ICAI M. No. 062867

(P K Mohanty)
Company Secretary

(Pravakar Mohanty)
Director (Finance) & CFO
DIN: 01756900

(Vishal Kumar Dev, IAS)
CMD
DIN: 01797521

Place: Bhubaneswar
Date: 21.08.2019

Odisha Hydro Power Corporation Limited

Standalone Statement of Profit and Loss for the year ended 31.03.2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(₹ IN LAKHS)

Sl No	Particulars	Note No.	For the year ended 31 March 2019 Ind AS	For the year ended 31 March 2018 Ind AS
I	Revenue from operations	28	48,008.78	46,848.30
II	Other income	29	17,208.13	16,175.03
III	Total Revenue (I+II)		65,216.91	63,023.33
IV	Expenses :			
	Repair & maintenance expenses	30	4,692.63	5,840.64
	Operation expenses	31	1,461.12	1,111.58
	Employee benefits expense	32	19,911.41	26,495.10
	Administrative & general expenses	33	2,822.76	1,727.66
	Finance costs		7,329.00	7,540.46
	Depreciation and amortization expense	35	6,268.02	7,509.91
	Selling & Distribution Expenses	33		
	Total Expenses (IV)		42,484.94	50,225.35
V	Profit before exceptional items & tax (III-IV)		22,731.97	12,797.98
VI	Exceptional items	36	-	45.36
VII	Profit before tax (V-VI)		22,731.97	12,752.63
VIII	Tax expense:			
	(a) Current tax		8,484.62	3,393.38
	(b) Deferred tax		(191.96)	(510.69)
	Total Tax		8,292.67	2,882.69
	Profit for the year (VII - VIII)		14,439.30	9,869.94
	Other comprehensive income			
	Items that will not be reclassified to profit or loss		(5,983.93)	(5,584.96)
	Income tax relating to items that will not be reclassified to profit or loss		2,070.92	1,932.84
	Total comprehensive income for the period		10,526.29	6,217.82
	Earnings per equity share			
	[Face Value of ₹ 1000 /- each (Previous value of ₹ 1000 /- each)]			
	Basic and Diluted	39	198.94	140.58

Significant Accounting Policy & Accompanying notes forming part of the financial statements

In terms of our report of even date attached

For ABP & ASSOCIATES

Chartered Accountants

CA Debasis Parida
Partner
ICAI M. No. 062867

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO
DIN: 01756900

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Place: Bhubaneswar
Date: 21.08.2019

Odisha Hydro Power Corporation Limited**Standalone Statement of Cash Flow for the year ended 31st March 2019**

(All amounts in Indian rupees, except share data and unless otherwise stated)

(₹ IN LAKHS)

	For the year ended	
	31st March 2019	31st March 2018
Cash flow from operating activities		
Profit for the year	22,731.97	12,752.65
Adjustments for :		
Depreciation & amortization	6,268.02	7,509.90
Finance costs	7,329.00	7,540.46
Finance income	(12,110.99)	(12,282.30)
(Profit)/Loss on sale of property, plant and equipment	1.21	(0.78)
Amortization of -GRANT-IN-AID	(0.41)	-
Income/Expenses directly debited to reserve accounts	-	-
Operating cash flows before working capital changes	24,218.80	15,519.93
Changes in operating assets and liabilities		
Inventories	(73.35)	(147.77)
Trade receivables	(752.19)	1,167.01
Other non-current assets	-	-
Other assets	(557.94)	11,945.75
Trade payables	4,900.21	2,153.35
Other liabilities	(4,377.89)	(295.17)
Provisions - Non Current	228.10	2,619.08
Net cash provided by operating activities before taxes	21,942.66	35,039.15
Income tax Adjustment	-	-
Income taxes paid	(8,484.62)	(10,402.55)
Net cash provided by operating activities	13,458.04	24,636.60
Cash flow from investing activities		
Purchase of property, plant and equipment	(13,134.36)	(10,760.31)
Proceeds from sale of property, plant and equipment	0.33	98.17
Investment in Bank Deposits	(13,813.59)	(110,905.82)
Investment in shares, debentures and other securities	-	(4,900.00)
Finance income received	11,066.22	12,509.00
Net cash generated/(used) in investing activities	(15,881.40)	(113,958.96)
Cash flow from financing activities		
Increase in share capital	4,900.00	1,900.00
Dividend paid including DDT	(2,248.76)	(3,281.17)
Repayment of long term loan	(3,023.00)	(3,023.00)
Finance cost paid	(0.15)	-
Govt- Grant Received	438.58	-
Net cash generated/(used) in financing activities	66.67	(4,404.17)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	-
Net increase / (Decrease) in cash and cash equivalents	(2,356.69)	(93,726.53)
Cash and cash equivalents at the beginning of the period	18,218.36	111,944.89
Cash and cash equivalents at the end of the period (Note 11)	15,861.67	18,218.36

Explanatory Notes to Standalone Statement Of Cash Flows

1. Cash and Cash equivalents consists of Cash in hand, cheques /drafts in hands, Postal orders & Stamps, Remittance in transit and Bank Balances including Short Term Deposits maturity of less than three months. The details of Cash & Cash equivalents as per Note 11 of the Balance Sheet is as under:

	31st March 2019	31st March 2018
Cash and cash equivalents	15,861.67	18,218.36
Cash and Cash equivalents comprises of the following:		
Bank Fixed Deposits	13,800.00	17,200.00
Other Bank Balance	2,058.78	1,015.15
Cash on hand	2.52	2.89
Postal Orders & Stamps	0.37	0.31
Remittance in transit	-	-

Significant Accounting Policy & Accompanying notes forming part of the financial statements
In terms of our report of even date attached
For ABP & ASSOCIATES
Chartered Accountants

CA Debasis Parida
Partner
ICAI M. No. 062867

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO
DIN: 01756900

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Place: Bhubaneswar
Date: 21.08.2019

Odisha Hydro Power Corporation Limited**Statement of changes in equity for the year as at 31 March 2019**

(All amounts in Indian rupees, except share data and unless otherwise stated)

a. Equity share capital

(₹ IN LAKHS)

Particulars	Balance at the beginning of the reporting period 2018	Changes in equity share capital during the year	Balance at the end of the reporting period 2019
Equity Share	71,265.07	4,900.00	76,165.07

b. Other equity

(₹ IN LAKHS)

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 01 April 2018	10,000.00	13,214.00	80,308.75	(11,209.06)	92,313.69
Changes in accounting policy/ prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	10,000.00	13,214.00	80,308.75	(11,209.06)	92,313.69
Total Comprehensive Income for the year			14,439.30	(3,913.01)	10,526.28
Dividends and Dividends distribution tax			(2,248.76)		(2,248.76)
Balance as at 31 March 2019	10,000.00	13,214.00	92,499.29	(15,122.08)	100,591.21

As per the Order No. 3060 dtd. 31.03.2015 & subsequent DoE Notification No. 5843 dtd. 03.07.2015, a sum of ₹ 10,000.00 Lakhs has been shown under the head capital reserve towards dam share of UIHEP, Khatiguda.

Significant Accounting Policy & Accompanying notes forming part of the financial statements**In terms of our report of even date attached****For ABP & ASSOCIATES****Chartered Accountants**

Debasis Parida, CA
Partner
ICAI M. No. 062867

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO
DIN: 01756900

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Place: Bhubaneswar
Date: 21.08.2019

Odisha Hydro Power Corporation Limited

Significant accounting policies and notes to the accounts for the financial year ended 31 March 2019.

1. Company Overview

M/s. Odisha Hydro Power Corporation Ltd (in short 'OHPC') is a wholly owned Government of Odisha undertaking incorporated on 21.04.1995 as per the provision of erstwhile Companies Act 1956 (now 2013) and is solely engaged in the business of generation of Hydro Power having installed capacity of 2027.50 MW and for that purpose operates and maintains Hydro Power Stations at Balimela, Burla, Upper Kolab, Mukhiguda, Rengali & Chiplima in the district of Malkanagiri, Sambalpur, Koraput, Kalahandi, Angul & Sambalpur respectively. Besides, operating Hydro Power Stations of its own, the OHPC also operates one Hydro Power Project as a Joint Venture i.e., Machhakund Joint Hydro Electric Project with the APGENCO. Further, OHPC is also having Joint Venture / Associates / Subsidiaries where financial statements are consolidated as per the provisions of Companies Act 2013. Upon generation of the Hydro Power, the entire powers generated are sold to GRIDCO. The total paid up equity capital of OHPC is entirely held by Government of Odisha. OHPC prepares its financial statements as per the requirement to the provisions of the Companies Act, 2013, so also the requirement of OERC. As per the guideline issued by the Department of Public Enterprises, Govt. of Odisha, OHPC is declared as a Gold Rated State PSU.

1.1 Significant Accounting Policies Basis of preparation of financial statements

1.2 Statement of compliance

These financial statements are prepared to comply in all material aspects in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

1.3 Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- (a) Certain financial assets and liabilities including derivative instruments measured at fair value
- (b) defined benefit plans - plan assets measured at fair value

The financial statements are presented in Indian rupees.

1.4 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.5 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded off to the nearest Lakhs (upto two decimal) for the Company.

1.6 Summary of significant accounting policies

1.6.1 Revenue recognition

Revenue is recognized on accrual basis as per energy sale bills raised on GRIDCO in accordance with Odisha Electricity Regulatory Commission's tariff order. In case of energy sales to CSPDCL, Revenue is recognized as per bills, raised on the basis of rates approved by OERC separately for HHEP, Burla.

The ownership of the dam and appurtenant works of Upper Indravati Hydro Electric Project remains with OHPC. Share of the Department of Water Resources, towards 50% Operation and Maintenance cost of the dam has been recognized as revenue.

All other Revenues are accounted for on accrual basis except the following which are accounted for on cash / realization basis due to uncertainty in collection.

- (i) Interest on delayed payment on energy bills paid by GRIDCO.
- (ii) Interest on medical advances.
- (iii) Electricity charges billed to Water Resources Department and other department.
- (iv) Recovery of compensation for loss of energy due to drawl of water by nearby Industrial Units.
- (v) Sale of scrap.
- (vi) Interest on security deposit with Discoms.
- (vii) Insurance claim and interest on house building advance.
- (viii) Interest on debt securitisation.
- (ix) Recovery of house rent.
- (x) Income Tax reimbursement from GRIDCO

1.6.2 Other income

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

1.6.3 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable for bringing the asset to the location and condition necessary for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

These are included in profit or loss within other gains/ losses.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Fixed assets, which were transferred by Government of Odisha on 01.04.1996 under Transfer Scheme, are stated at transfer price.

The value of Stores & Spares above ₹ 5.00 lakhs are considered as property, plant & equipment if their useful life is more than one year as per Ind AS-16.

ii) Depreciation

Depreciation has been provided based on life assigned to each asset in accordance with part B of Schedule II of the Companies Act, 2013 as notified by regulatory authorities for accounting purpose. Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier.

Up to financial Year 2002-03, the Corporation was providing depreciation at the rates prescribed by the Electricity (Supply) Act, 1948. However, consequent upon the enactment of the Electricity Act, 2003 and repeal of the Electricity (Supply) Act, 1948, depreciation was provided on straight line method as per the rates prescribed under schedule XIV of the Companies Act, 1956 up to the financial year 2013-14 and thereafter as per Electricity Act, 2003.

Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining ₹. 1/- as WDV.

Assets valuing ₹0.05 Lakhs or less are fully depreciated during the year in which asset is made available for use with ₹ 1/- as WDV.

Leasehold Land is amortized over the period of lease.

Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life.

Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC

iii) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognized as a separate component is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss as incurred. Any written off / back relating to capital assets is added / deleted from the gross block of the concerned capital assets.

iv) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment and having value more than ₹5 Lakhs are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

1.6.4 Investment properties

Property that is held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as investment property. Items of investment properties are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable for bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

1.6.5 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable for bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

1.6.6 Capital work in progress

Capital work in progress is stated at cost.

1.6.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognized as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

1.6.8 Inventories

Inventories of stores, spares and consumables are valued on the basis of transfer price in respect of inventories transferred from Government on 01.04.1996 and at cost in case of inventories procured thereafter.

1.6.9 A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

Financial asset

i) Initial measurement

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are recognized on trade date. Financial assets of the Company include investments in equity shares of subsidiaries, associates, joint ventures and other companies, trade and other receivables, loans and advances to employees and other parties, deposits etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- 1) Financial assets measured at amortized cost
- 2) Financial assets measured at fair value through other comprehensive income
- 3) Financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortized cost:

A financial instrument is measured at amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets
- (b) The asset's contractual cash flow represent SPPI.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain/ loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the effective interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have been transferred, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liability

i) Initial measurement

All financial liabilities are recognized initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial liabilities of the Company are classified in the following categories:

- 1) Financial liabilities measured at amortized cost
- 2) Financial liabilities measured at fair value through profit and loss

Financial liabilities at amortized cost:

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

1.6.10 Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Investments in subsidiaries, associates and joint ventures are measured at cost in accordance with Ind AS 27.

1.6.11 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment using expected credit loss method.

1.6.12 Loans and borrowings

Loans and borrowings are initially recognized at fair value net of transaction costs incurred. Subsequently, these are measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

1.6.13 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR model.

1.6.14 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- a) Financial assets measured at amortized cost e.g. loans, deposits and trade receivables.
- b) Financial assets measured at FVTOCI e.g. investments.

Expected credit losses are measured through a loss allowance at an amount equal to:

- (i) The 12 months expected credit loss (expected credit losses that result from those defaults events on the financial instruments that are possible within 12 months after the reporting date) ;or
- (ii) Full time expected credit loss (expected credit loss that results from all possible defaults events over the life time of the financial instruments)

Loss allowance for trade receivable are always measured at an amount equal to life time expected credit losses,

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ex pense in the statement of profit and loss.

As a practical expedient, the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analyzed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

1.6.15 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.6.16 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Actuarial gains or losses on gratuity, pension and unutilised leave salary are recognized in other comprehensive income (OCI). Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

The pension and service gratuity liabilities of ex-Hirakud Dam Project employees are accounted for on cash basis.

The pension & leave salary contribution in respect of employees under deputation to the Corporation are accounted for consistently in the year of payment on the basis of demand notice raised by A.G & other PSUs.

The pension and service gratuity liabilities of ex-Hirakud Dam Project employees are accounted for on cash basis.

The pension & leave salary contribution in respect of employees under deputation to the Corporation are accounted for consistently in the year of payment on the basis of demand notice raised by A.G & other PSUs.

1.6.17 Provisions Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

The liabilities, which could not be ascertained at the time of transfer of Assets & Liabilities by Government of Odisha on 01.04.1996 are accounted for as and when settled.

Contingent assets are possible assets that arise from past events and whose existence will be compared only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

1.6.18 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks are considered part of the Company's cash management system.

1.6.19 Foreign currency transactions

The Company's financial statements are presented in ₹ which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Foreign Exchange fluctuation loss / gain in respect of the foreign currency loan relating to Projects after capitalisation is debited / credited to statement of profit & loss.

Recovery of foreign exchange fluctuation loss raised to GRIDCO is accounted for on the basis of actual realisation.

1.6.20 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalized as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

1.6.21 Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

1.6.22 Statement of Cash flow

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS -7 'Statement of cash flows'.

1.6.23 Government Grants

The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.6.24 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(a) An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

(b) A liability is current when:

- (i) It is expected to be settled in the normal operating cycle.
- (ii) It is held primarily for the purpose of trading.
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

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

1.6.25

a) The Ministry of Corporate Affairs has notified The Companies (Indian Accounting Standard) Amendment Rules, 2019 dated 30.03.2019 which inter-alia includes the new standard on leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from 01.04.2019. The impact of the same is yet to be assessed.

(b) Ind AS recognizes revenue on transfer of the control of the goods or services, either over a period of time or at a point of time, at an amount that the entity expects to be entitled in exchange for the goods or services. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised where ever required.

Revenue recognition and Other income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sales of Goods

Revenue from contracts with customers is recognized when control of goods and services is transferred to the customers at an amount that reflects the consideration to which company expects to be entitled in exchange for those good and services.

All revenue from the sale of goods is recognized at a point in time and revenue from services is recognized over-time.

No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

1.6.26 Others

- (i) Liabilities for Goods in transit / capital works executed but not certified are not provided for, pending inspection & acceptance by the Corporation.
- (ii) Corporate Office income over expenditure is allocated among the generating units on the basis of sales turn over ratio.
- (iii) Dam maintenance cost for the current year has been made based on the bills submitted by DOWR on provisional / actual basis followed by reconciliation.
- (iv) Expenditures upto DPR for new projects are charged to P & L A/c (Survey and investigation) and thereafter where the new projects seems to be viable are capitalized.
- (v) Prior Period Expenses / income of items of ₹ 1000.00 Lakhs and below are debited / credited to respective heads of account.
- (vi) EMD/ SD of the suppliers/ contractors remained unclaimed beyond 3 years at the reporting date is written back after proper verification. However, if any contractor / supplier claims EMD / Security deposit in future shall be released after proper verification and booked to concerned expenditure in the year of refund.
- (vii) The amount paid under CSR head shall be booked in the year of payment.

1.6.27. Previous year figures / opening balances have been regrouped or rearranged / re-casted wherever necessary.

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

2. Property, plant & equipment

(₹ IN LAKHS)

Sl No.	Description	Gross Block			Depreciation				Net Block			
		As to 01.04.18	Additions	Transfer/ Adj	As at 31.03 .19	Upto 31.03 .18	For the Year	Adjustment	Deletion	Up to 31.03 .19	As at 31.03 .19	As at 31.03.18
1	Land	10,899.68	74.54		10,974.22	51.15	17.05	-	-	68.19	10,906.03	10,848.54
2	Power House Civil Work	14,702.28	-		14,702.28	3,978.07	1,326.14	-	-	5,304.22	9,398.06	10,724.21
3	Power House Electric Mechanical Work	77,437.68	277.53	-	77,715.21	25,191.72	3,746.89	(2.90)	-	28,935.71	48,779.50	52,245.96
4	Civil Building/ Township	14,272.15	25.68		14,297.83	3,112.57	1,044.45	0.05	-	4,157.07	10,140.76	11,159.58
5	Vehicles	264.01	32.93		296.94	47.92	17.36	1.63	-	66.91	230.03	216.09
6	Furniture & Fixtures	130.03	8.97	0.18	138.82	25.65	9.60	0.01	0.13	35.13	103.69	104.38
7	Office Equipment	344.16	6.38	1.99	348.55	112.63	34.44	(0.07)	1.08	145.92	202.63	231.53
8	Misc. Assets	195.29	37.39		232.67	57.19	19.77	(0.04)	-	76.91	155.76	138.10
9	Electric Installation	251.91	29.37	1.03	280.25	51.46	17.25	(0.33)	0.46	67.91	212.34	200.45
10	Water Supply Installation	449.60	28.54		478.14	101.56	35.36	-	-	136.92	341.22	348.04
11	Training Course Equipment	17.79	6.43		24.22	3.61	1.17	0.19	-	4.98	19.24	14.18
	Total	118,964.58	527.75	3.20	119,495.53	32,733.52	6,269.47	(1.45)	1.67	38,999.87	80,489.26	86,231.06

a. (i) Land consists of those transferred from the erstwhile OSEB / State Govt. to the Corporation with effect from 1st April 1996 and procurement of Industrial land from IDCO for construction of training center and staff quarters. In case of UIHEP, land consists of transfer value of land and reservoir from State Govt. as on 01.04.1996 and subsequent additions at cost after 01.04.1996 to the date of Balance Sheet. The title deeds of all the lands are yet to be registered in favour of the Company. The company is in the process of identifying leasehold and freehold land separately.

ii) An amount of ₹ 17.04 Lakhs has been amortised during the year for leasehold land at Chandrasekharpur held by Corporate Office since 16.01.2012. Such amortisation has been made considering the lease period of 90 years.

b. (i) The fixed assets registers are maintained on the basis of transfer price of the assets from State Govt. and at cost in respect of the assets procured after the date of transfer.

(ii) The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.

(iii) The value of fixed assets includes cost of machinery & vehicles declared surplus / obsolete for which necessary verification and fixing of upset price is in process. Necessary accounting treatment will be made in the subsequent period after final disposal of the same.

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(₹ IN LAKHS)

Note	Particulars	For the year ended 31 March 2019 Ind AS (Rupees)	For the year ended 31 March 2018 Ind AS
3	Capital work-in-progress		
(a)	Land	3.03	3.03
(b)	Building	1,065.95	1,065.95
(c)	Road, Bridge, Culvert & Other Civil Works	139.91	133.26
(d)	Water Supply Installation	18.43	1.10
(e)	Plant & Machinery (Construction)	1,148.03	1,148.03
(f)	Plant & Machinery (Generation)	19,448.44	7,274.39
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	392.36	392.36
(h)	Substation Equipments	65.09	62.45
(i)	Transmission Lines	3.87	3.87
(j)	Vehicles	6.63	6.63
(k)	Furniture & Fixture	1.38	1.38
(l)	Office Equipments	4.44	4.44
(m)	Electrical Installations	2.01	2.01
(n)	Miscellaneous assets	0.14	0.14
(o)	Capital WIP	33.91	33.91
(p)	Sindol Project	28.78	28.78
(q)	Office Building	2,016.35	2,016.35
(r)	Staff Quarters	3.81	3.81
(s)	ERP	37.84	34.25
(t)	Kharag HEP	193.66	
(u)	Pump Storage (Indrāvati)	208.68	
		24,822.74	12,216.14
	Non-Current Financial Asset		
4	Non-Current Investments		
	Investments in Equity Instruments;		
A.	Subsidiary Companies - Unquoted		
(a)	Green Energy Development Corporation of Odisha Ltd. (GEDCOL) (A 100% subsidiary company of OHPC) 503,200 fully paid equity shares of ₹ 1000/-each	5,032.00	5,032.00
B.	In Joint Ventures		
(a)	Odisha Thermal Power Corporation (A Joint venture company between OMC & OHPC 50% each share holding) 1,342,047 shares of ₹ 1000/- each	13,420.47	13,420.47
(b)	Baitarni West Coal Company Limited (A Joint Venture company between OHPC, GPCL & KSEB with 1/3 each share holding) 100,000 shares of ₹ 1000/- each	1,000.00	1,000.00
(c)	Odisha Coal & Power Limited (A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC) 14,70,00,000 shares of ₹ 10/- each	14,700.00	14,700.00
		34,152.47	34,152.47

	(a) Aggregate amount of quoted investments and market value thereof;		
	(b) Aggregate amount of unquoted investments;	34,152.47	34,152.47
	(c) Aggregate amount of impairment in value of investments.		
5	TRADE RECEIVABLES - FINANCIAL ASSET		
	Unsecured , considered good		
	Sundry Debtor for Sale of Power	2,735.22	2,445.42
	Sundry Debtor for Others	6.96	6.96
	Less : Provision for doubtful trade receivables > 1 Year	(6.96)	(6.96)
		2,735.22	2,445.42
6	Loans		
(a)	Security Deposits		
	Unsecured , considered good	51.85	48.25
		51.85	48.25
7	Others		
	(i) Debt Securitization of GRIDCO Dues	61,900.00	61,900.00
	(ii) Balance with Bank in deposit accounts (More than 12 months)	-	800.00
	(iii) Held as margin money in Fixed Deposit	-	-
		61,900.00	62,700.00
	The GRIDCO dues of ₹ 619.00 Crores as on 31.03.2013 had been securitized at simple interest of 8% which should be repaid by GRIDCO within 10 years including 3 years moratorium period and installments start from April 2017.		
8	Other non - current assets		
(a)	Capital advances		
	Unsecured, considered good	1,954.81	1,970.61
(b)	Advances other than capital advances	-	-
	Unsecured, considered good	-	-
	Advance to Supplier	1.16	1.16
	Plan Assets (employees)	-	-
		1,955.97	1,971.77
9	Inventories		
	(Valued at cost)		
(a)	Stores and spares	4,695.09	4,618.67
(b)	Loose Tools	-	3.07
	-stores & spares		
	Less : Provision for loss of inventory	(245.94)	(245.94)
		4,449.15	4,375.80
	Current Financial Asset		
10	Trade receivable		
(a)	Outstanding for a period exceeding six months from due date of payment		
	Unsecured , considered good	-	17.92
	Unsecured, considered doubtful	-	-
	Less : Provision for doubtful trade receivables > 6 months	-	-
		-	17.92

(b)	Outstanding for a period less than six months from due date of payment		
	Unsecured , considered good	9,372.69	8,892.37
	Less : Provision for doubtful trade receivables < 6 months	-	-
		9,372.69	8,892.37
		9,372.69	8,910.29
11	Cash and cash equivalents		
(a)	Balances with banks		
	(i) Balance with Bank in deposit accounts	13,800.00	17,200.00
	(ii) Other Bank Balance	2,058.78	1,015.15
(b)	Cash on hand	2.52	2.89
(c)	Others		
	Postal Orders & Stamps	0.37	0.31
	Remittance in transit	-	-
		15,861.67	18,218.35
12	Bank balance other than cash and cash equivalents		
	(i) Balance with Bank in deposit accounts (3 Month to 12 months)	115,450.00	98,090.79
	(ii) Held as margin money in Fixed Deposit	13,908.42	17,454.03
		129,358.42	115,544.82
	(OHPC has pledged (ii) (a) Fixed deposit of ₹ 25.00 Cr. with Panjab & Sind Bank, Ashok Nagar Branch, Bhubaneswar towards its 1/3rd share of margin for facilitating the JV company BWCCCL to provide BG of ₹ 75,00,00,000/- in favour of Ministry of Coal, Govt. of India. (b) Fixed deposit of ₹ 15.08 Cr. with Axis Bank, Basuaghai Branch, Bhubaneswar towards issue of Bank Guarantee to Ministry of Coal for commitment of terms of Coal agreement. (c) Fixed deposit of ₹ 90.00 Cr. with HDFC, Jharpada Branch towards margin money for opening of Letter of Credit in favour of M/s Voith Hydro India Pvt. Limited towards R & M work of HHEP, Burla and CHEP, Chiplima. (d) Fixed deposit of ₹ 9.00 Cr with Axis bank Satya Nagar branch towards margin money for opening of Letter of Credit in favour of M/s Voith Hydro India Pvt. Limited towards R & M work of UIHEP-M, Mukhiguda)		
13	Loans		
(a)	Security Deposits		
	Unsecured, considered good	-	-
	Deposit with Others	255.39	233.21
(b)	Loans to related parties		
	Unsecured, considered good		
	GEDCOL(100% subsidiary Company)	4,550.00	4,550.00
	(Receivable with interest @ FD rate in the month of Drawl +1%)		
	OCPL (49% Joint Venture Company)	-	-
	(Receivable with interest @ FD rate in the month of Drawl +1%)		
		4,805.39	4,783.21
14	Others		
	Claims Receivables	703.86	581.22
	Receivable from GRIDCO on Machhakund	302.42	426.80
	Dam Share Receivable from W.R.Department on accounts of Indravati	1,995.10	1,062.72
	Interest Accrued but not due on bank deposit	3,375.56	2,674.95
	Interest Receivable from others	834.24	490.08
	Other Receivable from Staff	2.48	3.66
		7,213.66	5,239.43

15	Other current assets		
	Advances other than capital advances		
(a)	Other Advances		
	(i) Advance to suppliers	69.35	40.23
	(ii) Advance to contractors	29.26	6.26
	(iii) Advance to others	856.99	997.39
	(iv) Advance to staffs	424.07	206.26
(b)	Other Advances		
	(i) Advance income tax (TDS)	866.73	4,965.73
	(ii) Advance income tax	7,779.28	3,376.00
	(iii) Advance income tax (TCS)	1.34	1.13
	Others		
	(i) OHPC rehabilitation assistance trust fund	0.10	0.10
	(ii) Pre-paid expenses		109.71
		160.90	
	(iii) Other misc. asset	0.25	0.30
	(iv) OHPC gratuity fund	-	66.68
		10,188.27	9,769.79
16	Equity share capital		
(a)	Authorized share capital		
	Equity shares of ₹ 1000/- each (Nos)	200.00	200.00
	Equity shares of ₹ 1000/- each (₹)	200,000.00	200,000.00
(b)	Issued, subscribed and fully paid up		
	Equity shares of ₹ 1000/- each (Nos)	76.17	71.27
	Equity shares of ₹ 1000/- each (₹)	76,165.07	71,265.07
		76,165.07	71,265.07
(c)	Reconciliation of shares at the beginning and at the end of reporting period (Issued)		
	Equity shares		
	At the beginning of the year in Nos	71.27	69.37
	Issued during the year in Nos	4.90	1.90
	Outstanding at the end of the year in Nos	76.17	71.27
	Equity shares		
	At the beginning of the year in ₹	71,265.07	69,365.07
	Issued during the year in ₹	4,900.00	1,900.00
	Outstanding at the end of the year in ₹	76,165.07	71,265.07
(d)	Shares held by each share holder holding more than 5 % shares		
	Governor of Odisha represented by DoE (Nos)		
	% of holding	100%	100%
(e)	Shares issued for consideration other than cash (last five years)		
	As per Dept. of Energy, Government of Odisha order no. 3060 dtd.31/03/2015 and subsequent DoE Notification No. 5843 dtd. 03/07/2015 total loan of ₹		

	821.4690 crores is divided into two parts i.e., 298.85 crores as equity and balance as loan. Accordingly, 2,988,500 equity shares of 1000 each was issued during 2015-16 to convert into Equity from loan.		
(f)	Terms/rights attached to equity shares The company has only one class of equity shares having par value of ₹ 1,000 per share. 100% of the shares are held by Government of Odisha represented by DoE.		
17	Other equity		
(i)	Other reserves		
	(a) Capital reserve		
	Balance as per last financial statements-Dam sharing reserve	10,000.00	10,000.00
	Add: Transfer from surplus balance in profit & loss	-	-
	Closing balance	10,000.00	10,000.00
	Reserves representing unrealized gains/losses		
	(a) Equity instruments through other comprehensive income	-	-
	Less: Deferred tax	-	-
	(b) Remeasurements of the net defined benefit plans	(11,209.06)	(7,556.94)
	Add: During the year	(5,983.93)	(5,584.96)
	Less: Deferred tax (OCI)	2,070.92	1,932.84
	Closing balance	(15,122.07)	(11,209.06)
(ii)	Retained earnings		
(a)	Surplus at the beginning of the year	93,522.75	86,933.99
	Add : Profit for the year	14,439.30	9,869.94
	Less : Transfer to general reserve	-	-
	Less : Dividend paid	(1,865.35)	(2,726.19)
	Less : Tax on Dividend	(383.42)	(554.99)
		105,713.28	93,522.75
	Total	100,591.21	92,313.69
	Non - Current : Financial Liabilities		
18	Borrowings		
	Term loans		
	From other parties - unsecured		
	Indian rupee loan from Government of Odisha		
	UIHEP- TL (1)	22,031.90	25,054.90
	As per Dept. of Energy, Govt. of Odisha order No.3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015 the total loan of ₹ 821.47 Crs. is divided into two parts i.e. ₹ 298.85 Crs. as equity included in Note-16 and balance of ₹ 522.62 Crs. as loan with 7% interest payable w.e.f. 01.04.2006. This loan is payable in 15 equal annual instalments w.e.f. 2010-11 with 4 years moratorium. OHPC, out of the said loan amount of ₹ 522.62 Crs., repaid ₹ 272.07 Crs. till 31.03.2019 & balance loan amount of ₹ 220.319 Crs is shown as above and balance loan amount of ₹ 30.23 Crs is shown in note 25.a .as current liability	-	-

	There is no default as on balance sheet date in repayment of borrowings and interest will be paid after repayment of principal is over as approved by Hon'ble OERC in tariff order dtd.20.03.2013		
	Loan for old project	76,620.00	76,620.00
	As per Dept. of Energy. Govt. of Odisha order No. 3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015, the total bond amount of ₹ 766.20 Crs. issued as per original Notification No.SRO250 dtd.01.04.1996, is now treated as loan @ 7% interest which is payable from the Financial Year 2015-16 & shown accordingly i.e. ₹ 766.2 crores loan as above and ₹ 214.50 Crs as interest payable to State Govt. of Odisha is shown at current-other financial liabilities in Note-25(m)	-	-
	Government notification is silent regarding term of repayment of loan, OHPC considers 15 years equal installment as repayment of loan in line with UIHEP loan.		
		98,651.90	101,674.90
19	Others		
	Security Deposits from contractors/ suppliers	9.35	6.53
		9.35	6.53
20	Provisions		
	(a) Provision for leave salary	6,186.93	5,958.83
	(b) Others	-	-
		6,186.93	5,958.83
21	Deferred tax liabilities (Net)		
	Deferred tax liabilities		
	Deferred tax liabilities / (assets) at the beginning of the year	14,149.56	16,593.09
	Deferred tax liabilities / (assets) during the year on account of temporary difference	(2,262.88)	(2,443.53)
	Deferred tax liabilities / assets at the end of the year	11,886.68	14,149.56
22	Other non-current Liabilities		
	Grants in aid-from Government-Deferred Income	438.18	
		438.18	-
	GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
	As at the beginning of the year	-	
	Add: Received during the year	438.58	
	Less: Related to Statement of Profit and Loss	0.41	
	Balance as at the year end	438.18	
	* Grant includes:-		

23	(a) PSDF Grant received for ₹ 223.50 Lakhs (233.36 Lakhs less interest on deposit ₹ 9.86 Lakhs)		
	(b) Capital Grant for pump storage UIHEP for ₹ 205.22 Lakhs Balance Grant for PSDF for ₹ 2011.63 will be received as per PSDF Agreement and balance Odisha Govt grant related to Pump Storage UIHEP for ₹ 767.58 will be received for DPR cost and IFC payment on actual basis.		
	Borrowings		
	From other parties		
	Loans repayable on demand (unsecured)-from Government of Odisha		
	POTTERU	1,430.00	1,430.00
		1,430.00	1,430.00
	No interest is payable on this loan since 01.04.2001 as per the decision of Govt. vide DoE notification dt.29.01.2003 & DoE letter No. 2404 dt. 21.03.2011.		
24	Trade payables		
	Trade Payables - Due to Others		
	Sundry creditors for supply of materials	7,078.03	2,196.74
	Sundry creditors for works	207.05	184.35
	Sundry creditors for others	36.72	40.50
		7,321.80	2,421.59
	Current : Financial Liabilities		
25	Others		
(a)	Current maturities of long term debt	3,023.00	3,023.00
(b)	Employees liabilities	5,979.63	4,820.70
(c)	OHPC PF trust	59.64	(29.68)
(d)	Liability to others	6,292.31	5,957.28
(e)	Security deposit from contractors / suppliers	506.14	419.47
(f)	EMD from contractors / suppliers	65.97	81.66
(g)	Other security deposit	12.81	11.57
(h)	Retention money / withheld a/c	1,027.64	950.81
(i)	Payable to APGENCO on Machhakund a/c	273.72	402.90
(j)	Payable to Machhakund	0.08	0.20
(k)	Security deposit from employees	3.96	3.90
(l)	Interest payable on UIHEP Govt. loan	42,056.47	40,091.02
(m)	Interest on State Government loan (old projects)	21,453.60	16,090.20
		80,754.97	71,823.03
	The management of 30% share of Government of Odisha in Machhkund Joint Hydro Electric Project was transferred to OHPC vide Department of Energy, Govt. of Odisha Notification No.6052, dt.29.03.97 with effect from 01.04.1997. The erstwhile OSEB now GRIDCO and APSEB now APGENCO are the beneficiaries of this project. APGENCO has raised provisional bill towards O & M cost and cost of power for the current		

	towards O & M cost and cost of power for the current year. After reconciliation upto the FY 2015-16 both OHPC & GRIDCO did not agree to pay interest on working capital and accordingly, OHPC considered the O & M cost and cost of power during the current year details of which are given below:		
	30% share of O & M cost	1,649.72	1,094.20
	Cost of Power beyond 30% share	82.38	74.13
		1,732.10	1,168.34
	OHPC received an amount of ₹ 1856.48 Lakhs in 2018-19 from GRIDCO including arrear dues of APGENCO for 2017-18 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to ₹ 273.72 Lakhs as on 31.03.2019. As the Odisha share of assets and liabilities have not been quantified and transferred to OHPC, the receipts and payments on account of Machhakund project are not shown in the statement of profit and loss account of OHPC.		
26	Other current liabilities		
	Advance against sale of scrap	58.76	58.61
		58.76	58.61
27	Provisions		
(a)	Provision for employee benefits		
	(i) Provision for arrear salary	1,920.55	4,361.27
	(ii) Provision for bonus	6.95	8.30
	(iii) Provision for leave encashment	927.15	749.76
(b)	Other Provisions		
	(i) Provision for income tax	-	-
	(ii) Provision for others	997.14	375.51
	(iii) Provision for loss of asset	10.12	10.15
		3,861.91	5,504.99
28	Revenue from operations		
	Revenue from		
	Sale of Electricity	47,883.06	46,713.43
	Total (A)	47,883.06	46,713.43
	Other Operating Revenue	125.72	134.87
	Total (B)	48,008.78	46,848.30
29	Other income		
	Interest on Employees advances	0.46	0.10
	Interest on Bank Deposits	10,252.25	8,644.23
	Interest on others	384.47	596.70
	Interest in lieu of DPS from GRIDCO	1,473.81	3,041.27
	Sale of tender paper	33.21	34.26
	House rent recovery	29.05	32.19
	Vehicle charges recovery	3.23	3.98
	Electricity charges recovery – Employees	2.66	1.08
	Electricity charges recovery – Contractors	22.29	1.62
	Guest house charges recovery	2.56	2.67

	Sale of scrap	8.56	2.57
	Amortization of -GRANT-IN-AID	0.41	-
	Other miscellaneous receipt	4,043.00	1,332.35
	Recovery from Penalties	10.81	56.34
	Receipt from RTI	0.02	0.04
	Insurance Claim Received	0.87	0.31
	Forfeiture of EMD/SD	8.08	49.58
	Dam Share from DOWR	932.37	1,038.42
	Recovery of foreign exchange fluctuation loss	-	565.00
	Provisions written back	-	771.51
	Profit On sale of Asset	0.02	0.81
		17,208.13	16,175.03
30	Repair & maintenance expenses		
	R&M to Plant and Machinery	1,152.54	1,160.51
	R&M to Building	480.89	424.09
	R&M to Civil Works	391.43	358.96
	R&M to Hydraulic Works	173.74	107.17
	R&M to Line Cables Networks	70.83	22.37
	R&M to Vehicles	7.69	8.93
	R&M to Furniture & Fixtures	0.57	0.70
	R&M to Office Equipments	14.78	19.98
	R&M to Electrical Installation	23.46	29.27
	R&M to Water Supply Installation	59.49	52.95
	R&M to Misc. Assets	0.02	-
	R&M to Substation Equipments	32.95	68.64
	R&M to Dam Maintenance	2,284.24	3,587.07
		4,692.63	5,840.64
31	Operation expenses		
	Power and fuel	297.56	203.69
	Insurance charges	142.87	163.40
	Oil, Lubricant & Consumables	71.08	120.43
	Transportation charges	0.28	0.65
	Hire charges of vehicles/machineries	173.50	148.36
	Refreshment(Operation)	2.35	1.80
	Other Operation expenses	127.49	1.14
	Watch & Ward of Power House	645.99	472.11
		1,461.12	1,111.58
32	Employee benefits expense		
	Salaries & Allowances	5,432.24	7,532.30
	Wages & Allowances	4,764.12	6,408.95
	Overtime	9.58	12.30
	Bonus	3.64	6.02
	Payment to Apprentices & Trainees	51.59	74.87
	Contribution to PF and other Funds	7,325.94	10,098.39

	Employees welfare expenses	645.92	780.32
	Other employee benefit expenses	1,678.38	1,581.95
		19,911.41	26,495.10
33	Administrative & General expenses		
	Rent	86.46	73.71
	Rates and taxes	7.38	8.92
	Fees & subscriptions	12.79	10.24
	Insurance charges	7.70	10.70
	Communication expenses	98.36	92.82
	Traveling & conveyance expenses	238.78	224.65
	Printing & stationery	35.54	40.95
	Bank charges	0.20	0.22
	Electricity & water charges	151.95	169.15
	Legal expenses	22.02	19.72
	Professional & consultancy charges	31.28	23.90
	Audit fees & expenses	35.11	40.63
	Advertisement & Publicity	868.40	50.95
	Training, Seminar & Conference	62.17	80.33
	Office upkeep & Maintenance	23.62	24.64
	Watch & ward charges	264.25	252.78
	Repair & Maintenance others	0.02	-
	Recruitment expenses	50.12	0.79
	Meeting expenses	17.59	16.85
	Transit house expenses	8.32	9.26
	Loss of Assets	1.23	0.03
	Loss on Inventories	-	4.23
	Corporate Social Responsibility Expenses	364.26	276.82
	Other Administrative & General expenses	434.99	288.41
	Electrical Accessories	0.22	
	Provision for bad debt	-	6.96
		2,822.76	1,727.66
34	Finance costs		
	Interest on PFC loan	-	-
	Interest on Govt. loan (UIHEP)	1,965.45	2,177.06
	Interest on Govt. loan - Old power house	5,363.50	5,363.40
	Guarantee commission	0.05	-
	Foreign exchange fluctuation loss	-	-
		7,329.00	7,540.46
35	Depreciation and amortization expense		
	Depreciation of tangible assets	6,268.02	7,509.91
		6,268.02	7,509.91
36	Exceptional items		
	Voluntary separation scheme payment	-	45.36
		-	45.36
	Other comprehensive income	(5,983.93)	(5,584.96)
		(5,983.93)	(5,584.96)
37	Payments to auditor		
	Statutory audit fees	4.00	4.00
	Statutory audit expenses	2.95	2.51
	Other audit fees	19.06	24.06
	Other audit expenses	9.10	10.07
		35.11	40.64

Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31 March 2019
(All amounts in Indian rupees, except share data and unless otherwise stated)

38. Income tax expense

(i) Income Tax recognized in profit or loss

	(₹ IN LAKHS)	
	31 March 2019	31 March 2018
a) Current tax expense		
Current year	8,484.62	3,393.38
Deferred tax expense		
Origination and reversal of temporary differences	(191.96)	(510.69)
Reduction in tax rate		
Total income tax expense	8,292.66	2,882.69
ii) Income tax recognized in OCI		
	31 March 2019	31 March 2018
Remeasurements of defined benefit plans	(2,070.92)	(1,932.84)
Total income tax expense relating to OCI items	(2,070.92)	(1,932.84)
b) Reconciliation of tax expense and accounting profit	31 March 2019	31 March 2018
Accounting profit before tax from continuing operations	22,731.97	12,752.63
Accounting profit before tax from discontinued operations		-
Accounting profit before tax	22,731.97	12,752.63
Tax using the Company's domestic tax rate	34.944%	34.608%
Adjustments in respect of current income tax of previous years	7,943.46	4,413.43
Utilization of previously unrecognized tax losses	-	-
Exceptional item not considered for tax purpose	-	-
Income not considered for tax purpose	-	-
Expense not allowed for tax purpose	364.26	276.82
Carried forward tax losses utilized	-	-
Other temporary differences	1,184.41	(3,224.25)
At the effective income tax rate of 34.944% (31 March 2018: 34.608%)	541.17	(1,020.05)
Income tax reported in the statement of profit and loss	8,484.63	3,393.38
Income tax attributed to discontinued operations	-	-
Total	8,484.63	3,393.38
c) Amounts recognised directly in equity	31 March 2019	31 March 2018
Current tax	-	-
Deferred tax	-	-
Total	-	-

d) Deferred tax assets and liabilities	31 March 2019	31 March 2018
Deferred tax relates to the following:		
Fixed Asset	(247.67)	(185.15)
Leave	55.70	(129.16)
On OCI Component	(2,070.92)	(1,932.84)
DTL Reversal on prior period item	-	(196.38)
Total	(2,262.88)	(2,443.53)
e) Reconciliation of deferred tax assets / liabilities	31 March 2019	31 March 2018
Opening balance	14,149.56	16,593.09
Deferred tax recognized for the first time		
Tax income/expense during the period recognised in profit or loss	(2,262.88)	(2,443.53)
Tax income/expense during the period recognised in profit or loss from discontinued operations		-
Closing balance	11,886.68	14,149.56

39. Earnings per Share:

The Earnings Per Share (Basic and Diluted) are as under:

Particulars	31 March 2019	31 March 2018
Opening Balance (A)	71.27	69.37
Weighted average number of equity shares issued during the year (B)	1.32	0.84
Weighted average number of equity shares outstanding for the year (A+B)	72.58	70.21
Profit for the year attributable to equity shareholders	14,439.30	9,869.94
EPS	198.94	140.58

Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

40. 1. Financial instruments
A. Accounting classification and fair values

31 March 2019 ₹	Carrying amount				(₹ IN LAKHS) Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	15,861.67	15,861.67	-	-	-	15,861.67
Bank balance other than above	-	-	129,358.42	129,358.42	-	-	-	129,358.42
Non- current Financial Asset: Loans	-	-	51.85	51.85	-	-	-	51.85
Current Financial Assets: Loans	-	-	4,805.39	4,805.39	-	-	-	4,805.39
Trade and other receivables	-	-	12,107.91	12,107.91	-	-	-	12,107.91
Other Non Current Financial Asset	-	-	61,900.00	61,900.00	-	-	-	61,900.00
Other Current Financial Asset	-	-	7,213.66	7,213.66	-	-	-	7,213.66
	-	-	231,298.90	231,298.90	-	-	-	231,298.90
Financial liabilities								
Long term borrowings	-	-	98,651.90	98,651.90	-	-	-	98,651.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	7,321.80	7,321.80	-	-	-	7,321.80
Other Non-Current financial liabilities	-	-	9.35	9.35	-	-	-	9.35
Other Current financial liabilities	-	-	80,754.97	80,754.97	-	-	-	80,754.97
	-	-	188,168.02	188,168.02	-	-	-	188,168.02

31 March 2018 ₹	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	18,218.35	18,218.35	-	-	-	18,218.35
Bank balance other than above	-	-	115,544.82	115,544.82	-	-	-	115,544.82
Non- current Financial Asset: Loans	-	-	48.25	48.25	-	-	-	48.25
Current Financial Assets: Loans	-	-	4,783.21	4,783.21	-	-	-	4,783.21
Trade and other receivables	-	-	11,355.72	11,355.72	-	-	-	11,355.72
Other Non-Current Financial Asset	-	-	62,700.00	62,700.00	-	-	-	62,700.00
Other Current Financial Asset	-	-	5,239.43	5,239.43	-	-	-	5,239.43
	-	-	217,889.78	217,889.78	-	-	-	217,889.78
Financial liabilities								
Long term borrowings	-	-	101,674.90	101,674.90	-	-	-	101,674.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	2,421.59	2,421.59	-	-	-	2,421.59
Other Non-Current financial liabilities	-	-	6.53	6.53	-	-	-	6.53
Other Current financial liabilities	-	-	71,823.03	71,823.03	-	-	-	71,823.03
	-	-	177,356.05	177,356.05	-	-	-	177,356.05

* All the financial assets and liabilities has been measured at amortized cost at balance sheet date. The carrying value approximates the fair value.

B. Measurement of fair values

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

41. Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk. The Company extends credit to customer in normal course of business. The Company monitors the payment track record of the customer. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets. The tariff allows the company to raise bills on beneficiaries for late-payment surcharge, which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date, company does not envisage any default risk on account of non-

realization of trade receivables. Accordingly, the Company has not applied the practical expedient of calculation of expected credit losses on trade receivables using a provision matrix.

Investment

Investments primarily includes investments in group companies and are subject to limited risk of changes in value of credit risk.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	(₹ IN LAKHS)	
	31 March 2019	31 March 2018
Trade and other receivables	12,107.91	11,355.72
Investments	34,152.47	34,152.47
Cash and cash equivalents	15,861.67	18,218.35

Ageing analysis (Trade Receivables)

	(₹ IN LAKHS)	
	31 March 2019	31 March 2018
Upto 3 months	9,372.69	8,891.95
3-6 months		0.43
More than 6 months	2,735.22	2,463.34
	12,107.91	11,355.72

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

	(₹ IN LAKHS)	
	31 March 2019	31 March 2018
At fixed rate	-	-

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

	(₹ IN LAKHS)			
As at 31 March 2019	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	3,023.00	12,092.00	86,559.90	101,674.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	7,321.80			7,321.80
Other non-current financial liabilities		9.35		9.35
Other current financial liabilities	80,754.97			80,754.97
	92,529.77	12,101.35	86,559.90	191,191.02

As at 31 March 2018	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	3,023.00	12,092.00	89,582.90	104,697.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	2,421.59			2,421.59
Other non current financial liabilities		6.53		6.53
Other current financial liabilities	71,823.03			71,823.03
	78,697.61	12,098.53	89,582.90	180,379.05

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company operates in a regulated environment. Tariff of the company is fixed by the Odisha Electricity Regulatory Commission (OERC) through Annual Revenue Requirement (ARR) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable through tariff and do not impact the profitability of the company.

Foreign currency risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the OERC Tariff Regulations.

(a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows :

	31 March 2019	31 March 2018
Financial Liabilities		
Foreign currency loan from PFC	nil	nil
Other financial Liability	nil	nil
Net exposure to foreign currency risk (liabilities)		

b) Sensitivity analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered as Regulatory Deferral Account Balances as per OERC Tariff Regulation.

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings. The Company manages interest rate risk by monitoring its fixed rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure	(₹ IN LAKHS)	
	31 March 2019	31 March 2018
Fixed rate borrowings	101,675	104,698

b) Sensitivity analysis

Since the Company does not have any floating rate borrowings, it is not subject any risk associated with the change in the rate of interest.

42. A) Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. OERC Tariff Regulations prescribe for the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

		(₹ IN LAKHS)
	31 March 2019	31 March 2018
Total liabilities	210,600.48	203,028.04
Less : Cash and cash equivalent	(15,861.67)	(18,218.35)
Adjusted net debt	194,738.81	184,809.69
Total equity	176,756.28	163,578.76
Net debt to equity ratio	1.10	1.13

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

B) Dividends

	31 March 2019	31 March 2018
Equity Shares		
Final dividend for the year ended 31 March 2018 of ₹ 26.175 (31 March 2017 - ₹ 39.302) per fully paid shares	1,865.35	2,726.19
DDT on final dividend	383.43	554.99
Dividends not recognized at the end of the reporting period	31 March 2019	31 March 2018
In addition to the above, since year end the directors have recommended the payment of final dividend of ₹ 41.4611 per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,157.89	1,865.35
DDT on proposed dividend	649.11	383.43

43. **Other Explanatory Notes to Accounts Commitment & Contingent Liabilities**

		31 March 2019	31 March 2018
(A)	(i) Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda , HHEP, Burla, CHEP, BHEP, UKHEP, Corporate Office and Other new project.	147080.90	63706.25
	(ii) Uncalled Liability on shares and other investment partly paid	0.00	0.00
	(iii) Other commitment.	0.00	0.00
(B)	(a) Claims against the Company not acknowledged as debt:		
(i)	Stamp duty on bonds of ₹ 76620.00 Lakhs issued to GoO on account of up- valuation of assets which has been kept in abeyance.	574.65	574.65
(ii)	EPF & Sales Tax liability of UIHEP, Khatiguda	129.99	32.00
(iii)	Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	7500.00	6557.00
(iv)	Workmen compensation pending before the Hon'ble High Court of Odisha. (CHEP)	6.43	6.43
(v)	Claim of Dam Division, Rengali Dam site under water Resources Department towards water rent in respect of residential & non-residential building of OHPC (RHEP)	15.47	15.47
(vi)	Entry Tax, appeal before the Commissioner of Commercial Taxes, Cuttack (BHEP).	0.74	0.74
(vii)	Wrong assessment of water cess by Department of Water Resources and interest charged thereon.	1.00	1.00
(viii)	50% of the Fixed deposit of ₹ 2500.00 Lakhs pledged for the BG of BWCCCL in favour MOC, GoI.	1250.00	1250.00
(ix)	Pending cases on account of Income Tax demand raised by AO with different appellate authority for the Assessment Year 2007-08, 2014-15 and 2015-16 amounting to ₹ 218.43 Lakhs, ₹ 545.65 Lakhs and 178.4 Lakhs respectively.	942.48	941.00
(x)	Pending cases at High Court on account of refund of Income Tax for RM & U of Unit-I & II, HHEP, Burla.	282.46	282.46
(xi)	Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 for an amount of ₹ 927.00 Lakhs .	927.00	927.00
(xii)	Interest on working capital claimed by APGENCO on Machhakunda A/C	273.14	273.14
(xiii)	M/s MKS Engineering - Work order not executed properly	13.98	13.98
(xiv)	Forfeiture of EMD M/S mahavir Metalic	63.86	63.86
(xv)	M/s Multitech enginners new Delhi	50.39	50.39
(xvi)	OHPC has filed the case before the EPF Appellate Tribunal	19.80	19.80
(xvii)	Claiming for compensation by sunita rout	20.00	0.00
	(b) Guarantees.		
(i)	Corporate Guarantee for OCPL	7542.00	7542.00
	(c) Other money for which the company is contingently liability.	0.00	0.00
	Grand Total	166694.29	82257.17

- (b) Against the claim of ₹ 7,500.00 Lakhs of M/s TSS stated at (iii) above, OHPC has lodged a claim of ₹ 13,587.00 Lakhs on the said contractor. The arbitration is in process.
- (c) BHEP, Balimela unit has deposited ₹ 0.40 Lakhs under protest during the year against the assessed entry Tax of ₹ 1.14 Lakhs for the year 2000-01 stated at (VI) above. Against this demand, the unit has filed an appeal before the Commissioner of Commercial Taxes, Cuttack.
- (d) The Baitarni West Coal Block allotted to M/s Baitarni West Coal Company Limited, a joint venture company of OHPC was de-allocated vide the letter dated 10th December 2012 of Ministry of Coal, Government of India. OHPC on behalf of the partners filed a petition in the Hon'ble High Court of Odisha vide W.P.(C)No.4011/2013. with Miscellaneous case No.3942 of 2013. The Hon'ble High Court vide order dt.19.03.2013 held that "as an interim measure, it is directed that the bank guarantee furnished by the petitioner-Company may not be encashed and the Coal Block allocated to it may

not be allocated to any 3rd party without leave of this Court”. Accordingly 50% of FD i.e. ₹ 1250.00 Lakhs has been shown as Contingent Liability as above under (b) (viii).

- (e) The Tax Recovery Officer, Income Tax Department, Sambalpur had raised a demand of INR 448.00 Lakhs towards TDS in respect of supply and erection of plant & machinery of RM&U of Unit 1&2, Burla which was disputed by OHPC. Pending settlement of the dispute now in appeal before Hon’ble High Court of Odisha, Cuttack, the above amount has been deposited with Income Tax Authorities in the year 1996-97 to 2003-04. As per the order of the CIT (A), Sambalpur dtd. 08.11.2005 and 04.04.2006, the ITO, Sambalpur rectified the mistake for INR 0.33 lakhs and issued refund order of INR 0.58 lakhs. After adjustment of the said amount, the balance amount of INR 357.00 Lakhs has been shown under the head advance income tax (TDS).

44. The book value of stores and spares partly not available due to theft, fire and shortages in both Civil Stores Mukhiguda & Central Stores Khatiguda of Civil Wing as per the Stock Verification Report of M/s. Agasti & Associates, Bhubaneswar for the year ending 31.03.2019 are as follows: -

Particulars.	Civil Stores Mukhiguda (₹ in Lakhs)	Central Store Khatiguda (₹ in Lakhs)	Total Amount (₹ in Lakhs)
Theft	2.73	13.75	16.48
Fire Damage	-	155.13	155.13
Shortages during 2011-12.	18.87	5.81	24.68
Total Loss of Stores up to 31.03.12	21.60	174.69	196.29
Theft during 2012-13	17.09	-	17.09
Shortages during 2012-13	3.81	0.72	4.53
Shortage written off in 2016-17	-	(2.80)	(2.80)
Shortage recovered in 2017-18	-	(1.22)	(1.22)
Total loss of stores as on 31.03.2019	42.50	171.38	213.88

- (a) Out of ₹ 5.81 Lakhs shortage during 2011-12 at Central Store, Khatiguda ₹ 2.80 Lakhs being the shortage of HSD oil against late M. Sudhakar, Ex-JE (Mech.) has been written off as per Corporate Office Lr. No.1308 dtd.25.02.2017 and ₹ 1.22 Lakhs has been received from Sri S.K. Mishra, Ex-Jr. Engineer (Mech.) vide BRV 20 dtd. 23.09.2017 leaving balance shortage of ₹ 1.78 Lakhs which shall be written off after approval of competent authority.

The Stock Verification of Electrical Stores at UIHEP, Mukhiguda for the year ending 31.03.2019 made by M/s Bajoria & CO., Chartered Accountants, Cuttack. The stock verification report was received on 18.06.2019. As per the report there was shortage due to theft for ₹ 6.54 Lakhs during the year 2013-14 (Vol-VI of Stock Audit Report). But there is no shortage during the current year.

- (b) The value of inventory of Hirakud HEP as on 31st March, 2019 includes the cost of spares theft in the year 2008, amounting to Rs.4.15 Lakhs. Out of the said amount, Rs.2.18 Lakhs has been received from insurance company as full and final settlement of the claim in the year 2010-11 and provision has been made for balance amount of Rs.1.97 Lakhs in the accounts 2011-12 which is yet to be written off.
- (c) The value of inventory of RHEP, Rengali includes ₹ 20.72 Lakhs towards shortage due to theft & shortage amounting to ₹ 5.51 Lakhs and unserviceable stores amounting to ₹ 15.21 Lakhs which has been provided & charged to P & L account in the year 2015-16. The same shall be written off after approval of Competent Authority.

45. The following Revenues have not been recognized in books of account as it is not probable that economic benefits associated with the transaction will flow to the entity in accordance with In IAS-18.

The outstanding Energy Charges of ₹ 8.14 Lakhs of UIHEP, Mukhiguda are pending with BSNL.

46. Operating Segment

The Board of Directors of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company operates in only one business segment i.e. ‘Generation of Power’.

The CODM evaluates the Company’s performance and allocates resources based on the single segment as explained above and hence detailed disclosures as required under segment reporting is not required.

47. A. The sale of energy compared to the design energy for sale during the year 2018-19 are as under:

Power stations	Actual sale of energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	2098.3882	1942.38
RHEP, Rengali	724.6514	519.75
BHEP, Balimela	1647.94731	1171.17
UKHEP, Upper Kolab	903.087	823.68
HHEP, Burla	368.217	677.16
CHEP, Chiplima	154.893	485.1
Total	5897.18391	5619.24

- B. As per the OERC tariff order dt. 22.03.2018, the tariff for the year 2018-19 for energy sold to GRIDCO is as follows.

Name of Power Station	Energy charge Rate (Paisa per Unit)	Capacity charges (₹ in Crs.)
RHEP	61.41	31.918
UKHEP	29.162	24.02
BHEP	42.955	50.307
HHEP	75.503	51.127
UIHEP	40.179	78.042
CHEP	27.597	13.387
TOTAL		248.801

- C. The sale of energy includes 16.391260 MU to CSPDCL @ ₹ 2.0475 per unit as provisionally approved by OERC which has been decided in a joint meeting held on 28.10.2014 between OHPC & CSPDCL at Raipur, Chhatisgarh.

- D. The energy sold to GRIDCO has been reconciled both in quantity & value till 2017-18. Necessary rectification entries relating to sale of energy have been passed by the respective units in the current year.

48. During the year Electricity charges of ₹ 14.69 Lakhs has been paid to SOUTHCO for 4 nos of Dam sites & ₹ 2.68 Lakhs- paid to WESCO towards electricity charges for power consumed in the offices and non-residential buildings at Khatiguda.

49. Expenses in respect of employees who are in receipt of remuneration of not less than ₹ 24.00 Lakhs per annum and employed throughout the year of ₹ 2.00 Lakhs per month and employed for part of the year is as follows:

Sh Pravakar Mohanty = ₹ 30.43 Lakh, Dr. Prabodha Kumar Mohanty = ₹ 24.82 Lakh and Sh S.K Tripathy = ₹ 26.65 Lakh.

50. The Corporation has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises Development Act 2006. Resultantly disclosure if any relating to amount unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

51. The details of installed capacity, generation and sale of power during the year are as under.

Power Stations	Installed Capacity	Gross Generation	Sale of Power	Transformation loss	Colony consumption	Auxilliary consumption
CHEP	72.000	158.388	154.893	2.656	0.000	0.840
HHEP	275.500	380.003	368.217	9.265	0.000	2.520
RHEP	250.000	745.974	724.651	8.759	11.240	1.324
UKHEP	320.000	924.085	903.087	16.711	0.000	4.287
BHEP	510.000	1679.009	1647.947	20.020	0.000	11.041
UIHEP	600.000	2144.204	2098.388	36.489	5.893	3.434
Total	2027.500	6031.662	5897.184	93.900	17.132	23.445
Previous year	2027.500	5487.265	5370.913	77.281	22.421	17.190

52. **Deposit with others**

(I) Mukhiguda

The Deposit with Others amounting ₹.17.91 Lakhs at UIHEP, Mukhiguda represents Security Deposit of ₹ 0.02 Lakhs with BSNL, Bhawanipatna towards Mobile Phone of S.G.M (Electrical) vide MDB Sl. No.134 of 9/2004, with SOUTHCO for ₹ 7.58 Lakhs for 4 Nos of New 11 KV metering at DAM Sites of Khatiguda Unit & ₹ 0.60 Lakhs with WESCO for 2 Nos 11 KV metering at Intake & Surge shaft respectively. ₹ 2.35 Lakhs deposited with EE, Testing & Calibration-cum-DEI, Bhubaneswar ₹ 7.37 Lakhs with EE RWSS Bhawanipatna towards sinking of Borewell at Mukhiguda Village.

(II) An amount of ₹.104 Lakhs was deposited under protest with CTO, Koraput Circle-I, Jeypore and ₹ 54.03 Lakhs was deposited with CTO, Bhawanipatna by stores & Mechanical division, Khatiguda & Mukhiguda respectively during 1994-96.

₹ In Lakhs		₹ In Lakhs	
23.03.1994	40.00	1994-95	40.00
28.03.1994	30.00	1994-98	0.03
31.03.1995	22.00	28.06.96	14.00
15.03.1996	12.00		
	104.00		54.03

Out of ₹ 104.00 Lakhs, a sum of ₹.5.21 Lakhs has been refunded by CTO, Koraput (now Nabarangpur) through challan vide BRV No.1333 dtd.24.03.2012 after finalization of appeal. So total deposit of ₹.1.52 Lakhs is with Sales Tax Authorities. The sales Tax tribunal has directed the concerned CTOs for re-assessment of Sales Tax & the matter is dealt by E.E., Stores & mechanical Divn.

53. I) OHPC has lodged a insurance claim of ₹ 3605.00 Lakhs with M/S United India Insurance Co Ltd on account of loss due to flood disaster on 28/29.7.91 at UIHEP, Mukhiguda. Against this claim OHPC has received an interim payment of ₹ 500.00 Lakhs in two spells i.e. ₹ 350.00 Lakhs in May - 95 and ₹ 150.00 Lakhs in Feb- 98 and shown as income in the respective years. The insurance company intimated OHPC on 21.9.2005 the final net settlement value of ₹ 95.98 lacs which was not accepted by OHPC. OHPC invoked the arbitration clause, and referred the matter to arbitration. In the process of Arbitration the Hon'ble Arbitrators in the interim order dtd 26.07.2009 directed the Insurance Company to pay ₹ 95.58 Lakhs. The said amount received from the Insurance Company has been shown as income in the year 2009-10. Now the Arbitral award is delivered on dated 13.06.2013 and directed to M/s. United India Insurance Company Ltd. to pay ₹ 740.23 Lakhs within two months of the order dated.

The arbitration award has been challenged by the petitioner M/s United India Insurance Co. Ltd. vide Arbitration petition No.325 of 2013 in the Court of the District Judge, Khurda. The last hearing was held on 24.07.2014. The matter is yet to be disposed off.

II) (a) Insurance claim for ₹ 2.78 Lakhs has been lodged to National Insurance Company on 09.06.2015 for unit-V, CB & CT. (b) Insurance claim of ₹ 31.48 Lakhs has been lodged to national insurance Company on 02.07.2015 for damage of assets of Conference Hall & other equipments due to fire against which an amount of ₹ 1.40 Lakhs has been settled by Insurance Company. (c) Insurance claim of ₹ 7.22 Lakhs has been lodged to National Insurance Company on 16.12.2015 for theft of store materials.

54. It was decided in 105th Board of directors meeting held on 11th March, 2011 to make valuation of the Assets of Potteru Small Hydro Electric project after government approval for disposal of the project on "as-is-where-is basis which is still pending for Cabinet approval.
55. The consolidated financial statement has been prepared separately taking the Audited Accounts of OHPC, GEDCOL, OTPCL, & GSPCL but unaudited accounts of BWCCCL & OCPL with Generally Accepted Accounting Principles as per Companies Act 2013. Inadvertent omissions or errors if any will be rectified in the accounts of year of identification.
56. The Company spent ₹ 364.26 Lakhs towards CSR i.e. ₹ 179.33 Lakhs towards promoting education, Health Care and Sanitation ₹ 1.01 Lakhs and ₹ 183.92 Lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013.:

	(₹ IN LAKHS)			
Year	2015-16	2016-17	2017-18	2018-19
Net profit before tax as per Section 198	13862.22	14708.73	7167.67	
Average profit for last 3 years	-	-	-	11.912.87
2% of average profit	-	-	-	238.26
Expenditure made during the year	-	-	-	364.26

Amount spent during the year on:

(₹ IN LAKHS)

	In cash\ Cheque	Yet to be paid in cash	Total
Construction/acquisition of any asset.	-	-	-
On purposes other than (i) above	364.26	-	364.26

57. Foreign currency transactions:

Particulars	2018-19	2017-18
(a) Value of Imports calculated on CIF basis in respect of components and spare parts through LC.	-	-
(b) Value of Imports calculated on CIF basis in respect of capital goods	-	-
Total expenses	NIL	NIL

58. Related Party Disclosures are given below:

(a) Interest in Subsidiaries:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Green Energy Development Corporation LTD	India	Power Generation	100%	100%

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Odisha Thermal Power Corporation LTD	India	Power Generation	50%	50%
Baitarni West Coal Company LTD	India	To own, acquire, develop, operate and carry on the business of coal mining and coal washerces etc.	33.33%	33.33%

(c) Interest in Associates Company:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Odisha Coal and Power Limited	India	Extraction of Coal	49%	49%

(d) List of Other Related Parties:

Name of Related Parties	Principal place of operation	Nature of Relationship
OHPC PF Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Pension Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Gratuity Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Rehabilitation Trust	India	In service death benefit plan of OHPC

(e) Key Management Personnel:

Sl. No	Name	Position Held
1	Sh Vishal Kumar Dev, IAS,	Chairman-cum-Managing Director
2	Sh Hemant Sharma, IAS,	Govt nominee Director
3	Sh Pravakar Mohanty,	Director (Finance) & CFO
4	Sh S.C. Bhadra,	Independent Director
5	Sh R.C. Tripathy,	Independent Director
6	Mrs. Saveeta Mohanty,	Independent Director
7	Dr. Prabodha Kumar Mohanty	Director (HRD)
8	Sh S.K. Tripathy	Director (Operation)
9	Sh P.K. Lenka	Govt nominee Director
10	Sh S.P. Rath	Govt nominee Director
11	Sh Dronadeb Rath	Independent Director
12	Sh P.K. Mohanty	Company Secretary

(f) Name and Nature of Relationship with Government:

S.No	Name of the Government	Nature of Relationship with OHPC
1	Government of Odisha	Shareholder having control over company

The Company is a State Public Sector Undertakings (SPSU) controlled by State Government by holding of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, shall be regarded as related parties. The Company has applied the exemptions available for government related entities and have made limited disclosures in the financial Statements in accordance with Ind AS 24.

The Company has business transactions with the state governments and entities controlled by the Govt. of India. Transactions with these entities are carried out at market terms on arms- length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

(g) Key Management Personnel (KMP) compensation:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
i) Short Term Employee Benefits	101.06	60.17
ii) Post-Employment Benefits	12.53	8.49
Other Transactions with KMP	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Sitting Fees and other reimbursements to non-executive/Independent directors	3.81	4.12

(h) Transactions with Related Parties-Following transactions occurred with related parties:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
(I) Transaction with Government that has control over company (OHPC)- State Govt.		
Guarantee commission Due	-	0.05
Interest on State Government loan (old projects)	7,329.00	7,540.46
Loan Repaid	3,023.00	3,023.00
Guarantee commission Repaid	0.05	7.03
Loan Outstanding	103,104.90	106,127.90
Grant Received from State Govt	205.22	
(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)	During the FY 2018-19	During the FY 2017-18
Sale Of Goods (Electricity)	47,484.06	46,401.43
Service Received by the Company (SLDC)	155.02	142.96
Service Received by the Company (Rent)	83.06	77.13
Debtors Receivable	11,923.48	11,172.53
Debt Securitisation Receivable	61,900.00	61,900.00
(III) Transaction with Subsidiaries	During the FY 2018-19	During the FY 2017-18
Loan Given To GEDCOL	-	1,500.00
Loan amount Receivable from GEDCOL	4,550.00	4,550.00
Interest receivable for the year	345.38	322.97
Interest receivable as on reporting date	834.24	488.87
Advance to others (Salary & Other Expenses paid for GEDCOL)	60.54	644.49
Receivable from GEDCOL on account of Advance to Others	813.14	752.59
(IV) Transaction with Joint Ventures		
Fixed deposit pledged with Punjab and Sindh Bank towards margin money on behalf of BWCCCL	2,500.00	2,500.00
Advance to others (Other Expenses paid for BWCCCL)	0.29	1.71
Receivable from BWCCCL	0.47	1.71
(V) Transaction with Associates	During the FY 2018-19	During the FY 2017-18
Loan given to OCPL	-	2,000.00
Loan Repaid by OCPL	-	7,100.00
Interest receivable for the year	-	272.05
Fixed deposit pledged with Axis Bank towards margin money on behalf of OCPL	1,508.41	1,539.00
Corporate Guarantee	6,033.66	6,033.66
Receivable from OCPL	-	-
(VI) Transaction with Trust created for Post-employment Benefit plans of OHPC		
1. PF Trust	During the FY 2018-19	During the FY 2017-18
Contribution to Trusts	961.71	1,001.08

2. Gratuity Trust		
Contribution to Trusts	3,102.15	66.96
Payable to trust	5.55	2,846.84
3. Rehabilitation Trust		
Contribution to Trusts	38.00	38.50
4. Employees Pension Trust		
Contribution to Trusts	8,520.34	5,733.06
Payable to trust	4,594.18	1,142.83
Total of transactions with above trusts	12,622.20	6,839.59

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

59. Defined Benefit Plans :- Corporation has following defined post-employment obligation.

(a) Description of plans

(i) Provident Fund

- Ø The employees from Govt. of Odisha and erstwhile OSEB related to generation undertaking have been permanently absorbed in OHPC consequent upon the formation of OHPC. In addition, OHPC also recruited its own employees.
- Ø The employees transferred from erstwhile OSEB & pensionable employees of Govt. joined with OHPC PF Trust and contributed to Provident Fund which is being invested as per guidelines issued by MOC from time to time. In case of non-pensionable employees of Govt. absorbed in OHPC and own recruited employees, OHPC contributes matching employer contribution of 12% of Pay + DA is deposited with RPFC and charged to P & L account.

(ii) Pension :

The employees of the corporation who have been permanently absorbed in OHPC from Govt. / erstwhile OSEB and also the employees opted for uniform pension scheme rendering continuing service of 10 years are eligible to get pension at the rate of total emoluments divided by two X each half yearly qualifying service subject to maximum fifty half yearly qualifying service. The liability for the same is recognised on the basis of actuarial valuation. The scheme is being managed by a separate trust created for the purpose and obligation of the corporation is to make contribution to the Trust based on actuarial valuation.

(iii) Gratuity:

The Corporation has taken two group Gratuity Insurance Policies with LIC of India w.e.f. 01.01.2005 and 01.04.2014. The Corporation has a defined benefit gratuity plan. The ceiling limit of Gratuity is fixed as per payment of Gratuity Act 1972 for the employees covered under EPF Act. As per this, an employee rendering service of five years or more are entitled to get gratuity at 15 days salary (15 / 26 X last drawn basic salary plus DA) for each completed year of service or part thereof in excess of 6(six) months subject to maximum of ₹ 20.00 lakhs on superannuation, resignation, termination, disablement or on death. Further the ceiling limit of Gratuity for the employees transferred from Govt. / erstwhile OSEB covered under pension scheme and rendered continuous service of ten years or more are entitled to get gratuity equal to ¼th of his last salary (Basic Salary) for each completed six monthly period of qualifying services subject to maximum of 16 ½ times of the emoluments or ₹ 15.00 lakhs whichever is lower on superannuation. But in case of death, the ceiling limit of gratuity is fixed depending upon the length of service corresponding to rate of gratuity as given below:

	Length of Service	Rate of Gratuity
(i)	Less than one year	2 Times of emoluments
(ii)	One year or more but less than 5 years	6 Times of emoluments
(iii)	5 years or more but less than 20 years	12 times of emoluments
(iv)	20 years or more	Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times emoluments provided that the amount of Death Gratuity shall in no case, exceed seven lakh fifty thousand.

The liability for the same is recognized on the basis of actuarial valuation and is being managed by LIC through a separate Trust created for the purpose and obligation of the corporation is to make contribution to the Trust based on actuarial valuation.

(iv) Other Long Term Employee benefits (Leave benefit)

The Corporation provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave at the time of retirement is limited to 300 days. The maximum accumulated half pay leave is limited to 480 days. The liability for the earned leave is recognized on the basis of actuarial valuation.

(v) Allowances on Retirement / Death:

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to his / her native place as recorded in Service Book where he / she may settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognized on the basis of actual payment. In addition, the Corporation has a policy to pay ₹ 0.15 Lakhs to the family of the deceased employee towards transportation of dead body and obsequies expenses.

(vi) Memento to employees on attaining the age of superannuation:

The Corporation has a policy of providing Memento valuing ₹ 0.04 Lakhs to employee on superannuation. The liability for the same is recognised on the basis of actual payment.

(b) **Disclosure of Balance Sheet amounts and sensitivity analysis of plans:**

(i) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
2017-18			
Opening Balance as at 01.04.2018	6,760.54	6,945.27	(184.73)
Current Service Cost	377.23	-	377.23
Past Service Cost	2,739.73		2,739.73
Interest Expenses/ (Income)	507.04	532.24	(25.20)
Total Amount recognised in Profit or Loss	3,624.00	532.24	3,091.76
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(23.99)		(23.99)
Experience (gains)/Losses	31.44		31.44
Total Amount recognized in Other Comprehensive Income	7.45	-	7.45
Contributions:-	-	-	-
-Employers	-	0.95	0.95
-Plan participants	-	-	-
Benefit payments	(350.57)	(350.57)	-
Closing Balance as at 31.03.2018	10,041.42	7,127.90	2,913.52
Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
2018-19			
Opening Balance as at 01.04.2018	10,041.42	7,127.90	2,913.52
Current Service Cost	398.06	-	398.06
Past Service Cost			-
Interest Expenses/ (Income)	758.13	663.37	94.76
LIC Adjustment		(25.00)	25.00
Total Amount recognised in Profit or Loss	1,156.19	638.37	517.82
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions		-	-
(Gain)/loss from change in financial assumptions	130.46		130.46

Experience (gains)/Losses	(395.36)		(395.36)
Total Amount recognised in Other Comprehensive Income	(264.90)		(264.90)
Contributions:-	-	-	-
-Employers	-	3,160.89	3,160.89
-Plan participants	-	-	-
Benefit payments	(289.94)	(289.94)	-
Closing Balance as at 31.03.2019	10,642.77	10,637.22	5.55

The net liability disclosed above related to funded and unfunded plans are as follows:

(₹ IN LAKHS)

Particulars	31 March 2019	31 March 2018
Present Value of funded obligations	10,642.77	10,041.42
Fair value of Plan Assets	10,637.22	7,127.90
Deficit/(Surplus) of funded plans	5.55	2,913.52
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	5.55	2,913.52

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

(₹ IN LAKHS)

a) Impact of the change in discount rate	31 March 2019	31 March 2018
Present Value of Obligation at the end of the period	10,642.77	10,041.42
i) Impact due to increase of 0.50%	(238.78)	(233.58)
ii) Impact due to decrease of 0.50%	251.71	245.66
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	10,643	10,041.42
i) Impact due to increase of 0.50%	170.10	182.39
ii) Impact due to decrease of 0.50%	(172.04)	(183.86)

(ii) Pension: The amount recognized in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

(₹ IN LAKHS)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii) 2017-18	iii=(i)-(ii)
Opening Balance as at 01.04.2017	30,281.84	35,306.96	(5,025.13)
Current Service Cost	978.90		978.90
Past Service Cost	5,918.32		5,918.32
Interest Expenses/ (Income)	2,271.14	3,229.33	(958.19)
Total Amount recognised in Profit or Loss	9,168.36	3,229.33	5,939.03
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(1,938.25)	-	(1,938.25)
Experience (gains)/Losses	7,900.23	-	7,900.23
Total Amount recognised in Other Comprehensive Income	5,961.98	-	5,961.98
Contributions:-			
-Employers		5,733.06	5,733.06
-Plan participants			
Benefit payments	(6,934.83)	(6,934.83)	
Closing Balance as at 31.03.2018	38,477.35	37,334.52	1,142.83

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii) 2018-19	iii=(i)-(ii)
Opening Balance as at 01.04.2018	38,477.35	37,334.52	1,142.83
Current Service Cost	1,109.97		1,109.97
Past Service Cost	4,743.17		4,743.17
Interest Expenses/ (Income)	2,905.04	3,285.01	(379.97)
Total Amount recognised in Profit or Loss	8,758.18	3,285.01	5,473.18
Remeasurements			

Remeasurements

Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	2,266.55		2,266.55
Experience (gains)/Losses	4,231.96	-	4,231.96
Total Amount recognised in Other Comprehensive Income	6,498.51	-	6,498.51
Contributions:-			
-Employers		8,520.34	8,520.34
-Plan participants			
Benefit payments	(9,237.76)	(9,237.76)	
Closing Balance as at 31.03.2019	44,496.28	39,902.10	4,594.18

The net liability disclosed above related to funded and unfunded plans are as follows:

Particulars	31 March 2019	31 March 2018
Present Value of funded obligations	44,496.28	38,477.35
Fair value of Plan Assets	39,902.10	37,334.52
Deficit/(Surplus) of funded plans	4,594.18	1,142.83
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	4,594.18	1,142.83

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

a) Impact of the change in discount rate	31 March 2019	31 March 2018
Present Value of Obligation at the end of the period	44,496.28	38,477.35
i) Impact due to increase of 0.50%	(2,603.71)	(2,518.81)
ii) Impact due to decrease of 0.50%	2,689.25	2,595.56

b) Impact of the change in salary increase

Present Value of Obligation at the end of the period	44,496.28	38,477.35
i) Impact due to increase of 0.50%	2,704.67	2,608.23
ii) Impact due to decrease of 0.50%	(2,613.65)	(2,527.55)

(iii) Earned Leave : The amount recognised in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

Particulars	(₹ IN LAKHS)	
	Present Value of Obligation	
	2018-19	2017-18
Opening Balance as at 01.04.2018	6,708.59	6,277.24
Current Service Cost	324.03	297.86
Past Service Cost		
Interest Expenses/ (Income)	506.50	470.79
(Gain)/loss from change in Demographic assumptions		3.43
(Gain)/loss from change in financial assumptions	112.66	(19.89)
Experience (gains)/Losses	204.12	224.64
Total Amount recognised in Profit or Loss	1,147.32	976.84
Contributions:-		
-Employers		
-Plan participants		
Benefit payments	(741.82)	(545.49)
Closing Balance as at 31.03.2019	7,114.08	6,708.59

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	31 March 2019	31 March 2018
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	7,114.08	6,708.59
i) Impact due to increase of 0.50%	(205.71)	(189.69)
ii) Impact due to decrease of 0.50%	219.05	200.88
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	7,114.08	6,708.59
i) Impact due to increase of 0.50%	218.58	200.98
ii) Impact due to decrease of 0.50%	(207.17)	(191.51)

Significant Accounting Policy & Accompanying notes forming part of the financial statements
In terms of our report of even date attached
For ABP & ASSOCIATES
Chartered Accountants

CA Debasis Parida
Partner
ICAI M. No. 062867

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO
DIN: 01756900

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Place : Bhubaneswar
Date : 21.08.2019

4MW Roof Top Solar Power Project in the Twin City of Bhubaneswar & Cuttack



6th ANNUAL REPORT 2018-19



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD
(A wholly owned subsidiary company of OHPC Ltd)

OHPC Corporate Office, OSPH&W Corporation Building, Janpath, Bhoinagar,
Bhubaneswar-751022, Tel. 0674-2542922, Fax: 0674-2542102,
Web: www.gedcol.com, Email: info@gedcol.com
CIN No: U40102OR2013SGC016747

CONTENTS

Sl. No.	Description	Page No.
1	Board of Directors	149
2	Directors' Report	150
3	Report of Secretarial Auditors	171
4	Comments of the C&AG of India on the Standalone and Consolidated Financial Statements for the year ending 31st March, 2019	176
5	Independent Auditors' Report on Standalone Financial Statements	180
6	Standalone Financial Statements	190
7	Independent Auditors' Report on Consolidated Financial Statements	214
8	Consolidated Financial Statements	223

BOARD OF DIRECTORS

Sh Bishnupada Sethi, IAS,
Chairman-cum-Managing Director

Sh S C Bhadra
Director.

Sh C R Pradhan
Director.

Sh B B Acharya
Director.

Sh M. R. Biswal
Director

Sh G.R. Das
Chief Executive Officer

Company Secretary & CFO
Sh P K Mohanty

STATUTORY AUDITORS

Subrat Das & Co.,
Chartered Accountants

SECRETARIAL AUDITORS

M/s T K Satpathy & Co, Practicing
Company Secretaries

BANKERS

State Bank of India
Union Bank of India
Axis Bank

REGISTERED OFFICE

**OHPC Corporate Office, OSPH & W Corporation Building, Janpath, Bhoinagar,
Bhubaneswar -751022.**

**Tel.: 91-674-2542922, 2542983, 2545526, 2542826, Fax : 0674-2542102,
Email :info@gedcol.com**

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD
(A Wholly Owned Subsidiary of OHPC Ltd)
6th DIRECTORS' REPORT 2018-2019

Dear Members,

Your Directors are pleased to present the 6th Annual Report of the Company on the business and operations of the Company along with the Audited Financial Statements including Consolidated Financial Statement, Auditor's report, Report of the Secretarial Auditor and review of Financial Statement by the Comptroller and Auditor General of India for the financial year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE:

The Financial results for the year ended 31st March, 2019 are summarized below:-

(Rs in Lakhs)

Particulars	Standalone Results of FY 2018-19	Standalone Results of FY 2017-18	*Consolidated Results of FY 2018-19
INCOME			
Revenue from Operation	1,669.09	1552.21	1,669.09
Other Income	700.06	710.87	700.06
Total Income	2,369.15	2263.08	2,369.15
EXPENDITURE			
Employee Benefit Expenses	73.09	54.24	73.09
Operational Expenses	236.32	187.23	236.32
Other expenses	34.92	49.38	34.92
Total Expenditure	344.33	290.85	344.33
Profit before depreciation, Finance cost and Tax	2,024.82	1972.23	2,024.82
Depreciation	571.81	571.78	571.81
Profit after depreciation but before Finance cost, exceptional Item and Tax	1,453.01	1400.45	1,453.01
Finance Cost	383.75	396.01	383.75
Exceptional Item	-	600.00	
Share of Profit/(loss) from JV Company	-	-	(17.16)
Profit after depreciation, Finance cost but before Tax	1,069.26	404.44	1,052.10
Tax	145.54	132.79	145.54
Profit after depreciation, Finance cost and Tax	923.72	271.65	906.56
Other comprehensive Income (OCI)	-	-	
Total Comprehensive Income (TCI)	923.72	271.65	906.56

*The consolidated financial information w.r.t. F Y 2017-18 is not available as it is the first year of consolidation of Financial Statement applicable to the Company as per Companies Act, 2013.

1.1. REVENUE FROM OPERATION:

Standalone:

GEDCOL has generated total revenue of Rs.23.69 crore during FY 2018-19 as compared to Rs. 22.63 Crores in the previous year.

Consolidated:

The Consolidated total revenue during the year under review was Rs.23.69 crore.

1.2. PROFITS:

Standalone:

The Profit before Tax for the FY 2018-19 was higher at Rs.10.69 Crores as against Rs.4.04 Crores in the previous year. Profit after Tax during FY 2018-19 stood at Rs.9.24 Crores as against Rs.2.72 Crores in the previous year.

Consolidated:

On a consolidated basis, Profit before Tax for the FY 2018-19 was Rs10.52 crores. Profit after Tax (net of minority interest) in 2018-19 stood at Rs.9.07 Crores.

1.3 DIVIDEND:

The Board of Directors has not recommended any dividend for the financial year under review.

2. COMMERCIAL PERFORMANCE:

2.1. 20 MW Solar Project at Manamunda.

During the year under review, 27.98 Million Units (MU) (previous year 27.92 MU) were generated. The plant capacity utilization factor during F.Y. 2018-19 was 16.03 %. GEDCOL has generated revenue from this project for Rs.15.25 crore.

2.2. Rooftop Solar Project.

2687421 KWH Units generated during F.Y. 2018-19 from MNRE sanctioned 4(Four) MW Roof Top Solar Project on the non-residential Govt. buildings in twin city of Cuttack-Bhubaneswar through PPP mode. The capacity of 3.21 MW out of full capacity of 4 MW commissioning was completed on 31.03.2019.

3. Status of ongoing Project

3.1. Solar Park.

GEDCOL is developing Solar Park(s) for 1000 MW of Solar Power Plant in a clustered manner constituting 100-200 MW capacity per Park/Project under the Ultra Mega Solar Power Park (UMSPP) Scheme of Govt. of India.

IFC has been engaged as Transaction Advisor for the Solar Park project to be developed in a PPP mode. DPR has been prepared for 275 MW (Phase – 1) Solar Park at 5 sites in Sambalpur and Boudh District and submitted to MNRE for approval. IDCO is taking up with the District Administrations for acquisition/alienation of 1415 Ac. land at these locations. Entire external transmission infrastructure for power evacuation will be constructed by OPTCL under GEC-II programme, for which DPR has been prepared and submitted to CEA for approval.

GEDCOL floated NIT for selection of Environment and Social Impact Assessment Consultant for development of its 275 MW Solar Power Projects on Public Private Partnership (PPP) basis in the State of Odisha on 03.11.2018 through two part bidding process. A total six (6) nos. proposals were received.

It has been decided that once the advance possession for the project land is obtained the Work Order shall be issued in favour of the selected bidder for “consultancy services for Environmental and Social Impact Assessment (ESIA) study relating to development of 275 MW Solar Park in Odisha by GEDCOL”.

3.2. Feasibility study by European Union (EU) consortium for floating Solar PV projects in Odisha .

The European Union Consortium (IBF/Nixus/Idom) is providing Technical Assistance to MNRE for development & implementation of Solar Parks under Clean Energy Cooperation with India (CECI) programme. GEDCOL is exploring the possibility of availing EU Technical Assistance to;

- 1) Assess/scrutinize the existing large, large-medium & medium man-made water bodies/reservoirs in the State and to prepare a list of potential sites.
- 2) Conduct pre-feasibility studies and prepare Detail Project Report for 1-2 most suitable sites.

A MOU dated 22.02.2019 for Technical Assistance has been executed between EU Consortium and GEDCOL. The EU consultant visited Rengali and Hirakud (Burla) hydro power plants during 23rd & 24th February, 2019 and assessed the feasibility of these reservoirs

The following forward path have been decided in the meeting dated 25.02.2019 held under the chairpersonship of Commissioner-cum-Secretary, Energy;

- i) Shortlisting of the reservoirs for analysis under the feasibility study from Department of Water Resources are to be done.
- ii) Rushikulya and Telengiri reservoirs are to be included in the study along with Hirakud, Chipilima, Rengali, Indravati and Kolab.
- iii) Data on fishing rights/license from the Fisheries & Cooperation Departments on the water reservoirs are to be obtained.

- iv) GPS location of the Sub-stations and Transmission lines (220 KV and 132 KV) in the areas are to be obtained for analysis.

Four nos. of medium irrigation dam namely Salandi, Hariharajore, Jambhira & Mandira were short listed basing on the water spread area. The consultant has been intimated to include Rushikulya & Telengiri reservoirs along with Hirakud, Chipilima, Rengali, Indravati & Kolab.

3.3. Replication Scheme in 15 (fifteen) towns.

Pursuant to the decisions taken during 32nd ECI held on 27.04.2016 and the Board of Directors of the Company in their meeting dtd. 31.05.2016 and 27.12.2016 respectively, the replication of Bhubaneswar-Cuttack Solar Rooftop project on the Government buildings in 17 other cities of the State, i.e. in Berhampur, Chatrapur, Sambalpur, Burla, Hirakud, Rourkela, Jeypore, Nabarangapur, Koraput, Sunabeda, Balasore, Bhadrak, Baripada, Puri, Khurda, left out buildings in Bhubaneswar and Bolangir (Medical College) is being taken up by GEDCOL.

The scheme will also cover left out buildings in Bhubaneswar & Cuttack cities. Survey has been completed and DPR prepared for 19 MW capacity on 612 nos. of buildings under gross metering model. GEDCOL has approached OERC for notifying Gross Metering Regulation. Transaction structure and RFQ/RFP, PIA, PPA etc. documents are under preparation.

The Financial Advisory Services Agreement (FASA) with IFC has been executed on 07.12.2016 with subsequent amendments on 21.06.2018 and 16.04.2019 extending the FASA validity.

IFC has prepared the DPR for 18.8 MWp solar rooftop capacity on 612 buildings in above 17 cities of Odisha. The DPR has been approved by MNRE on 07.02.2019. IFC has also submitted the draft bid documents, i.e. RFP (Request for Proposal), PIA (Project Implementation Agreement), PPA (Power Purchase Agreement), Lease Deed and Project Information Memorandum, which were scrutinized at GEDCOL and finalized after discussing in Project Level Steering Committee (PLSC) on 17.04.2018 and Department Level Monitoring Committee (DLMC) on 01.05.2018. The final version documents are forwarded to State PPP & PM Cell, Department of Planning & Convergence on 22.02.2019 for transaction structure approval by the Empowered Committee on Infrastructure (ECI).

3.4. Solar Projects in OPTCL Sub-station Premises:

GEDCOL is under process to develop Solar Plants on the un-utilized lands available inside OPTCL Grid Sub-stations at Baripada, Bolangir & Jayanagar including OHPC Power House at Mukhiguda and GEDCOL Solar Plant at Manmunda. DPR has been prepared by Gujarat Energy Research & Management Institute (GERMI) for 8 MW capacity at these sites. The tender for EPC Contract for Design, Engineering,

Procurement & Supply, Construction, Commissioning and Comprehensive Operation & Maintenance for Ten (10) Years of Grid-Connected Solar PV Power Plants of 8 MW aggregate capacity has been floated for 8 MW SPP on 20.06.2019 under intimation to OPTCL & GRIDCO.

3.5. Small Hydro Projects by GEDCOL:

Pre-Feasibility Report (PFR) has been prepared for Garjan Khol (12MW) in Angul and PFR for Cheligarh-III & IV (12.8 MW) is under preparation by M/s WAPCOS.

Detailed Project report (DPR) has been prepared for 3MW (2 X 1.5 MW), Jambhira SHEP in Mayurbhanj District and 4.2 MW (2X 2.1 MW), Kanpur SHEP in Keonjhar District and submitted to Engineer-in-Chief (Electricity) for execution of “Implementation Agreement”. MOU for Kanpur has been executed with EIC, Electricity. Tender documents are prepared by M/s WAPCOS and presently under vetting. M/s WAPCOS has submitted its techno-commercial offer for study of feasibility with new location of Y-piece, revision of DPR and tender documents for the new location for Jambhira SHEP in Mayurbhanj District. WAPCOS has made a site visit with representatives of DoWR, & OCC to ascertain the feasibility of the SHEP with new place of Y-piece on 25.04.2019. WAPCOS has also submitted their opinion that the SHEP project is technically acceptable with their lay out supplied earlier. The opinion of WAPCOS has been submitted to DoWR for further action on 13.05.2019 for construction as per revised layout. Further action on preparation of PFR & DPR may be initiated after installation of Y-piece by DoWR & availability of water.

4. FIXED DEPOSITS:

During the year, the Company has not accepted any fixed deposit within the meaning of Section 73 of Companies Act, 2013 and the rules made there under.

5. LOAN, GUARANTEE OR INVESTMENTS:

Particulars of loans, guarantees or investments u/s 186 of Companies Act, 2013 are given in the Notes to the Financial Statements forming part of the Annual Report.

6. RELATED PARTY TRANSACTIONS:

All transactions entered with related parties for the year were in the ordinary course of business and on an arms' length basis. Further, there are no material related party transactions during the year with the promoters, Directors or Key Managerial Personnel. The Company's related party transaction are made with its holding Company, intended to further the Company's interest. All related party transactions are placed before the Audit Committee as also to the Board for approval.

7. HOLDING COMPANY & SUBSIDIARY/ ASSOCIATED COMPANY

Green Energy Development Corporation of Odisha Ltd is a wholly owned subsidiary of Odisha Hydro Power Corporation Limited.

Green Energy Development Corporation of Odisha Ltd and Steel Authority of India Limited have jointly incorporated a JV Company on 06.09.2018 named GEDCOL SAIL Power Corporation Limited with an equity participation of 74: 26 to develop 10 MW Mandira SHEP project.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of Financial Statements of subsidiaries in Form AOC-1 is annexed as **Annexure - I**.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required to be disclosed under section 134 (3) (m) of the companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed at **Annexure-II**.

9. CSR ACTIVITIES:

An annual report of Corporate Social Responsibility, highlighting the CSR Policy of the Company details of expenditure on CSR etc. in prescribed format under Companies (CSR Policy) Rules, 2014 is annexed at **Annexure-III** and forms an integral part of this Directors' Report.

10. EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the company in accordance to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 is annexed at **Annexure-IV**.

11. STATUTORY AUDITOR:

The Comptroller & Auditor General of India, New Delhi have appointed M/s Subrat Das & Co, Chartered Accountants, Bhubaneswar as the Statutory Auditors of the Company for the fifth financial year ended on 31st March 2020.

12. INTERNAL AUDITOR:

M/s PBSD & Associates, Chartered Accountants, Bhubaneswar has been appointed as Internal Auditor of the company in pursuant to the provisions of Section 138 of the Companies Act, 2013 for F.Y. 2019-20.

13. SECRETARIAL AUDITOR:

The Board has appointed M/s T K Satpathy & Co, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed herewith as **Annexure-V**.

14. AUDITORS REPORT:

The reports of the Statutory Auditors and comments of the Comptroller and Auditor General of India on the account of GEDCOL for the year ended 31st March, 2019 are enclosed to this report.

15. BOARD OF DIRECTORS:

The Board of your Company comprised of following Directors:-

Sl No.	Name	Date of Appointment	Date of Cessation	Designation
1.	Sh Bishnupada Sethi, IAS (DIN: 02268656)	04.09.2019	-	CMD
2.	Sh Hemant Sharma, IAS (DIN:-01296263)	20.01.2014 10.02.2017	04.09.2019	CMD
3.	Sh Vishal Kumar Dev, IAS (DIN:-01797521)	22.08.2017	04.09.2019	Director
4.	Sh C.R Pradhan (DIN:-00127539)	21.05.2013	-	Director
5.	Sh B B Acharya (DIN:-06567542)	21.05.2013	-	Director
6.	Sh S C Bhadra (DIN:-01896713)	21.05.2013	-	Director
7.	Sh S.K Tripathy (DIN:-07915634)	22.08.2017	-	Director

16. BOARD MEETINGS:

The Board Meetings are held normally at Bhubaneswar. During the financial year 2018-19, total 05 nos. of Board Meetings were held on 20.06.2018, 30.07.2018, 28.09.2018, 17.12.2018, 20.03.2019.

17. AUDIT COMMITTEE:

The Audit Committee comprises the following Members:

1. Shri C.R Pradhan, Independent Director, Chairman.
2. Shri S C Bhadra, Independent Director, Member.
3. Shri B B Acharya, Independent Director, Member.
4. Shri S.K Tripathy, Director, Member.

During the Financial Year 2018-19, total 2 nos. of Audit Committee Meetings were held on 19.07.2018 & 11.03.2019 respectively.

18. CSR COMMITTEE :

The CSR Committee comprises the following Members:

1.	Shri Bishnupada Sethi, IAS	CMD,	Chairman
2.	Shri S C Bhadra	Independent Director	Member
3.	Shri C. R Pradhan	Independent Director	Member
4.	Shri B B Acharya	Independent Director	Member

During the Financial Year 2018-19, total 1 meeting of CSR Committee was held on 30.07.2018.

19. GENERAL MEETINGS

During the financial year 2018-19, 1 (one) no. of Extra General Meeting (EGM) of the Shareholders of the Company was held on 17.12.2018.

20. KEY MANAGERIAL PERSONNEL:

During the year, in compliance with Section 203 of the Companies Act, 2013, Sh P.K Mohanty, Company Secretary and CFO was designated as Key Managerial Personnel.

21. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance to Section 134 (3) (C) of the Companies Act, 2013, the Directors hereby confirm the followings that : -

- a. in the preparation of the Annual Accounts for the year ended March 31,2019, the applicable Accounting Standards read with requirements set out under Schedule –III to the Act have been followed and that no material departures have been made from the same.
- b. they have selected such accounting policies and applied them consistently except as disclosed in the Notes on Accounts and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have had laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. DECLARATION OF INDEPENDENCE:

Your company has received declaration from all the independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedule and Rules issued there under.

23. COMPLAINT TO SECRETARIAL STANDARDS:

The Company complies with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

24. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures

25. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

26. RISK MANAGEMENT:

The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. The Company has adopted a Risk Management Policy in accordance with the provisions of the Act.

27. POLICY ON PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE.

The Company has zero tolerance for sexual harassment at work place and has complied with the provision relating the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year, 2018-19, the Company received NIL Comments on Sexual Harassment work at place.

28. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. There have been no Material Changes and Commitments subsequent to the Balance Sheet.
3. There are no changes took place in the nature of business of the Company.

29. ACKNOWLEDGMENTS:

The Board places on record its appreciation for the continued support, contribution and co-operation extended by the Government of Odisha (especially the Departments of Energy, DoWR, PPP Cell in P&C Dept. and Finance Deptt.) and SECI, OHPC Ltd and other State Power Utilities, MNRE, GoI. The Board is also thankful to the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers for their valued co-operation.

For and On behalf of the Board of Directors

Place : Bhubaneswar
Date : 23-09-2019

Bishnupada Sethi, IAS
Chairman-cum-Managing Director
(DIN:- 02268656)

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associates Companies/Joint Ventures

Part “A” Subsidiaries

(Information in respect of each subsidiary to be presented with amount in ₹ in Lakhs)

Name of the Subsidiary	NA
Share Capital	
Reserves & Surplus	
Total Assets	
Total Liabilities	
Investments	
Turnover	
Profit(Loss) Before Taxation	
Provision for Taxation	
Profit After Taxation	
Proposed Dividend	
% of Shareholding	

Part “B” : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act,2013 related to Associates Companies and Joint Ventures (₹ in Lakhs)		
Name of Associates / Joint Ventures		GEDCOL SAIL Power Corporation Limited (GSPCL)
1	Latest Audited Balance Sheet Date	Audited up to 31.03.2019
2	Un audited Balance Sheet Date	NA
3	Shares of Associate / Joint Ventures held by the Company on the year end	74%
4	No. of Shares	7,40,000
5	Amount of Investment in Associates / Joint Venture	₹ 74.00
6	Extend of Holding%	74%
7	Description of how there is significant influence	-
8	Reason why the Associate /Joint Venture is not Consolidated	Consolidated
9	*Net worth Attributable to Shareholding as per latest Audited Balance Sheet	₹ 56.84
10	Profit / (Loss) for the year	(₹ 23.19)
	Considered in Consolidation	(₹ 17.16)
	Not Considered in Consolidation	(₹ 6.03)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

Subrata Kumar Das
Partner

P.K. Mohanty
Company Secretary
& CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Membership No.054189

Place: Bhubaneswar

Date : 12.07.2019

Annexure to Director's Report**DISCLOSURE REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT 2013
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014:****A. CONSERVATION OF ENERGY****(a) Energy Conservation measures taken and on hand.**

1. Technical specifications of electronic equipments such as inverter, SCADA etc. have been formed to do away with the requirement of Air Conditioning.
2. LED Lamps have been used for Internal Lighting.
3. Provision has been made for rainwater harvesting.
4. About 10 Acres of land which had trees was not used for installation of PV modules for the sake of maintaining green cover.
5. With implementation of 4MW Grid connected Rooftop Solar Project on the Government buildings in Bhubaneswar and Cuttack cities, immediate local consumption of Power is helping in reduction of loss components, thereby conserving more energy.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**- NIL-**

- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

-NA-**B. TECHNOLOGY ABSORPTION****-NIL-****C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2018-19****(Rs. in lakhs)**

			2018-19	2017-18
(a)		Earnings in Foreign Currency	NIL	NIL
(b)		Foreign Exchange Outgo :		
	(i)	Value of imports calculated on CIF basis for capital good and spare parts.	NIL	NIL
	(ii)	Expenditure in foreign currency for foreign visits.	0.24	1.20
	(iii)	Expenditure incurred in foreign currency for payments of Consultants.	144.21	16.18

**CORPORATE SOCIAL RESPONSIBILITY AT GEDCOL FOR THE FINANCIAL
YEAR 2018-19.**

- 1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

Introduction:

The company has formulated a CSR policy in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014..

Highlights of the Policy:

The CSR activities shall be undertaken by GEDCOL, as per its stated CSR Policy, as projects or programmes or Activities (either new or ongoing) excluding activities undertaken in pursuance of its normal course of business.

The CSR Policy *inter alia* include but not limited to a list of CSR projects or programmes which GEDCOL plans to undertake falling within the purview of the Schedule- VII of the Act, specifying modalities of execution of such project or programmes and implementation schedule for the same; and monitoring process of such projects or programmes.

CSR Activities do not include the activities undertaken in pursuance of normal course of business of GEDCOL. The Board of Director (BoD) of GEDCOL shall ensure that the surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of GEDCOL.

GEDCOL shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities.

Programmes Covered under CSR:

The following major focus area of CSR activities have been identified:

- i) Community Development,
- ii) Environment,
- iii) Education,
- iv) Health,
- v) Disaster Management,
- vi) Any other activity as may be identified by the Committee.

2. Composition of the CSR Committee :

At present, the composition of Committee of Directors on CSR is as under:

1.	Shri Bishnupada Sethi, IAS	CMD	Chairman
2.	Shri S C Bhadra	Independent Director	Member
3.	Shri C.R Pradhan	Independent Director	Member
4.	Shri B B Acharya	Independent Director	Member

3. Details of CSR spend :

a) Average net profit before tax of the Company for last three financial years Rs.3,81,20,350/-.

b) Prescribed CSR expenditure Rs.7,62,407/-

The details of net profit before tax for last 3 financial years for the purpose of computation of CSR Budget as per Section 198 of Companies Act, 2013 are as under:-

Sl. No	Financial Year	Net Profit before Tax (In Rs.)	Average Net Profit before tax (In Rs.)
1	2015-16	55,13,396/-	3,81,20,350/-
2	2016-17	6,84,03,521/-	
3	2017-18	4,04,44,163/-	

b. CSR Expenditure in FY 2018-19 is Rs.7,62,407/-

c. Details of CSR spent during the Financial Year 2018-19:

- (a) Total amount to be spent for the Financial Year: Rs.7,62,407/-.
- (b) Total amount spent during the Financial Years – NIL.
- (c) Amount unspent, if any: Rs.7,62,407/-.
- (d) Manner in which the amount spent during the Financial Year – NIL.

4. Reason for not spending the amount :

Since the main source of income of GEDCOL is revenue earned on SECI awarded 20 MW Solar PV project at Manamunda and no money so far is received from SECI for the aforesaid project, the Company has not spent any amount under CSR head during F.Y.2018-19.

5. CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with CSR objectives and CSR policy of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Bhubaneswar
Date : 23-09-2019

Bishnupada Sethi, IAS
CMD & Chairman
Committee of Directors on CSR
DIN: 02268656

FORM No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	U40102OR2013SGC016747
ii)	Registration Date	18 th April, 2013
iii)	Name of the Company	Green Energy Development Corporation of Odisha Ltd.
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered Office and contact details	OHPC Corporate Office, Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar -751022
vi)	Whether listed Company Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be State:-

Sl No.	Name and Description of main products /services	NIC Code of the Product /service *	% to total turnover of the Company
1.	Electric Power Generation using Solar Energy.	35105	30.96%

*As per classification under National Industrial classification, Central Statistical Organization, Ministry of Statistics and programme implementation, Government of India, New Delhi.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name of the Company	Address	CIN/GLN	Holding / Subsidiary / Associate	% of shares held by the Company/Subsidiary/Associate Company	Applicable Section
1.	Odisha Hydro Power Corporation Ltd.	Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar-751022	U40101OR1995SGC003963	Holding	100.00	2(46)
2	GEDCOL SAIL Power Corporation Limited	Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar-751022		Associate(JV)/ Subsidiary	74.00	2(87) / 2(6)

IV. HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual (Nominee)	0	600	600	0.12	0	600	600	0.12	0.00
h) Central Govt									
i) State Govt(s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	502600	502600	99.88	0	502600	502600	99.88	0.74
k) Banks /FI	0	0	0	0.00	0	0	0	0	0.00
l) Others	0	0	0	0.00	0	0	0	0	0.00
Sub-Total (A) (1):	0	503200	503200	100.00	0	503200	503200	100.00	100.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	0	503200	503200	100.00	0	503200	503200	100.00	0.74
B. Public Shareholding	0	0	0	0	0	0	0	0	0.00
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
a) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00

ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
b) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total public shareholding (B) = (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	503200	503200	100.00	0	503200	503200	100.00	0.74

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	OHPC along with 6 nominees.	503200	503200	100.00	0	503200	503200	100.00
	Total	503200	503200	100.00	0	503200	503200	100.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change) –No change.

Sl No.		Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	503200	100.00	503200	99.14
	Shares allotted during the year	0	0	0	0
	At the end of the year (As on 31.03.2019)	503200	100.00	503200	99.14

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the top 10 Shareholders				
	At the beginning of the year	0	0	0	0
	Date wise increase/ decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

(v) **Shareholding of Directors and Key Managerial Personnel :**

Sl No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
A.	DIRECTORS	No. of Shares at the Beginning (01.04.2018)/ end of the year (31.03.2019)	%of total Shares of the Company				Share	%of total shares of the Company
1.	Sh Hemant Sharma, IAS,CMD	100	0.14	01.04.2018	0	0	100	0.14
		100	0.14	31.03.2019	0	0	100	0.14
2.	Sh S C Bhadra	100	0.14	01.04.2018	0	0	100	0.14
		100	0.14	31.03.2019	0	0	100	0.14
3.	Sh S. K Tripathy	0	0	01.04.2018	0	0	0	0
		100	0.14	31.03.2019	0	0	100	0.14
4.	Sh Vishal Ku Dev, IAS	0	0	01.04.2018	0	0	0	0
		0	0	31.03.2019	0	0	0	0
5.	Sh C R Pradhan	0	0	01.04.2018	0	0	0	0
		0	0	31.03.2019	0	0	0	0
6.	Sh B B Acharya							
		0	0	01.04.2018	0	0	0	0
		0	0	31.03.2019	0	0	0	0
B.	KEY MANAGERIAL PERSONNEL							
1.	Sh P. K Mohanty, Company Secretary	Nil	Nil		Nil	Nil	Nil	

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the Financial Year				
(i) Principal amount	Nil	45,50,00,000	Nil	Nil
(ii) Interest due but not paid	Nil	4,88,86,645	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	50,38,86,645	Nil	Nil
Change in Indebtedness during the Financial Year				
Addition	Nil	3,45,37,355	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	3,45,37,355	Nil	Nil
Indebtedness at the end of the Financial Year				
Principal amount	Nil	45,50,00,000	Nil	Nil
Interest due but not paid	Nil	8,34,24,000	Nil	Nil
Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	53,84,24,000	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.**A. Remuneration to Managing Director, Whole-time Directors and / or Manager :**

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (in Rs.)
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- As % of profit					
	- Other s, specify.....					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act					
Note: Remuneration to Managing Director, whole time Directors-NIL						

B. Remuneration to other Directors :

Sl No	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1.	Independent Directors	Sh S C Bhadra	Sh C R Pradhan	Sh B B Acharya	
	Fee for attending board committee meetings	Rs.40,000/-	Rs.40,000/-	Rs.40,000/-	Rs. 1,20,000/-
	Commission	Nil	Nil	Nil	-
	Others, please specify	Nil	Nil	Nil	-
2.	Total (1)	Rs.40,000/-	Rs.40,000/-	Rs.40,000/-	Rs. 1,20,000/-
3.	Other Non-Executive Directors			-	-
4.	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
5.	Total (2)	Nil	Nil	Nil	Nil
6.	Total (B) = (1+2)	Rs.40,000/-	Rs.40,000/-	Rs.40,000/-	Rs. 1,20,000/-
7.	Total Managerial Remuneration				
8.	Overall Ceiling as per the Act	NA			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD.

Sl No.	Particulars of Remuneration		
		Company Secretary	Total amount (in Rs.)
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	-
2.	Stock Option	Nil	-
3.	Sweat Equity	Nil	-
4.	Commission	Nil	-
	- As % of profit	Nil	-
	-others, specify....	-	-
5.	Others, please specify	-	-
	Total	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Trinath K. Satapathy,FCS
2nd Floor,
Biswal Commercial Complex
Cuttack Road
Bhubaneswar-751006
Ph.0674-2314500
Email:cstrinath24@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
(CIN NO. U40102OR2013SGC016747)
OHPC CORPORATE OFFICE, OSPH&W CORPORATION BUILDING,
JANPATH,BHOI NAGAR, BHUBANESWAR-751022

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 ("Audit Report") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit Period).**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not Applicable to the Company during the Audit Period).**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period).**

Contd.P/2

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during the Audit Period).**
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period).**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable to the Company during the Audit Period).**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period).**
 - (f) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period).**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period).**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period).**
- (vi) Other laws as may be applicable specifically to the company:
1. Indian Electricity Act, 2003
 2. Environmental (Protection) Act, 1986
 3. Income Tax Act, 1961
 4. Wealth Tax Act, 1948
 5. Service Tax Act, 1994
 6. The Orissa Entry Tax Act, 1999
 7. The Central Sales Tax Act, 1956
 8. The Orissa Value Added Tax Act, 2004
 9. The Indian Stamp Act, 1889

10. Right to Information Act, 2005

11. The Industrial and Labour Laws consisting of

- a) Contract Labour (Regulation and Abolition) Act, 1970
- b) The Minimum Wages Act, 1948
- c) Payment of Wages Act, 1936
- d) Maternity Benefit Act, 1961
- e) Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013
- f) The Orissa Shop and Establishment Act, 1956
- g) Payment of Gratuity Act, 1972
- h) The payment of Bonus Act, 1965
- i) The Industrial Dispute Act, 1947

We have also examined compliance with the applicable clauses of the following:

- (i) The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s),
(Not Applicable to the Company during the Audit Period)

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act .

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

NOTE: This report is to be read with our letter of even date which is annexed as Annexure A and form an integral part of this report.

Place : Bhubaneswar

Date : 20.08.2019

Signature:
Name of Company Secretary in practice: T K SATAPATHY & CO.
CS Trinath Kumar Satapathy
C P No.: 2682

To,

The Members,
GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
BHUBANESWAR

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bhubaneswar

Date : 20.08.2019

Signature:

Name of Company Secretary in practice: T K SATAPATHY & CO.

CS Trinath Kumar Satapathy

C P No.: 2682

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR
No. ES-I (T)/Accts/GEDCOL/18-19/14/19-20/168 dt. 06.08.2019**

To
The Chairman-cum Managing Director,
Green Energy Development Corporation of Odisha Limited,
Bhubaneswar.

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019.

Sir,

I enclose Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019.

Three copies of the Annual Reports placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,

Sd/-
PRINCIPAL ACCOUNTANT GENERAL

Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the accounts of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019.

The preparation of financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 July 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to Statutory Auditors' Report under section 143(6) (b) of the Act.

**For and on behalf of
The Comptroller & Auditor General of India**

Place: Bhubaneswar
Date: 06.08.2019

**Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL**

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of read with section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statement of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019.

The preparation of Consolidated Financial Statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with 129(4) of the Companies Act, are responsible for expressing opinion on the financial statements under Section 143 read with 129(4) of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 12 July 2019.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the Consolidated Financial Statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2019 under Section 143(6) (a) read with 129(4) of the Act. We conducted a supplementary audit of the financial statements of GEDCOL SAIL Power Corporation Limited for the year ended 31 March 2019. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors' report under Section 143 (6) (b) of the Act.

**For and on the behalf of
The Comptroller & Auditor General of India**

Place: Bhubaneswar
Date: 06.08.2018

**Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL**

**GREEN ENERGY DEVELOPMENT
CORPORATION OF ODISHA LTD.
BHUBANESWAR
F.Y.2018-19**



**AUDITED STANDALONE FINANCIAL
STATEMENTS
2018-19**

JANPATH, BHOI NAGAR, BHUBANESWAR



Independent Auditors' Report

To

THE MEMBERS OF GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying STANDALONE Ind AS FINANCIAL STATEMENTS of Green Energy Development Corporation of Odisha Limited (the Company), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flow and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “the Standalone Ind AS Statements”).

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including Other Comprehensive Income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and those specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone IND AS financial statements . The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements , whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements .

OPINION

In our opinion and to the best of our information and according to the explanation given to us, the Standalone IND AS financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principal generally accepted in India including the Indian Accounting Standards (IND AS), of the state of affairs (financial position) of the Company as at 31st March, 2019 and its Profit/loss (financial performance including other comprehensive income) and its cash flow and change in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure- A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in term of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate in the "**Annexure – B**" on the direction issued by C&AG of India.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and, Statement of Cash Flow and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flow and the Statement of Change in Equity comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. In view of the Government notification No. GSR 463 (E) dated 5th June 2015, Government Companies are exempt from the applicability of Section 164 (2) of the Act;
- f. With respect to the adequacy of the the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure- C**”, and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar
Date : 12-07-2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

“ANNEXURE-A” TO THE AUDITORS’ REPORT

Annexure referred to the Paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditors’ report of even date

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- i) In respect of Fixed Assets (Property , Plant & Equipment):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment.
 - b) All movable assets/immovable assets have been verified by the management through outside agency during the year. The frequency of verification in our opinion is reasonable. No material discrepancies were noticed on such verification.
- ii) In respect of Inventories :

The Company does not have any Inventories and therefore, the reporting requirements regarding this, are not applicable.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Act.
- iv) Except for the purchase of Land (which is purchased from IDCO a Govt. of Odisha Undertaking), the Company has neither purchased any inventory or fixed assets and nor sold any goods during the period under audit. The Company has only booked the revenue from sale of power as the agreement with SECI, therefore the provisions of clause (iv) of Companies (Auditor’s Report) Order, 2017 are not applicable to the Company.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- vii) In respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, GST, Custom Duty, Excise Duty,

Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, GST, Excise Duty and Cess which have not been deposited on account of any dispute.
- viii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of any loan from any Financial Institution, Banks or Governments. Further, the company has not obtained any borrowings by way of debentures.
- ix) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company we report that the company has not taken any term loan and therefore, provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.
- xi) The Managerial Remuneration paid or provided are in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- xii) Based on our audit procedures & according to the information and explanations given to us by the management, The Company is not a Nidhi Company so the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the stand alone Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company. The company has not made any preferential allotment during the year so the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- xv) According to the information and explanations given to us and based on our examination of the records of the Company. The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar
Date : 12-07-2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

“ANNEXURE-B” TO THE AUDITORS’ REPORT

Annexure referred to the Paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditors’ report of even date.

Report on the Directions issued by C&AG u/s 143(5) of the Company Act, 2013 for the Financial Year 2018-19.

Sl. No.	DIRECTIONS	OBSERVATIONS
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The management has constructed the boundary wall around the plant site having an installed capacity of 15MW and 5MW, which is separated by a village road, but as the entire 20MW is now successfully commissioned so apparently there is no question of any encroachment and there is no idle land with the Company. Further, as per the clarification by the management, there is no pending litigation in the name of the Company.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, the cases of deviation may please be detailed.	Land has been acquired on lease from IDCO in setting up Manmunda project. During the year no further compensation is paid.
3	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The Company has raised its bill of revenue for the year. But none of it has been realized. But the bills are raised as per the power purchase agreement and the units transmitted through the grid.
4	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	As explained to us, there are no abandoned projects.
5	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	At present the Company does not have any thermal power project.
6	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	The company has not entered into any revenue sharing agreements with private parties for extraction of coal at pitheads.
7	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	The Company does not deal with coal in any manner.

8	How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Its Power purchase agreement doesn't have any clause regarding share of free power with state government.
9	In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	The Company is yet to set up any hydroelectric project.
Others:		
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?	The Company has acquired the land from IDCO on lease and the company has clear lease deeds in its name.
2	Whether there are any cases of waiver/write off of debits/loans/interest etc, if yes, the reasons there for and the amount involved.	There are no cases of waiver/write off of debits/loans/interest etc,
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants (s) from Government or other Authorities.	No inventory is lying with third parties and no assets are received as gift from Government or other Authorities.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar
Date : 12-07-2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

“ANNEXURE-C” TO THE AUDITORS’ REPORT

Annexure referred to the Paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditors’ report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Green Energy Development Corporation of Odisha Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”), issued by ICAI and the standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the stand alone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar
Date : 12-07-2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

Standalone Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	13,800.50	14,372.05
Capital work-in-progress	4	1,113.32	258.59
Intangible Assets		-	-
Financial Assets		-	-
Investment	5	74.00	-
Deferred tax assets (net)		-	-
Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		14,987.82	14,630.64
CURRENT ASSETS			
Financial Assets		-	-
Trade receivables	6	4,665.28	3,084.44
Cash and cash equivalents	7	10,127.64	10,231.23
Loans & Advances	8	340.31	216.58
Others Financial Assets	9	361.29	101.82
TOTAL CURRENT ASSETS		15,494.52	13,634.07
TOTAL ASSETS		30,482.34	28,264.71
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	10	5,032.00	5,032.00
Other Equity	11	1,704.24	780.52
TOTAL EQUITY		6,736.24	5,812.52
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		-	-
Trade payables		-	-
Other financial liabilities		-	-
Provisions			
Deferred tax liabilities (Net)	12	44.55	134.52
Other non-current liabilities	13	10,690.00	9,690.00
TOTAL NON-CURRENT LIABILITIES		10,734.55	9,824.52
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	5,384.24	5,038.87
Trade payables	16	4,417.99	4,592.41
Other financial liabilities	15	298.53	298.36
Other current liabilities	17	2,678.26	2,604.04
Provisions	18	232.53	93.99
TOTAL CURRENT LIABILITIES		13,011.55	12,627.67
TOTAL EQUITY AND LIABILITIES		30,482.34	28,264.71
See accompanying notes to the financial statements	1 to 38		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants
(Firm Registration No. 319080E)

Subrata Kumar Das
Partner
Membership No.054189

Place: Bhubaneswar
Date: 12.07.2019

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

P.K. Mohanty
Company Secretary
& CFO

S.K. Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
Standalone Statement of Profit and Loss for the period ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	31st March 2019	31st March 2018
Revenue From Operations	19	1,669.09	1,552.21
Other Income	20	700.06	710.87
TOTAL INCOME		2,369.15	2,263.08
EXPENSES			
Operational Expenses.	21	236.32	187.23
Employee Benefits Expense	22	73.09	54.24
Finance Costs	23	383.75	396.01
Depreciation and Amortization expense	3	571.81	571.77
Other Expenses	25	34.92	49.39
TOTAL EXPENSES		1,299.89	1,258.64
Profit before exceptional items and tax		1,069.26	1,004.44
Exceptional Items		-	600.00
PROFIT BEFORE TAX		1,069.26	404.44
Tax expense:			
Current Tax	12	230.41	77.07
Tax of Earlier Years		5.10	9.12
Deferred Tax		(89.97)	46.60
TOTAL TAX EXPENSES		145.54	132.79
PROFIT FOR THE YEAR		923.72	271.65
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		923.72	271.65
Earnings per equity share (of Rs. 1000/- each):			
Basic		183.57	53.98
Diluted		183.57	53.98
See accompanying notes to the financial statements	1 to 38		

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd

Subrata Kumar Das
Partner
Membership No.054189

Place: Bhubaneswar
Date: 12.07.2019

P.K. Mohanty
Company Secretary
& CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

Standalone Statement of changes in equity as on 31.03.2019

(₹ in Lakhs)

Particular	Share Capital	Retained Earnings	Total Equity
Balance at 1st April 2018	5,032.00	780.52	5,812.52
Profit for the year	-	923.71	923.71
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	-	-
Transfer to general reserve	-	-	-
Balance at 31 March 2019	5,032.00	1,704.23	6,736.23

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

Subrata Kumar Das
Partner
Membership No.054189

Place: Bhubaneswar
Date: 12.07.2019

P.K. Mohanty
Company Secretary
& CFO

S.K. Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
Standalone Cash Flow Statement for the period ended as at 31st March'2019

(₹ in Lakhs)

	Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(A)	Cash Flow from/ (Used in) Operating Activities :		
	Net Profit / (Loss) Before Tax from Continuing Operations	1,069.26	404.44
	Profit for the year before Tax	1,069.26	404.44
	Adjustments to reconcile profit before Tax to net cash flow :		
	Depreciation and impairment of property, plant and equipment	571.80	571.78
	Amortisation and impairment of Intangible Assets	-	-
	Finance Income (including fair value change in financial instruments)	-	-
	Finance Costs (including fair value change in financial instruments)	-	-
	Interest Income from Bank Deposit	(689.56)	(698.87)
	Total	951.50	277.35
	Operating Profit/(Loss) before working capital changes		
	Adjustment for Working Capital :		
	Increase/ (Decrease) in Loan & Advance	(123.73)	1,350.88
	Increase/ (Decrease) in Trade Receivable	(1,580.85)	(1,552.21)
	Increase/ (Decrease) in Other Current Assets	(259.47)	(55.38)
	Increase/ (Decrease) Short Term Borrowing	345.38	1,790.67
	Increase/ (Decrease) Trade payable	(174.40)	(1,242.75)
	Increase/ (Decrease) Other Financial Liabilities	0.17	0.14
	Increase/ (Decrease) in Other Current Liabilities	74.23	648.25
	Increase/ (Decrease) in Short Term Provisions	(14.81)	15.10
	Cash Generated from/(used in) Operations	(781.98)	1,232.05
	Direct Tax paid (net of refunds)	(82.17)	(139.46)
	Net Cash Flow from / (Used In) Operating Activities (A)	(864.15)	1,092.59
(B)	Cash Flow from / (Used In) Investing Activities		
	Increase / (Decrease) in Capital Work in Progress	(854.75)	(60.65)
	Increase / (Decrease) Property Plant & Equipment	(0.25)	(0.10)
	Increase/ (Decrease) in Long term Advance	-	-
	Increase/ (Decrease) in Investments	(74.00)	-
	Interest Income from Bank Deposit	689.56	698.87
	Net Cash Flow from / (Used In) Investing Activities (B)	(239.44)	638.12
(C)	Cash Flow from / (Used in) Financing Activities		
	Increase in Borrowings	-	(1,500.00)
	Increase in Other financial Liabilities	-	-
	Received from Govt. of Odisha	1,000.00	1,000.00
	Proceeds from Issue of Share Capital	-	-
	Net Cash Flow from / (Used in) Financing Activities (C)	1,000.00	(500.00)
	Net Increase / (Decrease) in Cash & Cash Equivalent Bank Balance (A+B+C)	(103.59)	1,230.71
	Cash and cash equivalent at beginning of period (Refer Note No. 7)	10,231.23	9,000.52
	Cash and Cash equivalent at end of period (Refer to Note No. 7)	10,127.64	10,231.23

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

Subrata Kumar Das

Partner

Membership No.054189

Place: Bhubaneswar

Date: 12.07.2019

P.K. Mohanty
Company Secretary
& CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
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STANDALONE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1 Company overview.

The Standalone Financial Statement comprises financial statement of GEDCOL for the year ended 31st March, 2019. The company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is a wholly owned subsidiary of OHPC Ltd; Govt. of Odisha State PSU.

GEDCOL is principally engaged in the generation of Grid connected renewable energy and Roof Top Solar Project in the State of Odisha. GEDCOL has also designated as Nodal Agency of the State for on Grid connected Solar Energy.

2 Significant Accounting Policies.

2.1 Basis of preparation of financial statements.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Revenue recognition

Revenue from the sale of energy is recognised after GEDCOL has transferred the risks and rewards of ownership to the buyer and the Company retains neither a continuing managerial involvement, nor effective control over the energy sold; usually, this means that sales are recorded upon delivery of energy to buyer in accordance with the agreed terms of delivery.

The specific recognition criteria described below must also be met before revenue is recognised.

2.2.1 Sale of Electricity:

Revenue from the sale of electricity is recognised when the significant risks and rewards of ownership of the sale have passed to the buyer, usually on the metering point of Sonapur GRID substation. Revenue from the sale of electricity value of the consideration received or receivable.

2.2.2 Rendering of service:

Revenue from Roof Top is recognised as per contractual terms. Revenue from fee received as Nodal Agency is recognised upon receipt of cash.

2.2.3 Interest Income.

Interest income financial assets is recognized when it is probable that the benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.

2.3 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to the purchase of property, plant and equipment are recognised as income over the expected useful life of the assets. Other government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they were intended to compensate. Government Grants are regarded as deferred income till the condition attached to it are complied with and will be considered as income only when the said conditions are complied with and the related expenditures are incurred.

2.4 The company has followed cost model for measurement of property, plant and equipment.

They are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location and working condition for intended use and inclusive of incidental expenses relating to acquisition and financing cost capitalized. The Company depreciates property, plant and equipment over their estimated useful life using the straight line method.

Management believes based on a Technical advice, taking in to account the nature of the asset; the estimated usage of the asset, the operating condition of the asset, manufacturer warranties; maintenance support, the Management estimate useful life of the Assets are as follows:

Lease Hold Land	: Over the lease period
Solar Power Plant	: 25 Years
Office Equipment	: 5 Years.
Computer Installation (Laptop)	: 3 Years
Electrical Installation	: 10 Years
Furniture & Fixture	: 10 Years

Under the previous GAAP (India GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of historical cost. The Company has elected to regard those values of property as deemed cost.

Advance paid towards the acquisition of property, plant and equipment's outstanding at each Balance Sheet date is classifying as capital Advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work in Progress".

2.5 Intangible Assets.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

2.6 Financial Instruments.

The Company recognizes financial assets and liabilities; when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at cost.

Cash and cash equivalents.

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial liabilities.

Financial liabilities are measured at cost.

2.7 Borrowing Cost.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes substantial period of time to get ready for intended use are capitalised as a part of the cost of the assets. All other borrowing costs are expensed in the period in which they occur.

2.8 Income Taxes.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.9 Accounting of Provisions, Contingent liabilities and contingent assets.

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed. The expenses relating to a provision is presented in the statement profit and loss net of any reimbursement.

2.10 Earnings per share (EPS).

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of ordinary shares in issue during the year.

2.11 Critical accounting judgments and Key sources of estimation.

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

Contingences and commitments.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment.

As described in Note-2.4 the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were changes to the useful lives and residual values of the property, plant and equipment.

2.12 Cash flow statement.

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



Main Control Room of 20 MW Solar Power Project at Manmunda, Boudh

Note No.:3 Property, Plant and Equipment

Note No.:3 Property, Plant and Equipment										(₹ in Lakhs)	
Particular	Cost			Depreciation				Net Carrying Amount			
	Cost as on 01.04.2018	Additions	Sales/ Adjustment	Cost as on 31.03.2019	Up to 01.04.2018	For the year	Sales/ Adjustment	Up to 01.04.2019	As at 31.03.2019	As at 31.03.2018	
Land											
Lease hold	1,029.87	-	-	1,029.87	51.81	16.18	-	67.99	961.88	978.06	
Free hold											
Plant & Machinery											
Plant & Equipment											
Solar Power Plant	14,422.92	-	-	14,422.92	1,090.56	5,47.93	-	1,638.49	12,784.43	13,332.35	
Electrical Installation	75.87	-	-	75.87	15.01	7.30	-	22.31	53.56	60.86	
Furniture & Fixture	-	0.25	-	0.25	-	0.02		0.02	0.23	-	
Computer Installation	1.08	-	-	1.08	0.49	0.34	-	0.83	0.25	0.59	
Office Equipment	0.26	-	-	0.26	0.07	0.04	-	0.11	0.15	0.19	
Total	15,530.00	0.25	-	15,530.25	1,157.94	571.81	-	1,729.75	13,800.50	14,372.05	
Previous Year	15,529.89	0.09	-	15,529.99	586.16	571.77	-	1,157.94	14,372.05	-	

Note No. 4 Capital Work In Progress

		Cost			Depreciation			Net Carrying Amount			
	Particular	Cost as on 01.04.2018	Additions	Deletion/ Transfer to Assets	Cost as on 31.03.2019	Up to 01.04.2018	For the year	Sales/Adjustment	Up to 01.04.2019	As at 31.03.2019	As at 31.03.2018
	SHEP Projects	2,58.59	6.82	92.52	172.89	-	-	-	-	172.89	258.59
	Solar Park (275MW Phase-I)		940.43	-	940.43	-	-	-	-	940.43	-
	Total	2,58.59	947.25	92.52	1,113.32	-	-	-	-	1,113.32	258.59
	Previous Year	197.94	60.65	-	258.59	-	-	-	-	258.59	-

Notes:

1. Company has acquired leasehold land form IDCO, measuring Ac 152.324 valuing ₹ 852.12 lakhs vide lease agreement dated 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
2. Leasehold land has been amortized over a lease period of 64 years w.e.f. 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
3. Out of the total opening balance under CWIP for ₹ 258.59 lakhs, the expenditure incurred for Mandira SHEP for ₹74.00 lakhs has been transferred to investment in GSPCL (Equity Contribution) & the remaining Net up provision made for ₹ 11.70 lakhs has been reversed.
4. ₹.940.43 lakhs has been paid to IDCO for allotment of AC 1420.30 acre land in Boudh & Sambalpur for implementation of 275 MW (Phase-I) Solar Park in Odisha.

		(₹ in lakhs)	
		<u>As at 31st March 2019</u>	<u>As at 31st March 2018</u>
5	Equity Investment in JV		
	GEDCOL SAIL Power Corporation Limited		
	(A Joint Venture Company between GEDCOL & SAIL holding 74% & 26% respectively)		
	7,40,000 fully paid equity share of Rs.10/- each	74.00	-
	Total	74.00	-
6	Trade receivables		
	Sundry Debtors for sale of power	-	-
	Sundry Debtors for sale of Power		
	(Outstanding for a period exceeding 6 months)	3,741.60	2,178.44
	Sundry Debtors for sale of Power		
	(Outstanding for a period up to 6 months)	923.68	906.00
	Total	4,665.28	3,084.44
7	Cash and Cash Equivalents		
	Cash in hand	0.01	0.02
	Balance with Banks:-		
	- On Current Accounts	663.43	143.46
	-* On Deposit Accounts	9,464.20	10,087.75
	Total	10,127.64	10,231.23
	*Term Deposit		
	Term Deposit(IDBI Bank)	-	500.00
	Term Deposit(Union Bank)	4.20	1,517.75
	Term Deposit With Andhra Bank	10.00	10.00
	Term Deposit with DCB Bank Ltd.	2,800.00	-
	Term Deposit with HDFC Bank Ltd	2,500.00	3,410.00
	Term Deposit with IndusInd Bank Ltd	2,500.00	1,000.00
	Term Deposit with OSCB Ltd, Kalinga Hospital.	1,650.00	3,650.00
	Total	9,464.20	10,087.75
	Note: Fixed deposit kept with Andhra Bank for ₹ 10.00 lakhs & Union Bank of India for ₹4.20 lakhs have been pledge as security deposit for issuance of Bank Guarantees.		
8	Loans & Advance		
	TDS Receivable	48.45	59.22
	Advance to GSPCL	1.16	-
	Advance Income Tax (CBDT)	177.46	136.17
	Income Tax Refund	113.22	
	Deposit From Others(5MW Roof Top)	-	12.49
	Advance to Dept. of Planning & Convergence	-	1.77
	Mobilisation Advance(WAPCOS)	-	2.72
	Advance to others	0.02	-
	Advance Other (Azure)	-	4.21
	Total	340.31	216.58

*Refund of Income Tax for ₹ 0.29 lakhs as per Assessment Order for the AY 2017-18 dated 14.03.2019 And refund of excess Advance Tax for ₹ 112.93 lakhs for the AY 2018-19.

	<u>As at 31st March 2019</u>	<u>(₹ in lakhs)</u> <u>As at 31st March 2018</u>
9 Others Financial Assets		
Security Deposit(Power System OPTCL)	0.30	0.21
Interest Accrued but not due.	360.99	101.61
Total	361.29	101.82

10 EQUITY

Equity Share capital

Authorised

10,00,000 Equity Shares of Rs.1000/- each	10,000.00	10,000.00
Issued, subscribed & paid-up		
5,03,200 Equity Shares(Previous Year 5,03,200 Equity Share) of Rs.1000/- each fully paid-up	5,032.00	5,032.00

Total	5,032.00	5,032.00
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Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 1000/- per share. The holders of equity shares are entitled to receive dividends as may be declared from time to time.

The Details of shareholder holding more than 5% shares as at 31st March, 2019 is set out below:

% Held as at 31st March'2019

		No of Shares Rs. At 31st March ,2019	No of Shares Rs. At 31st March,2018
M/s Odisha Hydro Power Corporation Limited and its Nominees	100	5,032	5,032
Total	100	5,032	5,032
Fully paid up pursuant to contract(s) without payment being received in cash.		Nil	Nil
Fully paid up by way of bonus shares		Nil	Nil
Shares bought back		Nil	Nil

11 Other Equity

Retained Earning		
Opening Balance	780.52	508.87
(+) Net Profit / (Net Loss) For the current year	923.72	271.65
Closing Balance	1,704.24	780.52

12 Income Tax Expenses

a) i) Income taxes recognised in profit or loss

Current Tax Expenses

Current year	230.41	77.07
Adjusted for prior periods	5.10	9.12
Total	235.51	86.19

	<u>As at 31st March 2019</u>	<u>(₹ in lakhs)</u> <u>As at 31st March 2018</u>
Deferred tax expenses		
Origination and reversal of temporary differences reduction in tax rate	(89.97)	46.60
Total Income tax expenses	145.54	132.79
ii) Income tax recognised in OCI	-	-
b) Reconciliation of tax expense and accounting profit.		
Accounting profit before tax from continuing operations	1,069.26	404.44
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	1,069.26	404.44
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 30.90%)	311.37	124.97
Adjustments in respect of current income tax of previous years	-	-
Utilisation of previously unrecognised tax losses	-	-
Exceptional item not considered for tax purpose	-	-
Income not considered for tax purpose	-	-
Expense not allowed for tax purpose	21.28	25.30
MAT credit of earlier year recognised this year	-	-
Carried forward tax losses utilised	(517.44)	-
Other temporary differences	-	-
At the effective income tax rate of 29.12% (31 March 2018: 30.90%)	(144.48)	7.82
Tax impact of reversal of Deferred Tax Assets on Carry Forward Loss due to change in Tax Rate	83.15	-
Tax impact of reversal of Deferred Tax Liabilities on Temporary Difference due to change in Tax Rate	(104.49)	-
Income tax reported in the statement of profit & loss	-	-
Income tax reported in the discontinued operations	-	-
Total	145.54	132.79
c) Amounts recognised directly in equity		
Current tax	230.41	77.07
Tax of earlier year	5.10	9.12
Deferred tax	(89.97)	46.60
Total	145.54	132.79
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	62.40	(171.61)
Gratuity	-	-
Finance lease	-	-
Provision for loss allowance	-	-
Expenses allowed on payment basis	-	-
Unused tax losses/depreciation	83.15	304.40
Other items giving rise to temporary differences	-	-
MAT credit	(235.52)	(86.19)
Total	(89.97)	46.60

		(₹ in lakhs)	
		As at 31 st March 2019	As at 31 st March 2018
d) Reconciliation of deferred tax assets/ Liabilities			
Opening balance as at 1 April	(134.52)	87.92	
Tax income/ expense during the period recognised in profit or loss	(89.97)	46.60	
Tax income/ expense during the period recognised in profit or loss from discontinued operations	-	-	
Closing balance	44.55	134.52	
13 Grant In Aid (Govt. of Odisha)/ Deferred Income	10,690.00	9,690.00	
The Break-up of Govt. Grant of Rs.106.90 crore is as under:-			
i.	Infrastructure Assistance received from Govt. of Odisha for ₹ 5,000.00 lakhs.		
ii.	For Roof Top Project (4 MW), ₹ 1,880.00 lakhs has been received from Govt. of Odisha. As per project implement agreement dated 30.07.2016 private operator will be entitled for payment of ₹ 980.00 lakhs towards NPC of capital subsidy from GEDCOL out of ₹ 1,880.00 lakhs subject to fulfilment of certain obligations envisages under PIA dated 30.07.2016		
iii.	For 16.40 MW Solar Capacity Project on un-utilized land available at 8 no.s Grid / Substation of OPTCL and 1 nos. at Mukhiguda Power House of OHPC (as per 13th Finance Commission) for ₹ 3,810.00 lakhs.		
14 Financial Liabilities			
Borrowings			
Short Term Borrowing	-	-	
Inter Corporate Loan (OHPC)	5,384.24	5,038.87	
Total	5,384.24	5,038.87	
Inter Corporate Loan availed from OHPC Ltd for release of payment due to BHEL against Supply of Materials for 20MW SPV Project at Manamunda.(Principal Due ₹ 4,550.00 lakhs and Interest Due ₹834.24 lakhs as on 31.03.2019)			
15 Other Financial Liabilities			
Retention Money / Withheld A/C	0.53	0.36	
Deposit From Others(MNRE, GoI)	298.00	298.00	
Total	298.53	298.36	
16 Trade payables			
Sundry Creditors for supply of Materials (BHEL)	3,133.19	3,133.19	
Sundry Creditors for Works(BHEL)	1,194.22	1,194.23	
Sundry Creditors for Others (WAPCOS Ltd)	-	43.08	
Sundry Creditors for Others (O&M 20MW)	36.59	190.37	
Sundry Creditors-Azure(4MW Rooftop)	53.99	31.54	
Total	4,417.99	4,592.41	
Trade Payables are subject to confirmation. Pending such confirmation, the balance as per books have been taken into account. Trade payables are non-interest bearing.			
17 Other current liabilities			
Payable for expenses and others to holding Company (OHPC)	813.13	752.54	
TDS Payable	11.53	63.44	
CGST Payable	0.23	0.03	
OGST Payable	0.23	0.03	
Withheld Amount *	1,849.43	1,784.05	
EMD from Contractor/Suppliers	0.91	0.91	
Security Deposit From Contractors & suppliers	0.15	0.15	

	As at 31 st March 2019	(₹ in lakhs) As at 31 st March 2018
Salary Payable	0.79	1.54
Audit Fees Payable	1.81	1.35
Director Sitting fees Payable	0.04	-
Total	2,678.26	2,604.04

*A sum of ₹1,770.00 lakhs , ₹7.59 lakhs & ₹71.83 lakhs has been withheld from BHEL, WAPCOS & Azure respectively , as the contract are yet to be closed.

18 Provisions

Provision for others (Outstanding Liabilities)	2.12	11.49
Provision for Income Tax (MAT)	230.41	77.06
Provision for CSR	-	5.44
Total	232.53	93.99

19 Revenue From Operations

Sale of Electricity (20MW SPV Project at-Manamunda)	1,524.79	1,521.86
Sale of Electricity (4MW Solar Rooftop Project at-Cuttack& Bhubaneswar)	144.30	30.35
Total	1,669.09	1,552.21

20MW SPV Project at Manamunda, Boudh:-During FY 2015-16, the tariff rate for the purpose of revenue recognition in the Financial Statement was considered at ₹ 4.50/- per unit as there was a delay in commissioning of the project and as per the terms of the PPA executed with SECI, the Unit rate will be reduced proportionately from the original agreed sale price of ₹ 5.45/- per unit. Whereas in FY 2016-17, SECI vide their letter dtd 25.11.2016 has informed inter alia that “since the project was not commissioned within stipulated 24 months as MNRE Guidelines, the same was referred to the Committee constituted by MNRE to remove difficulties to take a view for continuance of the project under the JNNSM Phase –II, Batch-1 scheme. The matter was discussed by the Committee and in-principle approval was given to regularize the delay as a special case”.Accordingly, in the F.Y 2016-17, 2017-18 & 2018-19 the Tariff rate @ ₹5.45/- has been considered for Revenue recognition purpose. The total unit of Solar Power generated from the project during F.Y. 2018-19 was 27.977870 MU (Previous year 27.923970 MU)

4MW Rooftop Project(Twine City):-During the FY 2018-19 , the total solar unit generated was 26,87,421 in Kwh/ 3.21MW (Previous year 5,64,096 in Kwh) out of 4MW Rooftop project at Cuttack & Bhubaneswar.

Phase	No. of Building	Period	Unit (in Kwh)	Revenue received/ receivable from CESU on Account of 4MW Roof-top Ctc-BBSR Project for the FY 18-19	Operational Expenditure paid/ payable to M/s Azure Power on Account of 4MW Roof-top Ctc-BBSR Project for the FY 18-19
Phase-I	3	Up to March 2019	273559	₹ 14.63	₹ 15.56
Phase-II	6	Up to March 2019	1089800	₹ 58.84	₹ 62.56
Phase-II	1	Up to Feb 2019			
Phase-III	35	Up to March 2019	1324062	₹ 70.83	₹ 75.33
Phase-III	1	Up to Dec' 2018			
Total (Phase I+II+III)	46		2687421	₹144.30	₹153.45

		(₹ in lakhs)	
		<u>As at 31st March 2019</u>	<u>As at 31st March 2018</u>
20	Other Income		
	Financial Income		
	Other non- operating Income (Interest Received from Bank Deposit)	689.56	698.87
	Amount Written Back	-	
	Sale of Tender paper	0.50	-
	Processing Fee	10.00	12.00
	Total	700.06	710.87
21	Operational Expenses		
	Annual Maintenance Cost-20MW SPV at Manamunda	82.87	155.70
	Purchase of Electricity -4MW Solar Rooftop Project at-Cuttack & Bhubaneswar	153.45	31.53
	Total	236.32	187.23
22	Employee benefits expense		
	Salary & Allowances (Administrative)	73.09	54.24
	Total	73.09	54.24
23	Finance costs		
	Interest on Inter Corporate Loan(OHPC)	383.75	322.97
	Interest on Term Loan (REC Ltd)	-	71.05
	Interest on OD Account with Banks HDFC	-	1.93
	Interest on OD Account with Banks Union Bank	-	0.06
	Total	383.75	396.01
24	Exceptional Item		
	Bank Guarantee invoked by SECI	-	600.00
	Total	-	600.00
25	Other expenses		
	Printing & Stationary	0.24	0.09
	Sitting Fees	1.30	1.82
	Meeting Expenses	0.30	0.38
	Bank charges	0.11	0.24
	Professional Charges	20.61	12.92
	Contract service expenses	-	1.08
	Contractual Remuneration	1.75	0.80
	Miscellaneous Expenses	1.42	9.96
	R & M Others	0.36	-
	Vehicle Running Expenses	-	0.11
	Travelling & Conveyance	2.95	4.69
	Advertisement	0.94	1.78
	Fees & Subscription	0.05	0.16

	<u>As at 31st March 2019</u>	<u>(₹ in lakhs)</u> <u>As at 31st March 2018</u>
Incentive	0.56	-
Outside Training Fees	1.07	0.02
Legal Expenses		-
Corporate Social Responsibility	(5.44)	5.44
Vehicle Hire Charges	4.33	4.41
ED Charges on Auxiliary Consumption	0.61	0.65
20MW SPV Manamunda		
Ground Rent (IDCO)	-	1.33
SLDC Charges	1.77	1.55
Audit Expenses	0.15	0.11
Telephone Charges	0.18	0.24
*Audit Fees	1.66	1.61
Total	34.92	49.39
*Audit Fees		
Audit Fees Statutory Audit	0.59	0.66
Audit Fees Internal audit	0.47	0.47
Audit fees -Tax audit	0.24	0.27
Audit fees-GST Audit	0.20	-
Audit Fees Secretarial Audit	0.16	0.21
	1.66	1.61

26 Financial Instruments

A.Accounting Classification and fair values

March 31, 2019

	FVTPL	FVTOCI	Carrying Amount Amortised Cost*	Total	Level 1	Fair value			Total
						Level 2	Level 3		
Financial Assets									
Cash and cash equivalents	-	-	10,127.64	10,127.64	-	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	3,40.31	340.31	-	-	-	-	-
Trade and other receivables	-	-	4,665.28	4,665.28	-	-	-	-	-
Other Non-current financial asset	-	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	361.29	361.29	-	-	-	-	-
	-	-	15,494.52	15,494.52	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-	-	-	-
Long term borrowings	-	-	-	-	-	-	-	-	-
Short term borrowings	-	-	5,384.24	5,384.24	-	-	-	-	-
Trade and other payables	-	-	4,417.99	4,417.99	-	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	298.53	298.53	-	-	-	-	-
	-	-	10,100.76	10,100.76	-	-	-	-	-

(₹ in lakhs)								
March 31, 2018	FVTPL	FVTOCI	Carrying amount Amortised Cost*	Total	Level 1	Fair value Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	10,231.23	10,231.23	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Unquoted Equity Investments	-	-	-	-	-	-	-	-
Non-current Financial Asset: Loans	-	-	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-
Current Financial Assets: Loans	-	-	216.58	216.58	-	-	-	-
Trade and other receivables	-	-	3,084.44	3,084.44	-	-	-	-
Other Non Current Financial Asset	-	-	-	-	-	-	-	-
Other Current Financial Asset	-	-	101.82	101.82	-	-	-	-
	-	-	13,634.07	13,634.07	-	-	-	-
Financial Liabilities								
Long term borrowings	-	-	-	-	-	-	-	-
Short term borrowings	-	-	5,038.87	5,038.87	-	-	-	-
Trade and other payables	-	-	4,592.41	4,592.41	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	298.36	298.36	-	-	-	-
	-	-	9,929.64	9,929.64	-	-	-	-

* The carrying value and the fair value approximate.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

27 Financial Risk Management objective and policies

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables is having insignificant risk as the Company has only one customer i.e Solar Energy Corporation of India Ltd (SECI) a CPSU . Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customer is only SECI . The tariff allows the company to raise bills on beneficiary for late-payment, which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiary is primarily CPSU and the energy bills raised w.e.f March 2016 there is no assessment of credit loss for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiary or loss due to time value of money due to delay in realization of trade receivables. As at the reporting date, company does not envisage any default risk on account of non-realisation of trade receivables. Accordingly, the Company has not applied the practical expedient of calculation of expected credit losses on trade receivables using a provision matrix.

Investment

Investments acquired principally for short term deposit of government grants with schedule Banks and are therefore carrying value and presented as current assets. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. There are insignificant risks of change in value or credit risk.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Mar-19	31-Mar-18
	(₹ in lakhs)	
Trade and other receivables	-	-
Investments	-	-
Cash and cash equivalents	-	-
Impairment losses	31-Mar-19	31-Mar-18
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	-	-
Provided during the year	-	-
Reversal of provision	-	-
Unwinding of discount	-	-
Closing balance	-	-
Ageing Analysis		
Up to 3 months	410.54	416.77
3-6 months	389.84	392.78
More than 6 months	3,864.90	2,274.89
	4,665.28	3,084.44

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity Risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing Arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:
(₹ in lakhs)

	31-Mar-19	31-Mar-18
Term Loan From REC for 20 MW Project	₹11,200.00	₹11,200.00

Maturities of Financial Liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2019	Less than 1 year	1-5 years	>5 years	Total
Long term Borrowings	-	-	-	-
Short term Borrowings	345.38	5,038.86	-	5,384.24
Trade and other payables	90.59	4,327.41	-	4,417.99
Other financial liabilities	0.17	298.36	-	298.53
	<u>436.13</u>	<u>9,664.63</u>	-	<u>10,100.76</u>
As at 31 March 2018	Less than 1 year	1-5 years	>5 years	Total
Long term Borrowings	-	-	-	-
Short term Borrowings	1,790.67	32,48.20	-	5,038.87
Trade and other payables	264.99	43,27.42	-	4,592.41
Other financial liabilities	298.36	-	-	298.36
Market Risk	<u>2,354.02</u>	<u>7,575.62</u>	-	<u>9,929.64</u>

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company operates in a regulated environment. Tariff of the company has been fixed through a bidding process. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

Foreign Currency Risk

There is no Foreign currency risk in respect of GEDCOL.

(a) Foreign Currency Risk Exposure:

The company undertakes transactions denominated in Foreign Currencies consequently, exposure to exchange rate fluctuation arises. Exchange rate exposures are managed within approved policy permitted. There is no carrying amounts of the company's foreign currency dominated monetary assets & monetary liabilities at the end of the each reporting period.

	31 March 2019	31 March 2018
Foreign currency loan	-	-
Other Financial Liability	-	-
Net exposure to foreign currency risk (liabilities)	-	-

(b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the company.

Interest Rate Risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings. The Company manages interest rate risk by monitoring its fixed rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	31-Mar-19	31-Mar-18
a) Interest Rate Risk Exposure		
Variable rate borrowings	4,550.00	4,550.00
Fixed rate borrowings	-	-

b) Sensitivity Analysis

There is no material interest relating to company's financial liabilities.

28 Capital Management

The Company manages its capital to ensure that the company will be able to continue as going concern while maximising the return to stockholders through optimisation of debts & equity balance.

The capital structure of the company consist of Net debt (borrowing OFF Set by cash & Bank balance) and total equity of the company.

The company is not subject to any externally imposed capital & equity.

	31 March 2019	31 March 2018
		(₹ in lakhs)
Total liabilities	23,746.12	22,452.19
Less : Cash and cash equivalent	10,127.64	10,231.22
Net debt	13,618.48	12,220.96
Total equity	6,736.23	5,812.51
Net debt to equity ratio	2.02	2.10
Dividends	Not Applicable	

29 Contingent Liabilities / Provision

The contingent liabilities & commitments charges to the extend not provided for:

a. Contingent Liabilities	Nil
b. Commitments	Nil

- 30** 50% of VGF grant for ₹ 24.00 crore for the FY 2016-17, 10 % of VGF grant for ₹4.80 crore for the FY 2017-18 & 10 % of VGF grant for ₹4.80 crore for the FY 2018-19 receivable from SECI has not been considered since the modality to receive the said amount is yet to be completed.

- 31 Company has not received intimation from any "enterprise" regarding its status under Micro Small & Medium Enterprise Development Act, 2006 (MSMED, Act) and therefore no disclosure under the said Act is considered necessary.

32	Foreign Currency Transactions	FY 2018-19	FY 2017-18
a)	Expenditure incurred in foreign currency on cash basis being payment made to consultants.	144.21	16.18
b)	Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC.	NIL	NIL
		(₹ in lakhs)	
c)	Traveling expenses.	0.24	1.20
d)	Foreign currency transactions (Earning)	NIL	NIL

GEDCOL paid the advance success fees for ₹144.20 lakhs after converting USD 200,000 at RBI conversion rate applicable on 14.11.2018 i.e the date of invoice generation (USD 1= INR 72.1039) to IFC on account of Financial advisory Service on 275MW Solar Parks DPR to be set up in Odisha in Phase-I. The Planning & Convergence department ,GoO transfer ₹144.20 lakhs to meet the said advance success fees ,which will be reimburse by GEDCOL to Planning & Convergence department ,GoO out of the success fees payable by the selected private developers.

33 Disclosure related to Corporate Social Responsibility (CSR).

Particulars	2015-16	2016-17	2017-18	2018-19
Net Profit Before Tax as per Section 198	55.13	684.04	404.44	-
Average Profit for Last Three Years	-	-	-	381.20
2% of Average Profit	-	-	-	7.62
Expenditure made during the year	-	-	-	-

34 Related Party Transaction.

34.1 List of Related Parties.

- a) Key Management Personnel : Shri Hemant Sharma, IAS, CMD
Shri P.K. Mohanty , Company Secretary & CFO
- b) Relative of Key Management Personnel and their enterprises, where transactions have taken place : Nil

34.2 Transactions with related parties :

Details related to parties referred to in (1) (a) above.	2018-19	2017-18
Sitting Fees and Director Expenses to all Directors	1.30	1.83

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Amounts

Entity with significant influence over the Company	Sales to related parties (₹ in lakhs)	Purchases from related parties (₹ in lakhs)	Amounts owed by related parties (₹ in lakhs)	Amounts owed to related parties (₹ in lakhs)
OHPC Ltd.				
31 st March 2019	NIL	NIL	NIL	345.38
1st April 2018	NIL	NIL	NIL	1,790.67

- 35** 50% of the salary of two nos. of executives and 100% of the salary of three nos. of executives of OHPC has been booked under Employee benefits of GEDCOL since they are discharging the day to day work of GEDCOL in addition to their Job responsibility in OHPC.
- 36** In the option of the Board of Directors of the Company and to the best of their knowledge and belief, all the current assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.
- 37** Figures have been rounded off to the nearest rupees in lakhs.
- 38** Previous year figures have been restated/re-casted, wherever necessary, to confirm to this year's classification.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

(Subrata Kumar Das)
Partner

Membership No.054189

Place: Bhubaneswar

Date: 12-07-2019

(P.K. Mohanty)
Company Secretary
& CFO

(S.K. Tripathy)
Director
DIN-07915634

(Hemant Sharma, IAS)
CMD
DIN-01296263

4 MW Roof Top Project



**GREEN ENERGY DEVELOPMENT
CORPORATION OF ODISHA LTD.
BHUBANESWAR
F.Y.2018-19**



**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS
2018-19**

JANPATH, BHOI NAGAR, BHUBANESWAR

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED
IND AS FINANCIAL STATEMENTS**

To

**THE MEMBERS OF GREEN ENERGY DEVELOPMENT CORPORATION OF
ODISHA LIMITED**

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated IND AS financial statements of **GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary/ Jointly controlled entity (the Holding Company and its subsidiary/ Jointly controlled entity together referred to as "the Group") comprises of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and Consolidated Statements of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred as "the Consolidated IND AS Financial Statement").

Management's Responsibility for the Consolidated IND AS Financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated IND AS financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entity in accordance with accounting principles generally accepted in India; including the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules there under the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated IND AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated IND AS financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We have

conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated IND AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated IND AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of Consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated IND AS financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (i) of the other matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated IND AS financial statements.

(B) OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary / jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as 31st March 2019, and their consolidated profit/ loss (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements/ financial information of the subsidiary/ jointly controlled entity whose financial statement/ financial information reflect total assets Rs. 99.43 lakhs, total revenue- NIL and net cash inflow amounting to Rs 4.63 lakhs of subsidiary/joint control entity for the year ended 31st March 2019. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it related to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance in the work done and the reports of the other auditors and financial statements/ financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditors on separate Ind AS Financial Statements and the other financial information of subsidiary/ jointly controlled entity, as noted in the “other matter”, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and loss, Consolidated Statement of Cash Flow and the Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statement.
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. In view of the Government notification No. GSR 463 (E) dated 5th June 2015, Government Companies are exempt from the applicability of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure- A**”, and
 - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also other financial information of the subsidiary and jointly control entity as noted in the “Other Matter” paragraph.
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar

Date : 12-07-2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

“ANNEXURE A” TO THE AUDITORS’ REPORT

Annexure referred to in the Paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Auditors’ report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Green Energy Development Corporation of Odisha Limited** (“the Holding Company”) and its Subsidiary/ Jointly controlled entity as of March 31, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and it’s subsidiary/ Jointly controlled entity which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”), issued by ICAI and the standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary/ Jointly controlled entity incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the subsidiary/ Jointly controlled entity which is incorporated in India based on corresponding reports of the auditor of such company incorporated in India.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

SUBRATA KUMAR DAS
Partner

Membership No.054189

Place: Bhubaneswar

Date : 12-07-2019

“ANNEXURE-B” TO THE AUDITORS’ REPORT

Annexure referred to the Paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditors’ report of even date.

Report on the Directions issued by C&AG u/s 143(5) of the Company Act, 2013 for the Financial Year 2018-19.

Sl. No.	DIRECTIONS	OBSERVATIONS
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The management has constructed the boundary wall around the plant site having an installed capacity of 15MW and 5MW, which is separated by a village road, but as the entire 20MW is now successfully commissioned so apparently there is no question of any encroachment and there is no idle land with the Company. Further, as per the clarification by the management, there is no pending litigation in the name of the Company.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, the cases of deviation may please be detailed.	Land has been acquired on lease from IDCO in setting up Manmunda project. During the year no further compensation is paid.
3	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The Company has raised its bill of revenue for the year. But none of it has been realized. But the bills are raised as per the power purchase agreement and the units transmitted through the grid.
4	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	As explained to us, there are no abandoned projects.
5	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	At present the Company does not have any thermal power project.
6	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	The company has not entered into any revenue sharing agreements with private parties for extraction of coal at pitheads.
7	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	The Company does not deal with coal in any manner.

8	How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Its Power purchase agreement doesn't have any clause regarding share of free power with state government.
9	In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	The Company is yet to set up any hydroelectric project.
Others:		
1	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?	The Company has acquired the land from IDCO on lease and the company has clear lease deeds in its name.
2	Whether there are any cases of waiver/write off of debits/loans/interest etc, if yes, the reasons there for and the amount involved.	There are no cases of waiver/write off of debits/loans/interest etc,
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants (s) from Government or other Authorities.	No inventory is lying with third parties and no assets are received as gift from Government or other Authorities.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar
Date : 12.07.2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

“ANNEXURE-C” TO THE AUDITORS’ REPORT

Annexure referred to the Paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditors’ report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Green Energy Development Corporation of Odisha Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”), issued by ICAI and the standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Place: Bhubaneswar

Date : 12.07.2019

SUBRATA KUMAR DAS
Partner
Membership No.054189

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED		
Consolidated Balance Sheet as at 31 March. 2019		
(₹ in Lakhs)		
Particulars	Note No.	As at 31st March 2019
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	3	13,800.50
Capital work-in-progress	4	1,113.32
Intangible Assets		-
Financial Assets		-
Investment	5	56.84
Loans		-
Other Financial assets		-
Deferred tax assets (net)		-
Other non-current assets		-
TOTAL NON-CURRENT ASSETS		14,970.66
CURRENT ASSETS		
Financial Assets		
Trade receivables	6	4,665.28
Cash and cash equivalents	7	10,127.64
Loans	8	340.31
Others Financial Assets	9	361.29
Current Tax Assets (Net)		-
Other Current Assets		-
TOTAL CURRENT ASSETS		15,494.52
TOTAL ASSETS		30,465.18
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	10	5,032.00
Other Equity	11	1,687.08
TOTAL EQUITY		6,719.08
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		-
Borrowings		-
Trade payables		-
Other financial liabilities		-
Provisions		-
Deferred tax liabilities (Net)	12	44.55
Other non-current liabilities	13	10,690.00
TOTAL NON-CURRENT LIABILITIES		10,734.55
CURRENT LIABILITIES		
Financial Liabilities		
Borrowings	14	5,384.24
Trade payables	16	4,417.99
Other financial liabilities (other than those specified in item (c))	15	298.53
Other current liabilities	17	2,678.26
Provisions	18	232.53
TOTAL CURRENT LIABILITIES		13,011.55
TOTAL EQUITY AND LIABILITIES		30,465.18
See accompanying notes to the financial statements	1 to 38	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

Subrata Kumar Das

Partner

Membership No.054189

Place: Bhubaneswar

Date: 12.07.2019

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

P.K. Mohanty
Company Secretary
& CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED		
Consolidated Statement of Profit and Loss for the year ended 31st March 2019		
(₹ in Lakhs)		
Particulars	Note No.	As at 31st March 2019
REVENUE FROM OPERATIONS		
Sale of Energy(Solar Power)	19	1,669.09
Other Income	20	700.06
TOTAL INCOME		2,369.15
EXPENSES		
Operational Expenses.	21	236.32
Employee benefits expense	22	73.09
Finance costs	23	383.75
Depreciation and amortization expense	3	571.81
Other expenses	25	34.92
Total expenses		1,299.89
Profit/(loss) before exceptional items and tax		1,069.26
Exceptional Items		-
Profit after Exceptional Items		1,069.26
Share of Loss of joint Ventures		(17.16)
Profit/(loss) before tax		1,052.10
TAX EXPENSE:		
Current tax	12	235.51
Deferred tax	12	(89.97)
TOTAL TAX EXPENSES		145.54
PROFIT FOR THE YEAR		906.56
Other Comprehensive Income		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		906.56
Earnings per equity share		
Basic		182.55
Diluted		182.55
See accompanying notes to the financial statements	1 to 38	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd

(Subrata Kumar Das)
Partner

P.K. Mohanty
Company Secretary &
CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Membership No.054189

Place: Bhubaneswar

Date: 12.07.2019

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED				
Consolidated Statement of changes in equity as on 31.03.2019				
(₹ in Lakhs)				
Particular		Share Capital	Retained Earnings	Total Equity
Balance at 1st April 2018		5,032.00	780.52	5,812.52
Proceeds from issue of shares		-	-	-
Profit/loss for the year		-	906.56	906.56
Other Comprehensive Income before tax		-	-	-
Income tax relating to components of OCI		-	-	-
Total Comprehensive Income		-	-	-
Balance at 31 March 2019		5,032.00	1,687.08	6,719.08

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

(Subrata Kumar Das)
Partner

Membership No.054189

Place: Bhubaneswar

Date: 12.07.2019

P.K. Mohanty
Company Secretary &
CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED		
Consolidated Statement of Cash Flow for the Financial Year ended 31st March, 2019		
	Particulars	(₹ in Lakhs)
(A)	Cash Flow from/ (Used in) Operating Activities :	
	Net Profit / (Loss) Before Tax from Continuing Operations	1,052.10
	Net Profit / (Loss) Before Tax from discontinued operation.	-
	Profit before Tax	1,052.10
	Adjustments to reconcile profit before tax to net cash flow :	
	Depreciation and impairment of property, plant and equipment	571.80
	Share of Loss in Joint Venture Company	17.16
	Amortisation and impairment of intangible assets	-
	Finance Income(including fair value change in financial instruments)	-
	Finance Costs (including fair value change in financial instruments)	-
	Interest Income from Bank Deposit	(689.56)
	Total	951.50
	Operating Profit/(Loss) before working capital changes	
	Adjustment for Working Capital :	
	Increase/ (Decrease) in Loan & Advance	(123.73)
	Increase/ (Decrease) in Trade Receivable	(1,580.85)
	Increase/ (Decrease) in Other Current Assets	(259.47)
	Increase/ (Decrease) Short Term Borrowing	345.38
	Increase/ (Decrease) Trade payable	(174.40)
	Increase/ (Decrease) Other Financial liabilities	0.17
	Increase/ (Decrease) in Other Current Liabilities	74.23
	Increase/ (Decrease) in Short Term Provisions	(14.81)
	Cash Generated from/(used in) Operations	(781.98)
	Direct Tax paid (net of refunds)	(82.17)
	Net Cash Flow from / (Used In) Operating Activities	(864.15)
(B)	Cash Flow from / (Used In) Investing Activities	
	Increase / (Decrease) in Capital Work in Progress	(854.75)
	Increase / (Decrease) Pre-operative Expenditure	
	Increase / (Decrease) Property Plant & Equipment	(0.25)
	Increase/ (Decrease) in Long term Advance	-
	Increase/ (Decrease) in other non-current liabilities	-
	Increase/ (Decrease) in Investments	(74.00)
	Interest Income from Bank Deposit	689.56
	Net Cash Flow from / (Used In) Investing Activities	(239.44)
(C)	Cash Flow from / (Used in) Financing Activities	
	Increase in Borrowings	-
	Increase in Other financial Liabilities	-
	Received form Govt. of Odisha	1,000.00
	Proceeds from Issue of Share Capital	-
	Net Cash Flow from /(Used in) Financing Activities	1,000.00
	Net Increase /(Decrease) in Cash & Cash Equivalent Bank Balance (A+B+C)	(103.59)
	Cash and cash equivalent at beginning of the year	10,231.23
	Cash and cash equivalent at end of the year(Refer to Note No.7)	10,127.64

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For SUBRATA DAS & CO

Chartered Accountants

(Firm Registration No. 319080E)

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd

(Subrata Kumar Das)
Partner

P.K. Mohanty
Company Secretary &
CFO

S.K Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Membership No.054189

Place: Bhubaneswar

Date: 12.07.2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019.

1 **Company overview.**

The Consolidated Financial Statement comprises Financial Statement of GEDCOL (Company) along with it's Subsidiary/Joint Venture for the year ended 31st March, 2019. GEDCOL is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is a wholly owned subsidiary of OHPC Ltd; Govt. of Odisha State PSU. These Consolidated Financial Statements comprises the Financial Statement of GEDCOL and it's interest in it's Subsidiary/Joint Ventures. Electricity Generation is the principal business activity of the Group(collectively referred as the "Group")

GEDCOL is principally engaged in the generation of Grid connected renewable energy and Roof Top Solar Project in the State of Odisha. GEDCOL has also designated as Nodal Agency of the State for on Grid connected Solar Energy.

2 **Significant Accounting Policies.**

2.1 **Basis of preparation of financial statements.**

This Consolidated Financial Statement is prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015

The Consolidated Financial Statement comprise individual financial statement of Green Energy Development Corporation of Odisha Limited (GEDCOL) and its subsidiary/ Joint Venture as on March 31, 2019. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary/Joint Ventures is consolidated from the date control commences until the date control ceases. The Consolidated Financial Statement has been prepared on the following basis:-

Investment in Joint Ventures have been accounted under the equity method as per IND AS-28-Investments in Joint Ventures. Under the equity method, an investment in Joint Ventures are initially recognised at cost on the date of investment and inclusive of any goodwill/ capital reserve embedded in the cost, in the balance sheet. The proportionate share of the group in the net profit/ losses as also in the other comprehensive income is recognised in the statement of profit and loss and the carrying value of the investment is adjusted by a like amount. Goodwill relating to the Joint Ventures is included in the carrying amount of the investment and is not tested for impairment individually.

Unrealised gain and losses resulting from transactions between the group and the Joint ventures are eliminated to the extent of interest in the Joint Venture.

ii). The Audited financial statements of the subsidiary/ Joint venture used in the consolidation are drawn up to the same reporting date as of the Company i.e. up to March 31, 2019.

iii) Non-Controlling Interest's share of profit/loss of consolidated subsidiary/ Joint venture for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

iv) Non-controlling interests in the net assets of consolidated subsidiary/ Joint venture is identified and is presented in the consolidated Balance Sheet separately within equity. Non controlling interests in the net assets of consolidated subsidiaries/ Joint venture consists of:

- a. The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary/ Joint venture is made; and
- b. The non-controlling interest share of movements in equity since the date Joint venture relationship came into existence.

Companies included in Consolidation

Particulars	Country of Incorporation	(₹ in Lakhs) Shareholding as on 31-Mar,2019
GEDCOL SAIL Power Corporation Limited (74%)	India	74.00

The Holding Company OHPC Ltd is the Holding Company of the Group.

2.2 Revenue recognition

Revenue from the sale of energy is recognised after GEDCOL has transferred the risks and rewards of ownership to the buyer and the Company retains neither a continuing managerial involvement, nor effective control over the energy sold; usually, this means that sales are recorded upon delivery of energy to buyer in accordance with the agreed terms of delivery.

The specific recognition criteria described below must also be met before revenue is recognised.

2.2.1 Sale of Electricity:

Revenue from the sale of electricity is recognised when the significant risks and rewards of ownership of the sale have passed to the buyer, usually on the metering point of Sonapur GRID substation. Revenue from the sale of electricity value of the consideration received or receivable.

2.2.2 Rendering of service:

Revenue from Roof Top is recognised as per contractual terms. Revenue from fee received as Nodal Agency is recognised upon receipt of cash.

2.2.3 Interest Income.

Interest income financial assets is recognized when it is probable that the benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.

2.3 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to the purchase of property, plant and equipment are recognised as income over the expected useful life of the assets. Other government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they were intended to compensate. Government Grants are regarded as deferred income till the condition attached to it are complied with and will be considered as income only when the said conditions are complied with and the related expenditures are incurred.

2.4 The company has followed cost model for measurement of property, plant and equipment.

They are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location and working condition for intended use and inclusive of incidental expenses relating to acquisition and financing cost capitalized. The Company depreciates property, plant and equipment over their estimated useful life using the straight line method.

Management believes based on a Technical advice, taking in to account the nature of the asset; the estimated usage of the asset, the operating condition of the asset, manufacturer warranties; maintenance support, the Management estimate useful life of the Assets are as follows:

Lease Hold Land	: Over the lease period
Solar Power Plant	: 25 Years
Office Equipment	: 5 Years.
Computer Installation (Laptop)	: 3 Years
Electrical Installation	: 10 Years
Furniture & Fixture	: 10 Years

Under the previous GAAP (India GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of historical cost. The Company has elected to regard those values of property as deemed cost.

Advance paid towards the acquisition of property, plant and equipment's outstanding at each Balance Sheet date is classifying as capital Advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work in Progress".

2.5 Intangible Assets.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

2.6 Financial Instruments.

The Company recognizes financial assets and liabilities; when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at cost.

Cash and cash equivalents.

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial liabilities.

Financial liabilities are measured at cost.

2.7 Borrowing Cost.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes substantial period of time to get ready for intended use are capitalised as a part of the cost of the assets. All other borrowing costs are expensed in the period in which they occur.

2.8 Investment

Investments in subsidiary / Joint Venture are measured at cost in accordance with Ind AS 27.

2.9 Trade receivable

Trade receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment using expected credit loss method.

2.8 Income Taxes.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.9 Accounting of Provisions, Contingent liabilities and contingent assets.

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed. The expenses relating to a provision is presented in the statement profit and loss net of any reimbursement.

2.10 Earnings per share (EPS).

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of ordinary shares in issue during the year.

2.11 Critical accounting judgments and Key sources of estimation.

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated

assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

Contingences and commitments.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment.

As described in Note-2.4 the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were changes to the useful lives and residual values of the property, plant and equipment.

2.12 Cash flow statement.

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note No.:3 Property, Plant and Equipment

(₹ in Lakhs)

		Cost			Depreciation			Net Carrying Amount		
Particular	Cost as on 01.04.2018	Additions	Sales/ Adjustment	Cost as on 31.03.2019	Up to 01.04.2018	For the year	Sales/ Adjustment	Up to 01.04.2019	As at 31.03.2019	As at 31.03.2018
Land										
Lease hold	1,029.87	-	-	1,029.87	51.81	16.18	-	67.99	961.88	978.06
Free hold										
Plant & Machinery										
Plant & Equipment										
Solar Power Plant	14,422.92	-	-	14,422.92	1,090.56	5,47.93	-	1,638.49	12,784.43	13,332.35
Electrical Installation	75.87	-	-	75.87	15.01	7.30	-	22.31	53.56	60.86
Furniture & Fixture	-	0.25	-	0.25	-	0.02		0.02	0.23	-
Computer Installation	1.08	-	-	1.08	0.49	0.34	-	0.83	0.25	0.59
Office Equipment	0.26	-	-	0.26	0.07	0.04	-	0.11	0.15	0.19
Total	15,530.00	0.25	-	15,530.25	1,157.94	571.81	-	1,729.75	13,800.50	14,372.05

Note No. 4 Capital Work In Progress

Particular	Cost			Depreciation			Net Carrying Amount			
	Cost as on 01.04.2018	Additions	Deletion/ Transfer to Assets	Cost as on 31.03.2019	Up to 01.04.2018	For the year	Sales/Adjustment	Up to 01.04.2019	As at 31.03.2019	As at 31.03.2018
SHEP Projects	2,58.59	6.82	92.52	172.89	-	-	-	-	172.89	258.59
Solar Park (275MW Phase-I)		940.43	-	940.43	-	-	-	-	940.43	-
Total	2,58.59	947.25	92.52	1,113.32	-	-	-	-	1,113.32	258.59

Notes:

1. Company has acquired leasehold land form IDCO, measuring Ac 152.324 valuing ₹ 852.12 lakhs vide lease agreement dated 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
2. Leasehold land has been amortized over a lease period of 64 years w.e.f. 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
3. Out of the total opening balance under CWIP for ₹ 258.59 lakhs, the expenditure incurred for Mandira SHEP for ₹74.00 lakhs has been transferred to investment in GSPCL (Equity Contribution) & the remaining Net up provision made for ₹ 11.70 lakhs has been reversed.
4. ₹940.43 lakhs has been paid to IDCO for allotment of AC 1420.30 acre land in Boudh & Sambalpur for implementation of 275 MW (Phase-I) Solar Park in Odisha.

(₹ in lakhs)

5	Equity Investment in Joint Venture		
	GEDCOL SAIL Power Corporation Limited(GSPCL)		
	(A Joint Venture Company between GEDCOL & SAIL holding 74% & 26% respectively)		
	7,40,000 fully paid equity share of Rs.10/- each		74.00
	(i)The carrying amount and market value of unquoted investment is as follows:		
	Unquoted		
	Aggregate carrying amount of unquoted investments		56.84
	The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range		
	(ii) Details of % of Holding and place of business		
	% of Holding		74%
	Place of Business		Bhubaneswar
6	Trade receivables		
	Sundry Debtors for sale of power	-	-
	Sundry Debtors for sale of Power (Outstanding for a period exceeding 6 months)		3,741.60
	Sundry Debtors for sale of Power (Outstanding for a period up to 6 months)		923.68
	Total		4,665.28
7	Cash and Cash Equivalents		
	Cash in hand		0.01
	Balance with Banks:-		
	- On Current Accounts		663.43
	-* On Deposit Accounts		9,464.20
	Total		10,127.64
	*Term Deposit		
	Term Deposit(IDBI Bank)		-
	Term Deposit(Union Bank)		4.20
	Term Deposit With Andhra Bank		10.00
	Term Deposit with DCB Bank Ltd.		2,800.00
	Term Deposit with HDFC Bank Ltd		2,500.00
	Term Deposit with IndusInd Bank Ltd		2,500.00
	Term Deposit with OSCB Ltd, Kalinga Hospital.		1,650.00
	Total		9,464.20
8	Loans & Advance		
	TDS Receivable		48.45
	Advance to GSPCL		1.16
	Advance Income Tax (CBDT)		177.46
	Income Tax Refund		113.22

	(₹ in Lakhs)
Advance to Dept. of Planning & Convergence	-
Mobilisation Advance(WAPCOS)	-
Advance to others	0.02
Advance Other (Azure)	-
Total	340.31

*Refund of Income Tax for ₹ 0.29 lakhs as per Assessment Order for the AY 2017-18 dated 14.03.2019
And refund of excess Advance Tax for ₹ 112.93 lakhs for the AY 2018-19.

9	Others Financial Assets	
	Security Deposit(Power System OPTCL)	0.30
	Interest Accrued but not due.	360.99
	Total	361.29

10	EQUITY	
	Equity Share capital	
	Authorised	
	10,00,000 Equity Shares of Rs.1000/- each	10,000.00
	Issued, subscribed & paid-up	
	5,03,200 Equity Shares(Previous Year 5,03,200 Equity Share) of Rs.1000/- each fully paid-up	5,032.00
	Total	5,032.00

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs.1000/- per share. The holders of equity shares are entitled to receive dividends as may be declared from time to time.

The Details of shareholder holding more than 5% shares as at 31st March, 2019 is set out

% Held as at 31st March'2019	No of Shares	(₹ in Lakhs)
M/s Odisha Hydro Power Corporation Limited and its Nominees	100	5,032.00
Total	100	5,032.00

Fully paid up pursuant to contract(s) without payment being received in cash. Nil

Fully paid up by way of bonus shares Nil

Shares bought back Nil

11	Other Equity	
	Retained Earning	
	Opening Balance	780.52
	(+) Net Profit / (Net Loss) For the current year	906.56
	Closing Balance	1,687.08

12	Income Tax Expenses	(₹ in Lakhs)
a)	i) Income taxes recognised in profit or loss	
	Current Tax Expenses	
	Current year	235.51
	Adjusted for prior periods	-
	Total	235.51
	Deferred tax expenses	
	Origination and reversal of temporary differences	(89.97)
	reduction in tax rate	
	Total Income tax expenses	145.54
	ii) Income tax recognised in OCI	-
b)	Reconciliation of tax expense and accounting profit.	
	Accounting profit before tax from continuing operations	1,069.26
	Accounting profit before tax from discontinued operations	-
	Accounting profit before tax	1,069.26
	Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 30.90%)	311.37
	Adjustments in respect of current income tax of previous years	-
	Utilisation of previously unrecognised tax losses	-
	Exceptional item not considered for tax purpose	-
	Income not considered for tax purpose	-
	Expense not allowed for tax purpose	21.27
	MAT credit of earlier year recognised this year	-
	Carried forward tax losses utilised	(517.44)
	Other temporary differences	-
	At the effective income tax rate of 29.12% (31 March 2018: 30.90%)	(144.48)
	Tax impact of reversal of Deferred Tax Assets on Carry Forward Loss due to change in Tax Rate	83.15
	Tax impact of reversal of Deferred Tax Liabilities on Temporary Difference due to change in Tax Rate	(104.49)
	Income tax reported in the statement of profit & loss	-
	Income tax reported in the discontinued operations	-
	Total	145.54
c)	Amounts recognised directly in equity	
	Current tax	235.51
	Deferred tax	(89.97)
	Total	145.54
	Deferred tax relates to the following:	
	Accelerated depreciation for tax purposes	62.40
	Gratuity	-
	Finance lease	-

	(₹ in Lakhs)
Provision for loss allowance	-
Expenses allowed on payment basis	-
Unused tax losses/depreciation	83.15
Other items giving rise to temporary differences	-
MAT credit	(235.52)
Total	(89.97)
d) Reconciliation of deferred tax assets/ Liabilities	
Opening balance as at 1 April	134.52
Tax income/ expense during the period recognised in profit or loss	(89.97)
Tax income/ expense during the period recognised in profit or loss from discontinued operations	-
Closing balance	44.55
13 Grant In Aid (Govt. of Odisha)/ Deferred Income	<u>10,690.00</u>
The Break-up of Govt. Grant of Rs.106.90 crore is as under:-	
iii. Infrastructure Assistance received from Govt. of Odisha for ₹ 5,000.00 lakhs.	
iv. For Roof Top Project (4 MW), ₹ 1,880.00 lakhs has been received from Govt. of Odisha. As per project implement agreement dated 30.07.2016 private operator will be entitled for payment of ₹ 980.00 lakhs towards NPC of capital subsidy from GEDCOL out of ₹ 1,880.00 lakhs subject to fulfilment of certain obligations envisages under PIA dated 30.07.2016	
iv. For 16.40 MW Solar Capacity Project on un-utilized land available at 8 nos. Grid / Substation of OPTCL and 1 nos. at Mukhiguda Power House of OHPC (as per 13th Finance Commission) for ₹ 3,810.00 lakhs.	
14 Financial Liabilities	
Borrowings	
Short Term Borrowing	-
Inter Corporate Loan (OHPC)	5,384.24
Total	5,384.24
Inter Corporate Loan availed from OHPC Ltd for release of payment due to BHEL against Supply of Materials for 20MW SPV Project at Manamunda.(Principal Due ₹ 4,550.00 lakhs and Interest Due ₹834.24 lakhs as on 31.03.2019)	
15 Other Financial Liabilities	
Retention Money / Withheld A/C	0.53
Deposit From Others(MNRE,GoI)	298.00
Total	298.53
16 Trade payables	
Sundry Creditors for supply of Materials (BHEL)	3,133.19
Sundry Creditors for Works(BHEL)	1,194.22
Sundry Creditors for Others (WAPCOS Ltd)	-
Sundry Creditors for Others (O&M 20MW)	36.59
Sundry Creditors-Azure(4MW Rooftop)	53.99
Total	4,417.99
Trade Payables are subject to confirmation. Pending such confirmation, the balance as per books have been taken into account. Trade payables are non-interest bearing.	

(₹ in Lakhs)

17 Other current liabilities

Payable for expenses and others to holding Company (OHPC)	813.13
TDS Payable	11.53
CGST Payable	0.23
OGST Payable	0.23
Withheld Amount *	1,849.43
EMD from Contractor/Suppliers	0.91
Security Deposit From Contractors & suppliers	0.15
Salary Payable	0.79
Audit Fees Payable	1.81
Director Sitting fees Payable	0.04
Total	2,678.26

* A sum of ₹1,770.00 lakhs, ₹7.59 lakhs & ₹71.83 lakhs has been withheld from BHEL, WAPCOS & Azure respectively , as the contract are yet to be closed.

18 Provisions

Provision for others (Outstanding Liabilities)	2.12
Provision for Income Tax (MAT)	230.41
Provision for CSR	-
Total	232.53

19 Revenue From Operations

Sale of Electricity (20MW SPV Project at- Manamunda)	1,524.79
Sale of Electricity (4MW Solar Rooftop Project at- Cuttack& Bhubaneswar)	144.30
Total	1,669.09

20MW SPV Project at Manamunda, Boudh:-During FY 2015-16, the tariff rate for the purpose of revenue recognition in the Financial Statement was considered at Rs.4.50/- per unit as there was a delay in commissioning of the project and as per the terms of the PPA executed with SECI, the Unit rate will be reduced proportionately from the original agreed sale price of Rs.5.45/- per unit. Whereas in FY 2016-17, SECI vide their letter dtd 25.11.2016 has informed inter alia that “since the project was not commissioned within stipulated 24 months as MNRE Guidelines, the same was referred to the Committee constituted by MNRE to remove difficulties to take a view for continuance of the project under the JNNSM Phase –II, Batch-1 scheme. The matter was discussed by the Committee and in-principle approval was given to regularize the delay as a special case”. Accordingly, in the F.Y. 2016-17, 2017-18 & 2018-19 the Tariff rate @ Rs.5.45/- has been considered for Revenue recognition purpose. The total unit of Solar Power generated from the project during F.Y. 2018-19 was 27.977870 MU (Previous year 27.923970 MU).

(₹ in Lakhs)

4MW Rooftop Project(Twine City): During the FY 2018-19 , the total solar unit generated was 26,87,421 in Kwh/ 3.21MW (Previous year 5,64,096 in Kwh) out of 4MW Rooftop project at Cuttack & Bhubaneswar.

Phase	No. of Building	Period	Unit (in Kwh)	Revenue received/ receivable from CESU on Account of 4MW Rooftop Cto-BBSR Project for the FY 18-19	Operational Expenditure paid/ payable to M/s Azure Power on Account of 4MW Rooftop Cto-BBSR Project for the FY 18-19
Phase-I	3	Up to March 2019	273559	₹ 14.63	₹ 15.56
Phase-II	6	Up to March 2019	1089800	₹ 58.84	₹ 62.56
Phase-II	1	Up to Feb 2019			
Phase-III	35	Up to March 2019	1324062	₹ 70.83	₹ 75.33
Phase-III	1	Up to Dec' 2018			
Total (Phase-I+II+III)	46		2687421	₹144.30	₹153.45

20 Other Income

Financial Income

Other non- operating Income- Interest

689.56

Received from Bank Deposit

Sale of Tender paper

0.50

Processing Fee

10.00

Total**700.06**

21 Operational Expenses

Annual Maintenance Cost-20MW SPV at

82.87

Manamunda

Purchase of Electricity -4MW Solar

153.45

Rooftop Project at-Cuttack&

Bhubaneswar

Total**236.32**

22 Employee benefits expense

Salary & Allowances (Administrative)

73.09

Total**73.09**

23 Finance costs

Interest on Inter Corporate Loan(OHPC)

383.75

Total**383.75**

24 Exceptional Item

Bank Guarantee invoked by SECI

-

Total**-**

(₹ in Lakhs)

25 Other expenses

Printing & Stationary	0.24
Sitting Fees	1.30
Meeting Expenses	0.30
Bank charges	0.11
Professional Charges	20.61
Contractual Remuneration	1.75
Miscellaneous Expenses	1.42
R & M Others	0.36
Travelling & Conveyance	2.95
Advertisement	0.94
Fees & Subscription	0.05
Incentive	0.56
Outside Training Fees	1.07
Corporate Social Responsibility	(5.44)
Vehicle Hire Charges	4.33
ED Charges on Auxiliary Consumption	0.61
20MW SPV Manamunda	
SLDC Charges	1.77
Audit Expenses	0.15
Telephone Charges	0.18
*Audit Fees	1.66
Total	34.92

***Audit Fees**

Audit Fees Statutory Audit	0.59
Audit Fees Internal audit	0.47
Audit fees -Tax audit	0.24
Audit fees-GST Audit	0.20
Audit Fees Secretarial Audit	0.16

1.66**26 Financial Instruments****A.Accounting Classification and fair values****March 31, 2019****INR**

	FVTPL	FVTOCI	Carrying Amount Amortised Cost*	Total	Level 1	Fair value		Level 3	Total
						Level 2			
<u>Financial Assets</u>									
Cash and cash equivalents	-	-	10,127.64	10,127.64	-	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	3,40.31	340.31	-	-	-	-	-
Trade and other	-	-	4,665.28	4,665.28	-	-	-	-	-

receivables								
Other Non-current financial asset	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	361.29	361.29	-	-	-	-
	-	-	15,494.52	15,494.52	-	-	-	-
Financial Liabilities								(₹ in Lakhs)
Long term borrowings	-	-	-	-	-	-	-	-
Short term borrowings	-	-	5,384.24	5,384.24	-	-	-	-
Trade and other payables	-	-	4,417.99	4,417.99	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	298.53	298.53	-	-	-	-
	-	-	10,100.76	10,100.76	-	-	-	-

* The carrying value and the fair value approximate.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

27 Financial Risk Management objective and policies

The Group's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Group is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Group's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Group periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables is having insignificant risk as the Group has only one customer i.e Solar Energy Corporation of India Ltd (SECI) a CPSU . Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customer is only SECI. The tariff allows the company to raise bills on beneficiary for late-payment, which adequately compensates the Group for time value of money arising due to delay in payment. Further, the fact that beneficiary is primarily CPSU and the energy bills raised w.e.f March 2016 there is no assessment of credit loss for trade receivables, the Group does not envisage either impairment in the value of receivables

(₹ in Lakhs)

from beneficiary or loss due to time value of money due to delay in realization of trade receivables. As at the reporting date, Group does not envisage any default risk on account of non-realisation of trade receivables. Accordingly, the Group has not applied the practical expedient of calculation of expected credit losses on trade receivables using a provision matrix.

Investment

Investments acquired principally for short term deposit of government grants with schedule Banks and are therefore carrying value and presented as current assets. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. There are insignificant risks of change in value or credit risk.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash.

These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

31-Mar -19

Trade and other receivables	-
Investments	-
Cash and cash equivalents	-

31-Mar -19

Impairment losses

Trade and other receivables (measured under life time excepted credit loss model

Opening balance	-
Provided during the year	-
Reversal of provision	-
Unwinding of discount	-
Closing balance	-

Ageing Analysis

Up to 3 months	410.54
3-6 months	389.84
More than 6 months	3,864.90
	<u>4,665.28</u>

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity Risk

The Group is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Group monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Group has access to credit facilities and monitors cash balances daily. In

relation to the Group's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Group's reputation.

Financing Arrangements

(₹ in lakhs)

The Group has access to following undrawn borrowing facilities at the end of the reporting period:

Term Loan From REC for 20 MW Project ₹11,200.00

Maturities of Financial Liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2019	Less than 1 year	1-5 years	>5 years	
Long term Borrowings	-	-	-	
Short term Borrowings	345.38	5,038.86	-	5,384.25
Trade and other payables	90.59	4,327.41	-	4417.99
Other financial liabilities	0.17	298.36	-	298.53
	436.13	9,664.63	-	10,100.76
As at 31 March 2018	Less than 1 year	1-5 years	>5 years	
Long term Borrowings	-	-	-	
Short term Borrowings	1,790.67	32,48.20	-	5038.87
Trade and other payables	264.99	43,27.42	-	4592.41
Other financial liabilities	298.36	-	-	298.36
	2,354.02	7,575.62	-	9929.64

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group operates in a regulated environment. Tariff of the Group has been fixed through a bidding process. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the Group.

Foreign Currency Risk

There is no Foreign currency risk in respect of Group.

(c) Foreign Currency Risk Exposure:

The Group undertakes transactions denominated in Foreign Currencies consequently, exposure to exchange rate fluctuation arises. Exchange rate exposures are managed within approved policy permitted. There is no carrying amounts of the Group's foreign currency dominated monetary assets & monetary liabilities at the end of the each reporting period.

31 March 2019

Foreign currency loan

Other Financial Liability

Net exposure to foreign currency risk (liabilities)

(d) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the Group.

Interest Rate Risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the Group. The Group is exposed to long term and short-term borrowings. The Group manages interest rate risk by monitoring its fixed rate instruments, and taking action as necessary to maintain an appropriate balance.

(₹ in lakhs)

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest Rate Risk Exposure	31-Mar-19
Variable rate borrowings	4,550.00
Fixed rate borrowings	-

b) Sensitivity Analysis

There is no material interest relating to company's financial liabilities.

28 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stockholders through optimisation of debts & equity balance.

The capital structure of the Group consist of Net debt(borrowing OFF Set by cash & Bank balance) and total equity of the Group.

The Group is not subject to any externally imposed capital & equity.

31 March 2019

Total liabilities	23,746.12
Less : Cash and cash equivalent	10,127.64
Net debt	13,618.48
Total equity	6,736.23
Net debt to equity ratio	2.02
Dividends	Not Applicable

29 Contingent Liabilities / Provision

Odisha Hydro Power Corporation Ltd. (OHPC) holding Company had provided the BG for Rs. 6 Crore issued in favour of Solar Energy Corporation of India Limited (SECI) on behalf of GEDCOL. The Bank Guarantee has been invoked by SECI (FY 2017-18) due to non-completion of the project in time. The loss to the extent of Rs.6.00 crore set up with the liquidity damage deducted from BHEL to the tune of Rs.17.70 crore in the FY 2016-17.

Subject to the above, contingent liabilities & commitments charges to the extend not provided for

a. Contingent Liabilities	Nil
b. Commitments	Nil

- 30** 50% of VGF grant for Rs.24.00 crore for the FY 2016-17, 10 % of VGF grant for Rs.4.80 crore for the FY 2017-18 & 10 % of VGF grant for Rs.4.80 crore for the FY 2018-19 receivable from SECI has not been considered since the modality to receive the said amount is yet to be completed.

- 31** The Group has not received intimation from any "enterprise" regarding its status under Micro Small & Medium Enterprise Development Act, 2006 (MSMED, Act) and therefore no disclosure under the said Act is considered necessary.

32 Foreign Currency Transactions	FY 2018-19
a) Expenditure incurred in foreign currency on cash basis being payment made to consultants.	144.21
b) Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC.	NIL
c) Traveling expenses.	0.24
d) Foreign currency transactions (Earning)	NIL

(₹ in lakhs)

GEDCOL paid the advance success fees for ₹144.20 lakhs after converting USD 200,000 at RBI conversion rate applicable on 14.11.2018 i.e. the date of invoice generation (USD 1= INR 72.1039) to IFC on account of Financial advisory Service on 275MW Solar Parks DPR to be set up in Odisha in Phase-I. The Planning & Convergence department, GoO transfer ₹144.20 lakhs to meet the said advance success fees, which will be reimburse by GEDCOL to Planning & Convergence department, GoO out of the success fees payable by the selected private developers.

33 Disclosure related to Corporate Social Responsibility (CSR).

As per the Companies Act, 2013, GEDCOL is required to spend at least two percent of the average net profit made during the three immediately preceding financial year, in pursuance of its Corporate Social Responsibility Policy. During the year an amount of ₹ 7.62 lakhs (Previous year ₹5.44 lakhs (2% of average profit before tax of immediately previous 3 (three) years (P.Y-NIL) was required to be spent on CSR head during the year. However the said amount was not spent during the year.

Particulars	2015-16	2016-17	2017-18	2018-19
Net Profit Before Tax as per Section 198	55.13	684.04	404.44	-
Average Profit for Last Three Years	-	-	-	381.20
2% of Average Profit	-	-	-	7.62
Expenditure made during the year	-	-	-	-

34 Related Party Transaction.

34.1 List of Related Parties.

- a) Key Management Personnel : Shri Hemant Sharma, IAS, CMD
Shri P.K. Mohanty, Company Secretary & CFO
- b) Relative of Key Management Personnel and their enterprises, where transactions have taken place : Nil

34.2 Transactions with related parties :

Details related to parties referred to in (1) (a) above.

Sitting Fees and Director Expenses to all Directors 0.61

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Entity with significant influence over the Company	Sales to related parties (₹ in lakhs)	Purchases from related parties (₹ in lakhs)	Amounts owed by related parties (₹ in lakhs)	Amounts owed to related parties (₹ in lakhs)
OHPC Ltd.				
31 st March 2019	NIL	NIL	NIL	345.38
1st April 2018	NIL	NIL	NIL	1,790.67

35 50% of the salary of two nos. of executives and 100% of the salary of three nos. of executives of OHPC has been booked under Employee benefits of GEDCOL since they are discharging the day to day work of GEDCOL in addition to their Job responsibility in OHPC.

36 In the option of the Board of Directors of the Group and to the best of their knowledge and belief, all the current assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

37 Figures have been rounded off to the nearest rupees in lakhs.

38 Previous year figure has not been considered because this is the 1st year of Consolidated Financial Statement.

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd

(Subrata Kumar Das)
Partner

P.K. Mohanty
Company Secretary &
CFO

S.K. Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Membership No.054189
Place: Bhubaneswar
Date: 12.07.2019

ODISHA HYDRO POWER CORPORATION LIMITED

**(A Government of Odisha Undertaking)
(A Gold Rated State PSU)**



AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2018-19

JANPATH, BHOI NAGAR, BHUBANESWAR

INDEPENDENT AUDITOR'S REPORT

To the Governor of Odisha / Members of The Odisha Hydro Power Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **The Odisha Hydro Power Corporation Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary, associate and jointly controlled entities (the Holding Company and its Subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2019, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit/loss (including total consolidated comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

The following are the basis for our qualified opinion:-

NON-CURRENT ASSETS: - Rs.215235.09 lakhs

1. Refer Note No.3:- CAPITAL WORK-IN-PROGRESS:- Rs.25936.07 lakhs

It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the Statement of Profit and Loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs. 2350.56 lakhs

	Particulars of Projects/Assets	Units/Corporate Office	Amount (Rs. in lakhs)
(i)	(a)Land, Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets). (b)Capital Advances	Potteru (UKHEP)	2289.10 12.52
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78

(iii)	Office Building & Staff Quarters	Corporate Office, Bhubaneswar	20.16
		Total (Rs.)	2350.56

Further, there are long pending CWIP balances, the detailed status of which has not been provided to us. The impact of the same on the financial statements cannot be ascertained.

FINANCIAL ASSETS

2. Refer Note No.4:- NON-CURRENT INVESTMENTS:- Rs.28449.87 lakhs

As per statutory audit report of M/s Baitarni West Coal Company Limited for FY 2017-18, Baitarni West Coal Company Limited has shown a balance payable under other Financial Liabilities (Current Liabilities) of Rs 435.96 lakhs to OHPC. However, the said amount of Rs.435.96 lakhs is not reflected in the financial statement of OHPC. The details of the above transaction is not made available to us.

3. Refer Note No.5:- TRADE RECEIVABLES (NON CURRENT):- Rs.2735.22 lakhs Refer Note No.47(d):-

- It includes a sum of Rs.1135.41 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2017-18 and non-reconciliation of sales of energy for the financial year 2018-19 and consequential adjustment required on such dispute and reconciliation of above "Trade Receivable" from GRIDCO Ltd and its impact over Trade Receivables as well as statement of profit & loss for the year is not ascertainable. As per confirmation received from GRIDCO, there is total credit balance of Rs.13143.49 lakhs in their books as on 31.03.2019 as against a debit balance of Rs.11923.48 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement.
- Refer Note No.47(c):-** Sale of energy of 16.39126 MU to CSPDCL @ INR 2.0475 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhattisgarh and the same may be revised in future. The effect of the same on financial statements is unascertainable.
- Further an amount of Rs.155.85 lakhs receivable from Chhattisgarh State Power Distribution Company Limited (CSPDCL) on account of sale of energy relating to different past period continue in accounts without any recovery and again no confirmation is received from the party to be payable, but has been considered as good debts, without considering allowance for bad and doubtful debts and expected credit loss. On account of such non-provision, for above "Trade Receivable" from (CSPDCL) shown under Non-Current Financial Assets as well as profit for the year is overstated by Rs.155.85 lakhs.

CURRENT ASSETS

4. Refer Note No.9:- INVENTORIES:- Rs.4449.15 lakhs

- Inventories have been valued at cost instead of lower of cost and net realisable value since net realisable value in none of the items have been determined for the purpose of valuation of inventories. Thus requirement of Ind-AS-2 has not been complied with this respect.

- b. It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in value has not been made in the accounts. The work for identifying obsolete/unserviceable/damaged items and assessing the value of such inventory is given to MECON. MECON has given a report of such inventory in two parts, that is, financial and quantitative. The financial report part of MECON is not yet opened by the company. The management has reported that the MECON report will be opened in the e-auction process. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.
- c. The above amount does not include the value of inventory issued during the year but lying at site waiting for use at the year-end.

Name of the units	Amount (Rs in lakhs)
UKHEP, Bariniput	16.17
RHEP, Rengali	52.67
	68.84

On account of such non-accounting for above, the inventories as well as profit for the year is understated by Rs.68.84 lakhs.

- d. Though the units have an Inventory Management System (IMS) to record movement of stock, however, the software is unable to provide adequate information about inventory movement.
- e. The amount of inventories includes and amount of Rs.313.08 lakhs on account of stores kept at Central Store of HHEP unit as on 31.03.2019. The same could not be verified at the year-end as it was under lock and key since 28.02.2019 due to delay in handover of charge. Since there was no issue of stores since 28.02.2019, the stock of stores is taken as such for year-end. The impact of non-verification of the said stores cannot be ascertained on the financial statements.

5. Refer Note No.14:- CLAIM RECEIVABLE:- Rs.703.86 lakhs

It includes a total sum of Rs.345.77 lakhs comprising of Electricity Duty of Rs.5.26 lakhs for the period from Feb 15 to March 15, Water Cess of Rs.326.73 lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to Rs.13.78 lakhs recoverable from GRIDCO Ltd is continuing in accounts without any recovery and again not accepted by the party to be payable. Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.345.77 lakhs.

6. Refer Note No.15:- OTHER CURRENT ASSETS:- Rs.9715.38 lakhs
(a) ADVANCE TO OTHERS:- Rs.45.03 lakhs

- (i) It includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.

Name of the units	Amount (Rs in lakhs)	Remarks
RHEP, Rengali	16.57	RWSS division, Talcher
Corporate office, Bhubaneswar	1.98	E.E OPTCL
	18.55	

On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.18.55 lakhs.

(b) ADVANCE TO STAFF:-

Rs.424.07 lakhs

It includes following old balances given to staff either retired or left the company but shown as either recoverable or payable towards GPF advances and payroll deductions (GPF) continuing in accounts since past several years remaining un-reconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back. Necessary steps to be taken for identifying entries and accordingly the balances should be adjusted after reconciliation.

(Rs in lakhs)

Name of the units	Heads of Account	Debit	Credit
(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2.32	-
(ii)UKHEP,Bariniput	GPF Advance	0.80	-
(iii) RHEP, Rengali	GPF Advance	0.54	-
(iii) BHEP, Balimela	PRD(GPF)	-	0.64
	Total	3.66	0.64

CURRENT FINANCIAL LIABILITIES:-

7. Refer Note No.24:- TRADE PAYABLES:-

Rs.11739.80 lakhs

SUNDRY CREDITORS FOR WORKS:-

Rs.1401.28 lakhs

It includes the following balance continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable but not written back.

Name of the units	Amount (Rs in lakhs)
BHEP, Balimela	36.22

On account of such non-write back, trade Payable is overstated by Rs. 36.22 lakhs and profit for the year is understated is by same amount.

8. Refer Note No.25:- OTHERS:- Rs.82918.64 lakhs

EMPLOYEES LIABILITIES: - Rs.5980.42 lakhs

It includes the following amount continues in the books of Khatiguda, UIHEP, since long arising out of improper accounting/adjustment lying un-reconciled and unpaid no longer payable but not written back in accounts.

Particulars	Amount (Rs in lakhs)
Wages Payable	16.58
Salary Payable	27.96
Total	44.54

On account of such non-write back, Current liabilities is overstated by Rs.44.54 lakhs and profit for the year is understated is by same amount.

9. Refer Note No.27:- PROVISIONS:- Rs.4094.44 lakhs

PROVISION FOR ARREAR SALARY: - Rs.1920.55 lakhs

The above amount of provision for arrear salaries falls short in respect of 60% of the 7th Pay Commission amounting to Rs.390.04 lakhs.

Particulars	Amount (Rs in lakhs)
BHEP	305.90
UKHEP	84.14
Total	390.04

On account of such non-provision, current liabilities in understated and profit is overstated to that extent.

10. Refer Note No.26 OTHER CURRENT LIABILITIES Rs.58.76 lakhs

ADVANCE AGAINST SALE OF SCRAP

Rs. 58.76 lakhs

The above amount continues in accounts of different units since last few years remains unconfirmed, un-reconciled and un-adjusted on account of certain disputes. The impact of such dispute is not ascertainable.

11. OTHERS (TERMINAL BENEFITS)

In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.

12. Ind AS 16- Property, Plant & Equipment

Refer Note No.2 PPE Rs.94206.11 lakhs

Land Rs.11867.91 lakhs

- (a) Out of 6.780 Acres of lease hold land held by Corporate Office, only 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company. No provision has been made by the company in this respect. Accordingly, the current year profit is overstated by Rs.954 lakhs as well as Land under PPE is overstated to the extent of Rs.954 lakhs.
- (b) The lease hold land amounting to Rs.1414.67 lakhs after adjusting the value of Rs.954 lakhs is Rs.460.67 lakhs which is included in PPE instead of showing it under prepaid expenses under other Non-current Asset. Accordingly the adjustment needs to be made in respective heads.
- (c) Note 2:- PPE is measured at cost less accumulated depreciation leaving apart the decommissioning or restoration cost. Due to non-availability of information in this regard, the effect due to the same is not quantifiable

13. IND AS-12 INCOME TAX

Refer Note No.21 DEFERRED TAX Rs. 11931.23 lakhs

- (a) Deferred tax is calculated on few items like PPE, provision for leave encashment, actuarial gain/loss on employee funds only. There are a few items of time difference not considered and the effect of the same is unascertainable.

- (b) During the year, there was a change in the effective tax rate however the financial impact of the same was not taken into consideration for the computation of deferred tax. This has resulted in the deferred tax liability to be understated and profit for the year to be overstated by Rs.137.37 lakhs.

14. Ind AS-115- Revenue Recognition

Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS-115. The company accounts for reimbursement of income tax from GRIDCO on cash basis. The amount of Rs.1093 lakhs for FY 18-19 has not been accounted for in the financial statement of the company for the year FY 18-19. So the other income/profit for the FY 18-19 is understated to that extent. Further, the claim receivable under current fixed asset, others is under stated to the same extent. The effect of the other income items is not ascertainable.

15. GRIDCO collectability:

Trade Receivable from GRIDCO was converted to Loan to GRIDCO based on balance payable as on 31.3.2013 for Rs.61900 lakhs with moratorium of 3 years from the date of agreement at 8% interest per annum. The repayment of Principal was to commence from April'2017. GRIDCO has defaulted in payment of principal to the tune of Rs.16948.81 lakhs for FY 2018-19. Further, GRIDCO has paid interest to the tune of Rs.1473.81 lakhs for the year and defaulted in payment of interest to the tune of Rs.5388.92 lakhs as on 31.03.2019. The company has recognised only interest Rs.1473.81 lakhs during the year on realisation basis which is not in conformity with Ind AS-115. Due to the above reasons, serious doubt has been created for the ultimate collection of these dues from GRIDCO. However, the total effect of the same on financial statements is unascertainable.

- 16.** Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts. The effect of the same on financial statements is unascertainable.

17. STATEMENT OF PROFIT AND LOSS

Refer Note No.33:- ADMINISTRATIVE & GENERAL EXPENSES Rs. 2856.77 lakhs

CORPORATE SOCIAL RESPONSIBILITY EXPENSES Rs. 358.81 lakhs

The above includes the following advances that were adjusted without the receipt of utilisation certificates. This accounting treatment was done on the approval of the Board.

Name of the units	Amount (Rs in lakhs)	Remarks
UIHEP,Mukhiguda	36.01	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
TOTAL	114.02	

This results in the profit being understated and advance to others under current assets being understated to the extent of Rs. 114.02 lakhs.

18. STATEMENT OF CASH FLOW

Cash-flow from operating activities

The income tax paid during the year 2018-19 has been understated by Rs.304.50 lakhs and the change in other assets is overstated to the same extent. This resulted into understatement of Rs.304.50 lakhs taxes paid and overstatement of net cash provided by operating activities before taxes.

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated in the point Nos 2, 3a, 3b, 4a, 4b, 4d, 4e, 6b, 10, 11, 12c, 13a, 14, 15 and 16 of our report on the Consolidated IND AS financial statements of the Company for the year ended on 31st March 2019. We further state that without considering the impact of items stated in preceding paras, the effect of which could not be determined, Had the observations made by us in point Nos 1, 3c, 4c, 5, 6a, 7, 8, 9, 12a, 12b, 13b, 17 and 18 been considered in the Consolidated IND AS financial statements, profit before Tax for the year would have been Rs.19393.78 lakhs as against the reported figure of Rs.23710.34 lakhs in the Statement of Profit and Loss. Further, Total Assets reported in balance sheet as on 31st March, 2019 would have been Rs.402139.56 lakhs as against the reported figure of Rs.405781.43 lakhs, Total Liabilities would have been Rs.228595.88 lakhs as against the reported figure of Rs.228149.23 lakhs. The net cash provided by operating activities would have been Rs.21685.97 lakhs as against reported Rs.21381.47 lakhs and Income Taxes paid would have been Rs.8794.30 lakhs as against reported Rs.8489.80 lakhs in Statement of Cash Flow; as under:-

Effects of Qualifications

(INR in lakhs)

Ref. in point no. covered in our above observation/Qualification	Heads	Ref. of note no. financial statements	Reported figures	Increase/ (Decrease) in Assets	Increase/ (Decrease) in Liabilities	Figures would have been in view of effects of qualification	Effect on Profit & (Loss) Account
	<u>Non-Current Assets</u>						
1	Capital work-in-progress	3	25,936.07	(2,350.56)	-	23,585.51	(2,350.56)
	<u>Financial Assets</u>						
3(c)	Trade Receivable	5	2,735.22	(155.85)	-	2,579.37	(155.85)
4(c)	Inventories	9	4,449.15	68.84	-	4,517.99	68.84
	<u>Current Assets</u>						
5	Claim Receivables	14	703.86	(345.77)	-	358.09	(345.77)
6(a)	Advance to Others	15(a)(iii)	856.99	(18.55)	-	838.44	(18.55)
	<u>Current Financial Liabilities</u>						
7	Trade Payables	24	1401.28	-	(36.22)	1,365.06	36.22
8	Employee Liabilities	25(b)	5,980.42	-	(44.54)	5,935.88	44.54
9	Provisions	27(a)(i)	1,920.55	-	390.04	2310.59	(390.04)

12(a)	Land	2	11,867.91	(1,414.67)		10,453.24	(954)
12(b)	Other Non-Current assets	8	1,955.97	460.67	-	2,416.64	-
13(b)	Deferred tax Liabilities (net)	21	11,931.23	-	137.37	12,068.60	(137.37)
17	Corporate Social Responsibility Expenses	33	358.81	114.02		244.79	(114.02)
TOTAL			70,097.46	(3,641.87)	446.65	66,674.20	(4,316.56)

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the Company and its subsidiary, associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding their assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the companies or the business activities amongst the companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated financial statement.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

The financial statements of 1 (One) subsidiary M/s Green Energy Development Corporation Ltd (GEDCOL) whose financial statements reflect total assets Rs.30465.18 Lakhs and total net assets Rs.23746.10 Lakhs as at 31st March, 2019, total revenue as Rs. 2369.15 lakhs, net profit of Rs. 906.56 lakhs and net cash outflow of Rs.103.59 Lakhs for the year ended on that date considered as under in the statement based on audited financial statements audited by other auditor.

The consolidated financial statements include the Company's share of net profit of Rs.94.64 lakhs for the year ended 31st March, 2019, in respect of the 3(three) jointly controlled entities, whose financial statements have not been audited by us. These financial information which has been furnished to us by the management is unaudited in respect of 2 (Two) jointly controlled entities, namely, Odisha Coal Power Ltd (OCPL) and Baitarani West Coal Company Ltd (BWCCCL), our opinion on the consolidated financial statement in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on such unaudited financial information. In our opinion and according to information and explanations given to us by the Management, this financial information is not material to the Company.

Joint Ventures and Associate**₹ in lakhs**

Name of the Company	Share of Net Profit for the year ended 31st March, 2019	Share of Net Other Comprehensive Income for the year ended 31st March, 2019	Share of Total Profit
Joint Ventures / Jointly Controlled Unit			
Orissa Thermal Power Corporation Limited	6.11	0	6.11
Baitarni West Coal Company Limited	54.07	0	54.07
Odisha Coal & Power Limited	(137.67)	0	(137.67)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below in respect of the above matter and also based on our reliance on the work done by other auditor and management as stated in the “other matter” paragraph.

Report on Other Legal and Regulatory Requirements

1. In respect of the directions and sub-directions of the Comptroller and Auditor General of India under section 143(5) of the Act, we give in Annexure "A" to this report a statement on the matters specified therein which includes 1 (one) subsidiary, namely, Green Energy Development Corporation Ltd. (GEDCOL) and 1 (one) jointly controlled entity namely Odisha Thermal Power Corporation Ltd.(OTPCL). In respect of the other 2 (two) jointly controlled entities, namely, Odisha Coal Power Limited (OCPL) and Baitarani West Coal Company Ltd. (BWCCCL), the consolidated financial statement is based solely on unaudited financial statements as have been furnished to us by the management.
2. As required by section 143(3) of the Act, based on our audit report we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Group Companies, so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, except for the possible effects pf the matters specified in the Basis for Qualified Opinion paragraph.
 - e. Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt of India.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the group companies and the operating effectiveness of such controls, refer to our separate report in Annexure “B”. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Group Company’s internal financial control over financial reporting
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No.44 to the consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, or long term contracts including derivative contracts.
 - iii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 315104E**

**PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST 2019**

**CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAZ4766**

ANNEXURE “A”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ODISHA HYDRO POWER CORPORATION LIMITED

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

Report on the directions under section 143(5) of the Companies Act’2013 by C&AG

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company, we report that:

In respect of the directions under section 143(5) of the Act by C&AG for the **Odisha Hydro Power Corporation Ltd.**

SI NO.	PARTICULARS	OUR COMMENTS									
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?	<p>The company is in the process of identifying leasehold and freehold land separately.</p> <table border="1"> <thead> <tr> <th>Name of the units of the company</th><th>Title Deeds for free hold lands available(Area) with the Company</th><th>Lease Deeds for lease hold land available(Area) with the Company</th></tr> </thead> <tbody> <tr> <td>1.Upper Kolab Hydro Electric Project:- (Bariniput)</td><td>90.79 Acres</td><td>N.A</td></tr> <tr> <td>2.Corporate Office Bhubaneswar</td><td>N.A</td><td>4.780 Acres of lease hold land at Chandrasekharapur, Bhubaneswar, and 2.00 Acres of lease hold land at Industrial Estate, Chandaka, Patia (OHPC Training Centre)</td></tr> </tbody> </table> <p>Title deeds of most of the immovable properties recorded in the books of the company are not held in the name of the company excepting a part of the free hold lands i.e. 90.79 Acres held by UKHEP, Bariniput and 6.780 Acres of lease hold land held by Corporate Office, Bhubaneswar as per above.</p> <p>Out of the leasehold land of Corporate Office, 3.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company.</p>	Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company	1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A	2.Corporate Office Bhubaneswar	N.A	4.780 Acres of lease hold land at Chandrasekharapur, Bhubaneswar, and 2.00 Acres of lease hold land at Industrial Estate, Chandaka, Patia (OHPC Training Centre)
Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company									
1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A									
2.Corporate Office Bhubaneswar	N.A	4.780 Acres of lease hold land at Chandrasekharapur, Bhubaneswar, and 2.00 Acres of lease hold land at Industrial Estate, Chandaka, Patia (OHPC Training Centre)									

		<p>Further, title deeds of the following land is not available with the company as the land were transferred by Government of Odisha and formalities of transfer is yet to be completed.</p> <table><tr><th>Name of the Project</th><th>Land</th><th>Under Dist. Collector</th></tr><tr><td>Rengali H.E. Project, Rengali</td><td>Ac.1600</td><td>Angul</td></tr><tr><td>Hirakud H.E. Project, Burla</td><td>Ac. 497.546</td><td>Sambalpur</td></tr><tr><td>Chipilima H.E. Project, Chipilima</td><td>Ac. 400</td><td>Sambalpur</td></tr><tr><td>Upper Indravati H.E. Project, Mukhiguda</td><td>Ac. 2500</td><td>Kalahandi</td></tr><tr><td>Balimela H.E. Project, Balimela</td><td>Ac. 500</td><td>Malkangiri</td></tr><tr><td>Upper Kolab H.E. Project, Bariniput</td><td>Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)</td><td>Koraput</td></tr></table>	Name of the Project	Land	Under Dist. Collector	Rengali H.E. Project, Rengali	Ac.1600	Angul	Hirakud H.E. Project, Burla	Ac. 497.546	Sambalpur	Chipilima H.E. Project, Chipilima	Ac. 400	Sambalpur	Upper Indravati H.E. Project, Mukhiguda	Ac. 2500	Kalahandi	Balimela H.E. Project, Balimela	Ac. 500	Malkangiri	Upper Kolab H.E. Project, Bariniput	Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)	Koraput											
Name of the Project	Land	Under Dist. Collector																																
Rengali H.E. Project, Rengali	Ac.1600	Angul																																
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Upper Kolab H.E. Project, Bariniput	Ac. 109.21 (Ac. 200 less Ac. 90.79 freehold)	Koraput																																
2.	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.	<p>Details to write-off/write-back of debts /loans/interest along with reasons thereof and amount involved as under:</p> <table><tr><th colspan="4">EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF (Rs in lakhs)</th></tr><tr><th>Name of Unit</th><th>EMD amount</th><th>SD Amount</th><th>Retention money</th></tr><tr><td>CO</td><td>2.81</td><td>2.81</td><td></td></tr><tr><td>HHEP</td><td>0.00</td><td>2.84</td><td></td></tr><tr><td>CHEP</td><td>1.00</td><td>0.69</td><td></td></tr><tr><td>BHEP</td><td>0.21</td><td>0.00</td><td></td></tr><tr><td>UKHEP</td><td>1.54</td><td>4.85</td><td>1.27</td></tr><tr><td>TOTAL</td><td>5.56</td><td>11.19</td><td></td></tr></table> <p>The company has old outstanding balances in different heads of accounts and the same were written off/written back/adjusted with respective account heads.</p>	EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF (Rs in lakhs)				Name of Unit	EMD amount	SD Amount	Retention money	CO	2.81	2.81		HHEP	0.00	2.84		CHEP	1.00	0.69		BHEP	0.21	0.00		UKHEP	1.54	4.85	1.27	TOTAL	5.56	11.19	
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UKHEP	1.54	4.85	1.27																															
TOTAL	5.56	11.19																																
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants (s) from the Government or other authorities.	<p>Proper records with respect to certain assets like building and equipments including civil works, electrical work and Assets (Tools & Equipments) received as Gift from DIFD for the purpose of Training Centre are maintained by the Company.</p> <p>During the year Rs.16,83,852 has been received from EIC Electricity-cum-Principal Chief Electricity Inspector, Odisha as grant vide cheque no 000092 dated 21.04.2018 towards cost of replacement of old conventional street light fittings with LED light fittings.</p>																																

In respect of the sub-directions under section 143(5) of the Act by C&AG for the **Odisha Hydro Power Corporation Ltd.**, we report that:

SI NO.	PARTICULARS	OUR COMMENTS
1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	In almost all the cases (excepting reported in SI no-1 above in directions) detailed full particulars of land including idle land owned by the Company under encroachment/under litigation, not put to use or land declared surplus have not been furnished to us by the management, Therefore adequacy of steps taken by the management to prevent encroachment of Idle land could not be commented. However as explained to us, 4.78 acres of lease hold land at Chandrasekharpur Bhubaneswar held by corporate office Bhubaneswar allotted at a cost Rs 1434 lakhs by G.A Department Govt. of Odisha to OHPC, out of which 3.180 Acres of land presently are under encroachment. The matter being pursued and it is under process. A Misc. case has been filed for another 50 acres of land in UKHEP.
2.	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and a transparent manner in all cases. The cases of deviation may please be detailed.	As explained to us, the company is not involved in the land acquisition for setting up new projects.
3.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards except Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind AS 115. The effect of the same is unascertainable.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	To the best of our information and explanation given to us, no projects have been abandoned during course of our audit excepting. (i) In respects of Potteru Project, which has already been abandoned, total expenditure incurred and shown under Capital Work-in-Progress as at 31.03.2019 is Rs.2301.62 lakhs not yet written off. (ii) In respect of Sindol Project, which has already been abandoned, total cost incurred and booked under

		Capital Work-in-Progress, but not yet Written off is Rs 28.78 lakhs.
5.	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regards, may be checked and commented upon.	Not applicable as the company generates power through Hydro Electric Projects.
6.	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	Not Applicable.
7.	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	Not Applicable.
8.	How much share of free power was due to the state government and whether the same calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms.	As explained to us, the company does not supply any free power from its existing Power Station to the State Government, so there is no free power due to State Government of Odisha.
9.	In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	Water discharge from the reservoirs are carried at directly by DOWR, Govt. of Odisha consisting the need for flood control, irrigation, supply of drinking water and maintaining bio-diversity. The Company does not have any role in this regard. Therefore non maintenance of bio-diversity causing or resulting imposition of penalty is not applicable to the Company.

In respect of **Odisha Thermal Power Corporation Ltd (OTPCL)** and **Green Energy Development Corporation of Odisha Ltd (GEDCOL)**, the report on the directions as specified by C&AG under section 143(5) of the Act, as reported by their respective auditors is as follows:

SI NO.	PARTICULARS	OUR COMMENTS
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/ lease deeds are not available?	<p><u>Green Energy Development Corporation of Odisha Ltd (GEDCOL)-</u></p> <p>The company has not acquired any land.</p> <p><u>Odisha Thermal Power Corporation Ltd (OTPCL)-</u></p> <p>Yes, the company has clear title deeds for freehold land.</p>
2.	Whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and amount involved.	<p><u>Green Energy Development Corporation of Odisha Ltd (GEDCOL)-</u></p> <p>Not Applicable</p> <p><u>Odisha Thermal Power Corporation Ltd (OTPCL)-</u></p> <p>No such cases noticed.</p>
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants (s) from the Government or other authorities.	<p><u>Green Energy Development Corporation of Odisha Ltd (GEDCOL)-</u></p> <p>Not Applicable</p> <p><u>Odisha Thermal Power Corporation Ltd (OTPCL)-</u></p> <p>We have not observed any inventories lying with third parties and assets received as gift from government.</p>

FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No.315104E

PLACE OF SIGNATURE: BHUBANESWAR
DATE: 21 AUGUST, 2019

CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAZ4766

ANNEXURE “B”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ODISHA HYDRO POWER CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 Of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **ODISHA HYDRO POWER CORPORATION LIMITED** (hereinafter referred to as “the Company”) and its subsidiary, jointly controlled entities which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary, jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in internal control as at March 31, 2019.

- (a) The company did not have an appropriate internal control system to ensure that correct or adequate provisions are made pending receipt of bills/utilization certificates from Vendors/Contractors/Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and non-adjustment of advances in time.
- (b) The company did not have an adequate internal control system to obtain year-end balance confirmations in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advances to Contractors/Advances to Others, Trade Payable, Liabilities to Suppliers, Contractors and Others and reconciliation with respective balances with the books of the company. This could potentially result in inaccurate reporting of assets and liabilities and changes in financial statements.
- (c) The company does not maintain its books of accounts in ERP system and uses Tally software for all units separately. Considering the size of the company operating at different geographical locations, the company did not have an adequate internal control system to periodically consolidate the financials of the company. The consolidation of financials are

done in Excel. Further, since the accounts are maintained in Tally and each year the financial data is segregated at unit level, it is difficult to generate various reports like age-wise analysis, old balances, etc. for taking appropriate timely steps to monitor various accounts which may lead to inaccurate reporting of assets and liabilities and material misstatement of the company's financial statements.

A 'material weakness' is a deficiency or combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objective of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit test applied in our audit of the March 31, 2019 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to

- (a) 1 (One) Subsidiary and 1 (One) jointly controlled entity of the Company, is based on the audit reports of the respective companies on their internal financial controls wherein the auditors have expressed an unmodified opinion, and
- (b) 2 (Two) jointly controlled entities of the Company, which are companies incorporated in India, is based solely on unaudited financial statements as have been furnished to us by the management.

FOR A B P & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 315104E

PLACE OF SIGNATURE: BHUBANESWAR

DATE: 21, AUGUST' 2019

CA. DEBASIS PARIDA
PARTNER
ICAI M. No. 062867
UDIN : 19062867AAAAAZ4766

Odisha Hydro Power Corporation Limited

Consolidated Balance Sheet for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(INR IN LAKHS)

Sl No	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
			Ind AS	Ind AS
ASSETS :				
(1) Non-current Assets				
(a) Property, plant & equipment	2		94,206.11	100,515.72
(b) Capital work-in-progress	3		25,936.07	12,474.73
(c) Financial Assets				
(i) Investments	4		28,449.87	28,470.52
(ii) Trade Receivables			-	-
(ii) Trade receivables	5		2,735.22	2,445.42
(iii) Loans	6		51.85	48.24
(iv) Others	7		61,900.00	62,700.00
(d) Other non - current assets	8		1,955.97	1,971.78
			215,235.09	208,626.41
(2) Current Assets				
(a) Inventories	9		4,449.15	4,375.80
(b) Financial Assets				
(i) Trade receivables	10		14,037.96	11,994.73
(ii) Cash & cash equivalents	11		25,975.12	28,435.38
(iii) Bank balance other than (ii) above	12		129,372.62	115,559.02
(iv) Loans	13		255.69	247.68
(v) Others	14		6,740.42	4,852.18
(c) Other current assets	15		9,715.38	9,142.50
			190,546.34	174,607.29
TOTAL ASSETS			405,781.43	383,233.70
EQUITY AND LIABILITIES :				
Equity				
(a) Equity share capital	16		76,165.07	71,265.07
(b) Other equity	17		101,467.13	92,356.85
			177,632.20	163,621.92
Liabilities				
(1) Non-current Liabilities :				
(a) Financial Liabilities				
(i) Borrowings	18		98,651.90	101,674.90
(ii) Trade Payables				
(ii) Others	19		9.35	6.53
(b) Provisions	20		6,186.93	5,958.84
(c) Deferred tax liabilities (Net)	21		11,931.23	14,284.08
(d) Other Non Current Liability	22		11,128.18	9,690.00
			127,907.59	131,614.35
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23		1,430.00	1,430.00
(ii) Trade payables				

1.Total outstanding dues of micro enterprises and small enterprises			
2.Total outstanding dues of creditors other than micro enterprises and small enterprises.	24	11,739.80	7,013.99
(iii) Others	25	82,918.64	73,972.90
(b) Other current liabilities	26	58.76	58.62
(c) Provisions	27	4,094.44	5,521.92
		100,241.64	87,997.43
TOTAL EQUITY AND LIABILITIES		405,781.43	383,233.70

Significant Accounting Policy & Accompanying notes forming part of the financial statements

In terms of our report of even date attached

For ABP & ASSOCIATES

Chartered Accountants

Debasis Parida
Partner
ICAI M.No. **062867**
Place: Bhubaneswar
Date: **21-08-2019**

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Odisha Hydro Power Corporation Limited
Consolidated Statement of Profit and Loss for the year ended 31.03.2019
(All amounts in Indian rupees, except share data and unless otherwise stated)

(INR IN LAKHS)

Sl No	Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
			Ind AS	Ind AS
I	Revenue from operations	28	49,677.88	48,400.51
II	Other income	29	17,524.43	16,562.94
III	Total Revenue (I+II)		67,202.31	64,963.45
IV	Expenses :			
	Repair & maintenance expenses	30	4,692.99	5,840.65
	Operation expenses	31	1,697.44	1,298.81
	Employee benefits expense	32	19,985.05	26,549.34
	Administrative & general expenses	33	2,856.77	1,777.04
	Finance costs	34	7,329.01	7,613.50
	Depreciation and amortization expense	35	6,836.07	8,074.66
	Total Expenses (IV)		43,397.33	51,154.00
V	Profit before share of profit / (loss) from equity accounted investees exceptional items & tax (III-IV)		23,804.98	13,809.45
VI	Share of profit / (loss) of equity accounted investees (net of taxes)		(94.64)	(143.86)
VII	Profit before exceptional Items		23,710.34	13,665.59
VIII	Exceptional items	36	-	645.36
IX	Profit before tax (VII-VIII)		23,710.34	13,020.23
X	Tax expense:			
	(a) Current tax		8,720.21	3,479.57
	(b) Deferred tax		(281.93)	(464.09)
	Total Tax		8,438.28	3,015.48
	Profit for the year (V - X)		15,272.06	10,004.75
	Other comprehensive income			
	Items that will not be reclassified to profit or loss		(5,983.93)	(5,584.96)
	Income tax relating to items that will not be reclassified to profit or loss		2,070.92	1,932.84
	Total comprehensive income for the period		11,359.05	6,352.63
	Earnings per equity share			
	[Face Value of INR 1000 /- each (Previous value of INR 1000 /- each)]			
	Basic and Diluted	40	210.41	142.50

Significant Accounting Policy & Accompanying notes forming part of the financial statements
In terms of our report of even date attached
For ABP & ASSOCIATES
Chartered Accountants

Debasis Parida
Partner
ICAI M.No. 062867
Place: Bhubaneswar
Date: 21-08-2019

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Odisha Hydro Power Corporation Limited

Consolidated Statement of Cash Flow for the Financial Year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(INR IN LAKHS)

	For the year ended	
	31st March 2019	31st March 2018
Cash flow from operating activities		
Profit for the year	23,710.34	13,020.23
<i>Adjustments for :</i>		
Depreciation & amortization	6,836.07	8,074.66
Finance costs	7,329.01	7,613.50
Finance income	(12,416.79)	(12,658.19)
Loss on sale of property, plant and equipment	1.21	(0.77)
Share of profit/ (loss) of equity accounted investees(net of taxes)	94.64	143.86
Amortization of -GRANT-IN-AID	(0.41)	
Operating cash flows before working capital changes	25,554.07	16,193.29
<i>Changes in operating assets and liabilities</i>		
Inventories	(73.35)	(147.77)
Trade receivables	(2,333.03)	(385.20)
Other non-current assets	800.00	(800.00)
Other assets	(7,482.07)	10,733.17
Trade payables	4,725.81	910.59
Other liabilities	1,619.85	8,316.75
Provision - Current	(1,657.90)	2,092.07
Provisions - Non Current	228.09	2,619.08
Net cash provided by operating activities before taxes	21,381.47	39,531.98
Income tax Adjustment		
Income taxes paid	(8,489.80)	(10,619.09)
Net cash provided by operating activities	12,891.67	28,912.89
Cash flow from investing activities		
Purchase of property, plant and equipment	(13,989.34)	(10,821.07)
Proceeds from sale of property, plant and equipment	0.33	98.18
Investment in bank deposits	(13,813.59)	(110,920.02)
Investment in shares, debentures and other securities	(74.00)	(4,900.00)
Finance income received	11,458.01	13,073.96
Net cash generated / (used) in investing activities	(16,418.59)	(113,468.95)
Cash flow from financing activities		
Increase in share capital	4,900.00	1,900.00
Proceeds from short term borrowings	-	
Receipt of grant in aid from Govt. of Odisha	1,438.58	1,000.00
Dividend paid including DDT	(2,248.77)	(3,281.17)
Repayment of long term loan	(3,023.00)	(7,546.00)
Finance cost paid	(0.15)	(73.04)
Net cash generated/(used) in financing activities	1,066.66	(8,000.21)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	-
Net increase in cash and cash equivalents	(2,460.26)	(92,556.27)
Cash and cash equivalents at the beginning of the period	28,435.38	120,991.65
Cash and cash equivalents at the end of the period (Note 10)	25,975.12	28,435.38

Explanatory Notes to Consolidated Statement of Cash Flows:

1. Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands, Postal orders & Stamps, Remittance in transit and Bank Balances including Short Term Deposits maturity of less than three months. The details of Cash & Cash equivalents as per Note 11 of the Balance Sheet is as under:

	31st March, 2019	31st March, 2018
Cash and cash equivalents	25,975.12	28,435.38
Cash and Cash equivalents comprises of the following:		
Balance with Bank	23,250.00	27,273.55
Other Bank Balance	2,722.22	1,158.61
Cash on hand	2.53	2.91
Postal Orders & Stamps	0.37	0.31
Remittance in transit		

Significant Accounting Policy & Accompanying notes forming part of the financial statements
In terms of our report of even date attached
For ABP & ASSOCIATES
Chartered Accountants

Debasis Parida
Partner
ICAI M.No. 062867
Place: Bhubaneswar
Date: 21-08-2019

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Odisha Hydro Power Corporation Limited
Consolidated Statement of changes in equity for the year ended 31st March 2019
(All amounts in Indian rupees, except share data and unless otherwise stated)

a. Equity share capital

(INR IN LAKHS)

Particulars	Opening Balance as at 31st March 2018	Equity shares issued during the year	Closing Balance as at 31st March 2019
Equity Share	71,265.07	4,900.00	76,165.07

b. Other equity

(INR IN LAKHS)

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 1 April 2018	10,000.00	13,214.00	80,351.91	(11,209.06)	92,356.85
Changes in accounting policy/prior period errors	-		-	-	-
Restated balance at the beginning of the reporting period	10,000.00	13,214.00	80,351.91	(11,209.06)	92,356.85
Total Comprehensive Income for the year			15,272.06	(3,913.01)	11,359.05
Dividends and Dividends distribution tax			(2,248.77)		(2,248.77)
Balance at 31st March 2019	10,000.00	13,214.00	93,375.20	(15,122.07)	101,467.13

As per the Order No. 3060 dtd. 31.03.2015 & subsequent DoE Notification No. 5843 dtd. 03.07.2015 a sum of INR. 100 Cores has been shown under the head capital reserve under the head capital reserve towards dam share.

Significant Accounting Policy & Accompanying notes forming part of the financial statements
In terms of our report of even date attached
For ABP & ASSOCIATES
Chartered Accountants

Debasis Parida
Partner
ICAI M.No. 062867
Place: Bhubaneswar
Date: 21-08-2019

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO

Vishal Kumar Dev, IAS
CMD
DIN: 01797521

Odisha Hydro Power Corporation Limited

Company information, Significant accounting policies and notes to the accounts for the financial year ended 31st March 2019

Group Information and Significant Accounting Policies.

1. Reporting Entity

M/s. Odisha Hydro Power Corporation Ltd (in short 'OHPC') is a wholly owned Government of Odisha undertaking incorporated on 21.04.1995 as per the provision of erstwhile Companies Act 1956 (now 2013) and is solely engaged in the business of generation of Hydro Power having installed capacity of 2027.50 MW and for that purpose operates and maintains Hydro Power Stations at Balimela, Burla, Upper Kolab, Mukhiguda, Rengali & Chiplima in the district of Malkanagiri, Sambalpur, Koraput, Kalahandi, Angul & Sambalpur respectively. Besides, operating Hydro Power Stations of its own, the OHPC also operates one Hydro Power Project as a Joint Venture i.e., Machhakund Joint Hydro Electric Project with the APGENCO. Further, OHPC is also having Joint Venture / Associates / Subsidiaries where financial statements are consolidated as per the provisions of Companies Act 2013. Upon generation of the Hydro Power, the entire powers generated are sold to GRIDCO. The total paid up equity capital of OHPC is entirely held by Government of Odisha. OHPC prepares its financial statements as per the requirement to the provisions of the Companies Act, 2013, so also the requirement of OERC. As per the guideline issued by the Department of Public Enterprises, Govt. of Odisha, OHPC is declared as a Gold Rated State PSU.

1.1 Significant Accounting Policies

Basis of preparation of financial statements

1.2 Statement of compliance

These financial statements are prepared to comply in all material aspects in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

1.3 The Consolidated Financial Statements comprise individual financial statements of Odisha Hydro Power Corporation Limited, its subsidiaries and jointly controlled entities as on March 31, 2019. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

- i) The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with (Ind AS) 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.

- ii) Investment in Joint Ventures have been accounted under the equity method as per Ind AS 28 - Investments in Joint Ventures.

Under the equity method, an investment in Joint Ventures are initially recognized at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognized in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

- iii) The Audited financial statements of the subsidiary and the jointly controlled entities used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2019.
- iv) Non-Controlling Interest's share of profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- v) Non-controlling interests in the net assets of consolidated subsidiary is identified and is presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

1.4 Companies included in Consolidation

(INR IN LAKHS)

Particulars	Country of Incorporation	Shareholding as on	
		31-Mar-19	31-Mar-18
Green Energy Development Corporation of Odisha Ltd. (GEDCOL) 100%	India	5,032.00	5,032.00
Odisha Coal and Power Limited (OCPL) 49%	India	14,700.00	14,700.00
Baitarni West Coal Company Limited (BWCCCL) 33.33%	India	1,000.00	1,000.00
Odisha Thermal Power Corporation Limited (OTPCL) 50%	India	13,420.47	13,420.47
GEDCOL SAIL Power Corporation Limited(GSPCL) 74%	India	74.00	-

1.5 Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- (a) Certain financial assets and liabilities measured at fair value
- (b) Plan assets of defined benefit obligation

The financial statements are presented in Indian rupees.

1.6 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.7 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decimal) for the Company.

1.8 Summary of significant accounting policies

1.8.1 Revenue recognition

Revenue is recognized on accrual basis as per energy sale bills raised on GRIDCO in accordance with Odisha Electricity Regulatory Commission. In case of energy sales to CSPDCL, Revenue is recognized as per provisional bills raised on the basis of rates approved by OERC separately for HHEP, Burla. The energy bill is raised at the feeder point on net exchange basis.

The ownership of the dam and appurtenant works of Upper Indravati Hydro Electric Project remains with OHPC. Share of the Department of Water Resources, towards 50% Operation and Maintenance cost of the dam has been recognized as revenue.

All other Revenues are accounted for on accrual basis except the following which are accounted for on cash / realization basis due to uncertainty in collection.

- (i) Interest on delayed payment on energy bills paid by GRIDCO.
- (ii) Interest on medical advances.
- (iii) Electricity charges billed to Water Resources Department and other department.
- (iv) Recovery of compensation for loss of energy due to drawl of water by nearby Industrial Units.
- (v) Sale of scrap.
- (vi) Interest on security deposit with Discoms.
- (vii) Insurance claim and interest on house building advance.
- (viii) Recovery of House Rent.
- (ix) Interest on debt securitization.
- (x) Revenue from Rooftop is recognized as per contractual terms. Revenue from fee received as Nodal Agency is recognized upon receipt of cash.
- (xi) Income Tax reimbursement from GRIDCO

1.8.2 Other income

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

1.8.3 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable for bringing the asset to the location and condition necessary for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit and loss within other gains/ losses.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Fixed assets, which were transferred by Government of Odisha on 01.04.1996 under Transfer Scheme, are stated at transfer price.

The value of Stores & Spares above INR.5.00 lakhs are considered as property, plant & equipment if their useful life is more than one year as per Ind AS-16.

ii) Depreciation

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 as notified by regulatory authorities for accounting purpose. Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier.

Up to financial Year 2002-03, the Corporation was providing depreciation at the rates prescribed by the Electricity (Supply) Act, 1948. However, consequent upon the enactment of the Electricity Act, 2003 and repeal of the Electricity (Supply) Act, 1948, depreciation was provided on straight line method as per the rates prescribed under schedule XIV of the Companies Act, 1956 up to the financial year 2013-14.

Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining INR 1/- as WDV.

Assets valuing INR 5000/- or less are fully depreciated during the year in which asset is made available for use with INR. 1/- as WDV.

Leasehold Land is amortized over the period of lease.

Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life.

Spare parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

iii) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a separated component is derecognised when replaced. All other repairs and maintenance are recognised in profit and loss as incurred.

iv) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

v) Incase of GEDCOL:

They are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location and working condition for intended use and inclusive of incidental expenses relating to acquisition and financing cost capitalized. The Company depreciates property, plant and equipment over their estimated useful life using the straight line method.

Management believes based on a Technical advice, taking in to account the nature of the asset; the estimated usage of the asset, the operating condition of the asset, manufacturer warranties; maintenance support, the Management estimate useful life of the Assets are as follows:

The Management estimate useful life of the Assets are as follows:

Lease Hold Land:	Over the lease period
Solar Power Plant:	25 Years
Office Equipment:	5 Years
Computer Installation (Laptop)	3 Years
Furniture and fixture	10 Years
Electrical Installation:	10 Years

Under the previous GAAP (India GAAP), Freeheld land and buildings (property), other than investment property, were carried in the balance sheet on the basis of historical cost. The Company has elected to regard those values of property as deemed cost.

Advance paid towards the acquisition of property, plant and equipment's outstanding at each Balance Sheet date is classified as capital Advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work in Progress".

1.8.4 Investment properties

Property that is held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as investment property. Items of investment properties are measured at cost less accumulated depreciation / amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

1.8.5 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization /depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

1.8.6 Capital work in progress

Capital work in progress is stated at cost. Projects under which assets are not ready for their intended use are disclosed under capital work in progress.

1.8.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

1.8.8 Inventory

Inventories of stores, spares and consumables are valued on the basis of transfer price in respect of inventories transferred from Government on 01.04.1996 and at cost in case of inventories procured thereafter.

1.8.9 A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

Financial asset

i) Initial measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit and loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are recognised on trade date. Financial assets of the Company include investments in equity shares of subsidiaries, associates, joint ventures and other companies, trade and other receivables, loans and advances to employees and other parties, deposits etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- 1) Financial assets measured at amortised cost
- 2) Financial assets measured at fair value through other comprehensive income
- 3) Financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost:

A financial instrument is measured at amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets
- (b) The asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/ loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such selection is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have been transferred, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liability:

i) Financial liabilities at amortised cost:

Financial liabilities at amortised cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial liabilities of the Company are classified in the following categories:

- 1) Financial liabilities measured at amortised cost.
- 2) Financial liabilities measured at fair value through profit and loss.

1.8.10 Investments

Investments in subsidiaries, associates and joint ventures are measured at cost in accordance with Ind AS 27.

1.8.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment using expected credit loss method.

1.8.12 Loans and borrowings

Loans and borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, these are measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.8.13 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

1.8.14 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- a) Financial assets measured at amortised cost e.g. loans, deposits and trade receivables.
- b) Financial assets measured at FVTOCI e.g. investments.

Expected credit losses are measured through a loss allowance at an amount equal to:

- (i) The 12 months expected credit loss (expected credit losses that result from those defaults events on the financial instruments that are possible within 12 months after the reporting date) ; or
- (ii) Full time expected credit loss (expected credit loss that results from all possible defaults events over the life time of the financial instruments)

Loss allowance for trade receivable are always measured at an amount equal to life time expected credit losses,

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

As a practical expedient, the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analysed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit and loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit and loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

1.8.15 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.8.16 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Actuarial gains or losses on gratuity and leave encashment are recognized in other comprehensive income. Further, the profit and loss does not include an expected return on plan assets. Instead net interest recognized in profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit and loss in subsequent periods.

Liability towards Gratuity is made on the basis of actuarial valuation. For meeting the service gratuity liability, the Corporation has taken two group gratuity insurance policy with LIC of India.

The pension and service gratuity liabilities of ex-Hirakud Dam Project employees are accounted for on cash basis.

The pension & leave salary contribution in respect of employees under deputation to the Corporation are accounted for consistently in the year of payment on the basis of demand notice raised by A.G & other PSUs.

1.8.17 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

The liabilities, which could not be ascertained at the time of transfer of Assets & Liabilities by Government of Odisha on 01.04.1996 are accounted for as and when settled.

Contingent assets are possible assets that arise past events and whose existence will be compared only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

1.8.18 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks are considered part of the Company's cash management system.

1.8.19 Foreign currency transactions

The Company's financial statements are presented in INR which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Foreign Exchange fluctuation loss / gain in respect of the foreign currency loan relating to Projects after capitalization is debited / credited to statement of profit & loss.

Recovery of foreign exchange fluctuation loss raised to GRIDCO is accounted for on the basis of actual realization.

1.8.20 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

1.8.21 Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

1.8.22 Statement of Cash flow

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS - 7 'Statement of cash flows'.

1.8.23 Government Grants

The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Monetary grants from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

1.8.24 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

(a) An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

(b) A liability is current when:

- (i) It is expected to be settled in the normal operating cycle.
- (ii) It is held primarily for the purpose of trading.
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

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

- 1.8.25** a) The Ministry of Corporate Affairs has notified The Companies (Indian Accounting Standard) Amendment Rules, 2019 dated 30.03.2019 which inter-alia includes the new standard on leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from 01.04.2019. The impact of the same is yet to be assessed.

- (b) Ind AS recognizes revenue on transfer of the control of the goods or services, either over a period of time or at a point of time, at an amount that the entity expects to be entitled in exchange for the goods or services. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised where ever required.

Revenue recognition and other income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sales of Goods

Revenue from contracts with customers is recognized when control of goods and services is transferred to the customers at an amount that reflects the consideration to which company expects to be entitled in exchange for those good and services.

All revenue from the sale of goods is recognized at a point in time and revenue from services is recognized over-time

No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

1.8.26 Others

- (i) Liabilities for Goods in transit / capital works executed but not certified are not provided for, pending inspection & acceptance by the Corporation.
- (ii) Dam maintenance cost for the current year has been made based on the bills submitted by DOWR on provisional basis.
- (iii) Expenditures up to DPR for new projects are charged to P & L A/c (Survey and investigation) and thereafter where the new projects seems to be viable are capitalized.
- (iv) Corporate Office income over expenditure is allocated among the generating units on the basis of sales turn over ratio.
- (v) Prior Period expenses / income of items of INR 1000.00 Lakhs and below are charged to respective heads of account.
- (vi) 'EMD/ SD of the suppliers/ contractors remained unclaimed beyond 3 years at the reporting date is written back after proper verification. However, if any contractor / supplier claims EMD / Security deposit in future shall be released after proper verification and booked to concerned expenditure in the year of refund.
- (vii) 'The amount paid under CSR head shall be booked in the year of payment.

1.8.27 Previous year figures / opening balances have been regrouped or rearranged / re-casted wherever necessary.

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial statement for the year ended 31st March 2019
(All amounts in Indian rupees, except share data and unless otherwise stated)

2. Property, Plant & Equipment

(INR IN LAKHS)

SL No.	Description	Gross Block			Depreciation			Net Block				
		As to 01.04.18	Additions	Transfer/ Adj	As at 31.03 .19	Up to 01.04.18	For the Year	Adjustment	Deletion	Up to 31.03 .19	As at 31.03 .19	As at 31.03.18
1	Land Power House Civil Work	11,923.79	74.54		11,998.33	97.19	33.23	-	-	130.42	11,867.91	11,826.60
2		14,702.28	-		14,702.28	3,978.07	1,326.14	-	-	5,304.22	9,398.06	10,724.21
3	Power House Electric Mechanical Work	77,437.68	277.53		77,715.21	25,191.72	3,746.89	(2.90)	-	28,935.71	48,779.50	52,245.96
4	Civil Building/ Township	14,272.15	25.68		14,297.83	3,112.57	1,044.45	0.05	-	4,157.07	10,140.76	11,159.58
5	Vehicles	264.01	32.93		296.94	47.92	17.36	1.63	-	66.91	230.03	216.09
6	Furniture & Fixtures	130.03	9.22	0.18	139.07	25.65	9.62	0.01	0.13	35.15	103.93	104.38
7	Office Equipment	345.50	6.38	1.99	349.89	112.85	34.82	(0.07)	1.08	146.52	203.37	232.66
8	Misc. Assets	195.29	37.39		232.67	57.19	19.77	(0.04)	-	76.91	155.76	138.10
9	Electric Installation	327.78	29.37	1.03	356.12	66.81	24.54	(0.33)	0.46	90.56	265.56	260.97
10	Water Supply Installation	449.60	28.54		478.14	101.56	35.36	-	-	136.92	341.22	348.04
11	Solar Power Plant	14,328.32			14,328.32	1,083.37	544.18			1,627.54	12,700.78	13,244.96
12	Training Course Equipment	17.78	6.43		24.21	3.61	1.17	0.19	-	4.98	19.23	14.17
	Total	134,394.21	528.00	3.20	134,919.01	33,878.50	6,837.53	(1.45)	1.67	40,712.90	94,206.11	100,515.72

- a.**
- (i) Land consists of those transferred from the erstwhile OSEB / State Govt. to the Corporation with effect from 1st April 1996 and procurement of Industrial land from IDCO for construction of training centre and staff quarters. In case of UIHEP, land consists of transfer value of land and reservoir from State Govt. as on 01.04.1996 and subsequent additions at cost after 01.04.1996 to the date of Balance Sheet. In case of Balimela HEP, leasehold lands are still in the name of OSEB. The title deeds of all the lands are yet to be registered in favour of the Company. The company is in the process of identifying leasehold and freehold land separately.
- (ii) An amount of INR.33.23 Lakhs has been amortised during the year for leasehold land.
- b.**
- (i) The fixed assets registers are maintained on the basis of transfer price of the assets from State Govt. and at cost in respect of the assets procured after the date of transfer.
- (ii) The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.
- (iii) The value of fixed assets includes cost of machinery & vehicles declared surplus / obsolete for which necessary verification and fixing of upset price is in process. Necessary accounting treatment will be made in the subsequent period after final disposal of the same.

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(INR IN LAKHS)

Note	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
		Per Ind AS	
3	Capital work-in-progress		
(a)	Land	3.03	
(b)	Building	1,065.95	
(c)	Road, Bridge, Culvert & Other Civil Works	139.91	
(d)	Water Supply Installation	18.43	
(e)	Plant & Machinery (Construction)	1,148.03	
(f)	Plant & Machinery (Generation)	19,448.45	
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	392.36	
(h)	Substation Equipments	65.09	
(i)	Transmission Lines	3.87	
(j)	Vehicles	6.62	
(k)	Furniture & Fixture	1.38	
(l)	Office Equipments	4.44	
(m)	Electrical Installations	2.01	
(n)	Miscellaneous assets	0.14	
(o)	Capital WIP	33.91	
(p)	Sindol Project	28.78	
(q)	Office Building	2,016.35	
(r)	Staff Quarters	3.81	
(s)	ERP	37.84	
(t)	Capital Advance	-	
(u)	Gedcol Cwip	1,113.32	
(v)	Kharag HEP	193.67	
(w)	Pump Storage (Indrāvati)	208.68	
		25,936.07	
	Non-Current Financial Asset		
4	Non Current Investments		
	Investments in Equity Instruments;		
A.	Subsidiary Companies - Unquoted		
(a)	Green Energy Development Corporation of Odisha Ltd. (GEDCOL)	-	
	(A 100% subsidiary company of OHPC)		
	503,200 fully paid equity shares of INR 1000/- each		
B.	In Joint Ventures		
(a)	Odisha Thermal Power Corporation	13,106.74	
	(A Joint venture company between OMC & OHPC 50% each share holding)		
	1,342,047 shares of INR 1000/- each		

(b) Baitarni West Coal Company Limited	1,025.65	971.58
(A Joint Venture company between OHPC, GPCL & KSEB with 1/3 each share holding) 100,000 shares of INR 1000/- each		
(c) Odisha Coal & Power Limited	14,260.64	14,398.30
(A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC) 14,70,00,000 shares of INR 10/- each		
(d) GEDCOL SAIL Power Corporation Limited(GSPCL)	56.84	
(A Joint Venture Company between GEDCOL & SAIL holding 74% & 26% respectively) 7,40,000 fully paid equity share of Rs.10/- each		
	28,449.87	28,470.52
(a) Aggregate amount of quoted investments and market value thereof;		
(b) Aggregate amount of unquoted investments;	34,152.47	34,152.47
(c) Aggregate amount of impairment in value of investments.		
5 TRADE RECEIVABLES - FINANCIAL ASSET		
Unsecured , considered good		
Sundry Debtor for Sale of Power	2,735.22	2,445.42
Sundry Debtor for Others	6.96	6.96
Less : Provision for doubtful trade receivables > 1 Year	(6.96)	(6.96)
	2,735.22	2,445.42
6 Loans		
(a) Security Deposits		
Unsecured , considered good	51.85	48.24
	51.85	48.24
7 Others		
(i) Debt Securitization of GRIDCO Dues	61,900.00	61,900.00
(ii) Balance with Bank in deposit accounts (More than 12 months)	-	800.00
	61,900.00	62,700.00
The GRIDCO dues of INR 619 Crores as on 31.03.2013 has been securitized at simple interest of 8% which shall be repaid by GRIDCO within 10 years including 3 years moratorium period which will start from April 2017.		

8	Other non - current assets		
(a)	Capital advances		
	Unsecured, considered good	1,954.81	1,970.62
(b)	Advances other than capital advances	-	-
	Unsecured, considered good	-	-
	Advance to Supplier	1.16	1.16
		1,955.97	1,971.78
9	Inventories		
	(valued at lower of cost and net realizable value)		
(a)	Stores and spares	4,695.09	4,618.67
(b)	Loose Tools	-	3.07
	Less : Provision for loss of inventory	(245.94)	(245.94)
		4,449.15	4,375.80
	Current Financial Asset		
10	Trade receivable		
(a)	Outstanding for a period exceeding six months from due date of payment		
	Unsecured , considered good	3,741.60	2,292.80
	Unsecured, considered doubtful	-	-
	Less : Provision for doubtful trade receivables > 6 months	-	-
		3,741.60	2,292.80
(b)	Outstanding for a period less than six months from due date of payment		
	Unsecured , considered good	10,296.36	9,701.93
	Less : Provision for doubtful trade receivables < 6 months	-	-
		10,296.36	9,701.93
		14,037.96	11,994.73
11	Cash and cash equivalents		
(a)	Balances with banks		
	(i) Earmarked Balance with Bank	23,250.00	27,273.55
	(ii) Other Bank Balance	2,722.22	1,158.61
(b)	Cash on hand	2.53	2.91
(c)	Others	-	-
	Postal Orders & Stamps	0.37	0.31
		25,975.12	28,435.38
12	Bank balance other than cash and cash equivalents		
	(i) Balance with Bank in deposit accounts (3 Month to 12 months)	115,450.00	98,090.79
	(ii) Held as margin money in Fixed Deposit	13,922.62	17,468.23
		129,372.62	115,559.02

(OHPC has pledged (ii) (a) Fixed deposit of INR 25 Cr. with Panjab & Sind Bank, Ashok Nagar Branch, Bhubaneswar towards its 1/3rd share of margin for facilitating the JV company BWCCCL to provide BG of INR 75,00,00,000/- in favour of Ministry of Coal, Govt. of India. (b) Fixed deposit

of INR 15.08 Cr. with Axis Bank, Basuaghai Branch, Bhubaneswar towards issue of Bank Guarantee to Ministry of Coal for commitment of terms of Coal agreement. (c) Fixed deposit of INR 90 Cr/- with HDFC, Jharpada Branch towards margin money for opening of Letter of Credit in favour of M/s Voith Hydro India Pvt. Limited towards R & M work of HHEP, Burla and CHEP, Chiplima. (d) Fixed deposit of INR 9 Cr with Axis bank satya nagar branch towards margin money for opening of Letter of Credit in favour of M/s Voith Hydro India Pvt. Limited towards R & M work of UIHEP-M, Mukhiguda)

In case of GEDCOL Fixed deposit kept with Andhra Bank for INR 10,00,000 & Union Bank of India for INR 4,20,000 have been pledged as security deposit for issuance of Bank Guarantee

13 Loans

(a) Security Deposits

Unsecured, considered good

-	-
255.69	247.68

(b) Loans to related parties

Unsecured, considered good

GEDCOL(100% subsidiary Company)

(receivable with interest @ FD rate in the month of Drawl +1%)

OCPL (49% Joint Venture Company)

(receivable with interest @ FD rate in the month of Drawl +1%)

-	-
255.69	247.68

14 Others

Claims Receivables

703.86	581.22
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Receivable from GRIDCO on Machhakund

302.43	426.81
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Dam Share Receivable from W.R. Department on accounts of Indravati

1,995.10	1,062.72
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Interest Accrued but not due on bank deposit

3,736.55	2,776.56
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Interest Receivable from others

0.00	1.21
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Other Receivable from Staff

2.48	3.66
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6,740.42	4,852.18
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15 Other current assets

Capital Advances

Unsecured, considered good

Advances other than capital advances

(a) Other Advances

(i) Advance to suppliers

69.35	40.23
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(ii) Advance to contractors

29.26	6.26
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(iii) Advance to others

45.03	251.79
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(iv) Advance to staffs

424.07	206.26
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(b) Other Advances		
(i) Advance income tax (TDS)	915.11	5,024.95
(ii) Advance income tax	8,069.97	3,435.10
(iii) Advance income tax (TCS)	1.34	1.13
Others		
(i) OHPC rehabilitation assistance trust fund	0.10	0.10
(ii) Pre-paid expenses	160.90	109.71
(iii) Other misc. asset	0.25	0.30
(iv) OHPC gratuity fund	-	66.67
	9,715.38	9,142.50
16 Equity share capital		
(a) Authorized share capital		
Equity shares of INR 1000/- each (Nos)	200.00	200.00
Equity shares of INR 1000/- each (INR)	200,000.00	200,000.00
(b) Issued, subscribed and fully paid up		
Equity shares of INR 1000/- each (Nos)	76.17	71.27
Equity shares of INR 1000/- each (INR)	76,165.07	71,265.07
	76,165.07	71,265.07
(c) Reconciliation of shares at the beginning and at the end of reporting period (Issued)		
Equity shares		
At the beginning of the year in Nos	71.27	69.37
Issued during the year in Nos	4.90	1.90
Outstanding at the end of the year in Nos	76.17	71.27
Equity shares		
At the beginning of the year in INR	71,265.07	69,365.07
Issued during the year in INR	4,900.00	1,900.00
Outstanding at the end of the year in INR	76,165.07	71,265.07
(d) Shares held by each share holder holding more than 5 % shares		
Governor of Odisha represented by DoE (Nos)		
% of holding	100%	100%
(e) Shares issued for consideration other than cash (last five years)		
As per Dept. of Energy, Government of Odisha order no. 3060 dtd.31/03/2015 and subsequent DoE Notification No. 5843 dtd. 03/07/2015 total loan of INR 821.4690 crores is divided into two parts i.e., 298.85 crores as equity and balance as loan. Accordingly, 2,988,500 equity shares of 1000 each was issued during 2015-16 to convert into Equity from loan.		

(f) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 1,000 per share. 100% of the shares are held by Government of Odisha represented by DoE.

17 Other equity

(i) Other reserves

(a) Capital reserve

Balance as per last financial statements-Dam sharing reserve	10,000.00	10,000.00
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Add: Transfer from surplus balance in profit & loss	-	-
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Closing balance	10,000.00	10,000.00
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Reserves representing unrealized gains/losses

(a) Equity instruments through other comprehensive income	-	-
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Less: Deferred tax	-	-
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(b) Remeasurements of the net defined benefit plans	(11,209.06)	(7,556.95)
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Add: During the year	(5,983.93)	(5,584.96)
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Less: Deferred tax (OCI)	2,070.92	1,932.84
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Closing balance	(15,122.08)	(11,209.06)
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(ii) Retained earnings

(a) Surplus at the beginning of the year	93,565.92	86,842.34
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Add : Profit for the year	15,272.06	10,004.75
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Less : Transfer to general reserve	-	-
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Less : Dividend paid	(1,865.35)	(2,726.18)
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Less : Tax on Dividend	(383.43)	(554.99)
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Less : Deferred tax liabilities not charged in previous years	-	-
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Prior year Income/ Expenses	-	-
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	106,589.20	93,565.92
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Total	101,467.13	92,356.85
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Non - Current : Financial Liabilities

18 Borrowings

Term loans

From other parties - unsecured

Indian rupee loan from Government of Odisha

UIHEP- TL (1)	22,031.90	25,054.90
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As per Dept. of Energy, Govt. of Odisha order No.3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015 the total loan of INR 821.47 Crs. is divided into two parts i.e. INR 298.85 Crs. as equity included in Note-16 and balance of INR 522.62 Crs. as loan with 7% interest payable w.e.f. 01.04.2006. This loan is payable in 15 equal annual instalments w.e.f. 2010-11 with 4 years moratorium. OHPC, out of the said loan amount of INR 522.62 Crs., repaid INR 272.07 Crs. till 31.03.2019 & balance loan amount of INR 220.319 Crs is shown as above and balance loan amount of INR 30.23 Crs is shown in note 25.a .as current liability.

There is no default as on balance sheet date in repayment of borrowings and interest will be paid after repayment of principal is over as approved by Hon'ble OERC in tariff order dtd.20.03.2013.

Loan for old project		76,620.00	76,620.00
As per Dept. of Energy. Govt. of Odisha order No. 3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015, the total bond amount of INR 766.20 Crs. issued as per original Notification No.SRO250 dtd.01.04.1996, is now treated as loan @ 7% interest which is payable from the Financial Year 2015-16 & shown accordingly i.e.INR 766.2 crores loan as above and INR 107.268 Crore interest payable to State Govt. of Odisha is shown at current-other financial liabilities.			
Government notification is silent regarding term of repayment of loan, OHPC considers 15 years equal installment as repayment of loan in line with UIHEP loan.			
Borrowings (Tem Loan-REC Ltd)			
		98,651.90	101,674.90
19	Others		
	Security Deposits from contractors/ suppliers	9.35	6.53
		9.35	6.53
20	Provisions		
	(a) Provision for leave salary	6,186.93	5,958.84
	(b) Others	-	-
		6,186.93	5,958.84
21	Deferred tax liabilities (Net)		
	Deferred tax liabilities		
	Deferred tax liabilities / (assets) at the beginning of the year	14,284.08	16,681.01
	Deferred tax liabilities / (assets) during the year on account of temporary difference	(2,352.85)	(2,396.93)
	Deferred tax liabilities / assets at the end of the year	11,931.23	14,284.08
22	Other Non-Current Liability		
	Grant In Aid	11,128.18	9,690.00
		11,128.18	9,690.00
GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME			
	As at the beginning of the year	9,690.00	
	Add: Received during the year	1,438.58	
	Less: Related to Statement of Profit and Loss	0.41	
	Balance as at the year end	11,128.18	

*** Grant includes:-**

(a) PSDF Grant received for INR 223.50 Lakhs (233.36 Lakhs less interest on deposit INR 9.86 Lakhs)

(b) Capital Grant for pump storage UIHEP for INR 205.22 Lakhs

Balance Grant for PSDF for INR 2011.63 will be received as per PSDF Agreement and balance Odisha Govt grant related to Pump Storage UIHEP for INR 767.58 will be received for DPR cost and IFC payment on actual basis.

(c) Infrastructure Assistance received from Govt. of Odisha for INR 5000.00 Lakhs .

(d) For Roof Top Project (4 MW), INR .1880.00 Lakhs /- has been received from Govt. of Odisha. As per project implement agreement dated 30.07.2016 private operator will be entitled for payment of INR.980 Lakhs towards NPC of capital subsidy from GEDCOL out of Rs.18.80 crore subject to fulfillment of curtailed obligations envisages under PIA dated 30.07.2016.

(e) For 16.40 MW Solar Capacity Project on un-utilized land available at 8 nos Grid / Substation of OPTCL and 1 nos. at Mukhiguda Power House of OHPC (as per 13th Finance Commission) for Rs.38,10,00,000.

23 Borrowings

From other parties

Loans repayable on demand (unsecured)-from Government of Odisha

POTTERU	1,430.00	1,430.00
Inter Corporate Loan	-	-
	1,430.00	1,430.00

No interest is payable on this loan since 01.04.2001 as per the decision of Govt. vide DoE notification dt.29.01.2003 & DoE letter No. 2404 dt.21.03.2011.

24 Trade Payables

Trade Payables - Due to Others

Sundry creditors for supply of materials	10,211.22	5,329.93
Sundry creditors for works	1,401.28	1,378.57
Sundry creditors for others	127.30	305.49
	11,739.80	7,013.99

Current : Financial Liabilities**25 Others**

(a)	Current maturities of long term debt	3,023.00	3,023.00
(b)	Employees liabilities	5,980.42	4,822.24
(c)	OHPC PF trust	59.64	(29.68)
(d)	Liability to others	6,306.16	6,022.13
(e)	Security deposit from contractors / suppliers	506.30	419.62
(f)	EMD from contractors / suppliers	66.88	82.57
(g)	Other security deposit	310.81	309.57
(h)	Retention money / withheld a/c	2,877.60	2,735.23
(i)	Payable to APGENCO on Machhakund a/c	273.72	402.90
(j)	Payable to Machhakund	0.07	0.20
(k)	Security deposit from employees	3.97	3.90
(l)	Interest payable on UIHEP Govt. loan	42,056.47	40,091.02
(m)	Interest on State Government loan (old projects)	21,453.60	16,090.20
		82,918.64	73,972.90

The management of 30% share of Government of Odisha in Machhkund Joint Hydro Electric Project was transferred to OHPC vide Department of Energy, Govt. of Odisha Notification No.6052, dt.29.03.97 with effect from 01.04.1997. The erstwhile OSEB now GRIDCO and APSEB now APGENCO are the beneficiaries of this project. APGENCO has raised provisional bill towards O & M cost and cost of power for the current year. After reconciliation upto the FY 2015-16 both OHPC & GRIDCO did not agree to pay interest on working capital and accordingly, OHPC considered the O & M cost and cost of power during the current year details of which are given below:

30% share of O & M cost	1,649.72	1,094.20
Cost of Power beyond 30% share	82.38	74.13
	1,732.10	1,168.33

OHPC received an amount of INR 18,56,48,006/- in 2018-19 from GRIDCO including arrear dues of APGENCO for 2017-18 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to INR 2,73,72,383/- as on 31.03.2019. As the Odisha share of assets and liabilities have not been quantified and transferred to OHPC, the receipts and payments on account of Machhakund project are not shown in the statement of profit and loss account of OHPC.

26 Other current liabilities

Advance against sale of scrap	58.76	58.62
	58.76	58.62

27 Provisions

(a)	Provision for employee benefits		
	(i) Provision for arrear salary	1,920.55	4,361.27
	(ii) Provision for bonus	6.95	8.30
	(iii) Provision for leave encashment	927.15	749.76
(b)	Other Provisions		
	(i) Provision for income tax	230.41	-
	(ii) Provision for others	999.26	387.00
	(iii) Provision for loss of asset	10.12	10.15
	(iv) Provision for CSR	-	5.44
		4,094.44	5,521.92



Switch Yard of Power House

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

(INR IN LAKHS)

Note No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
		Ind AS	Ind AS
28	Revenue from operations		
	Revenue from		
	Sale of Electricity	49,552.15	48,265.64
	Total (A)	49,552.15	48,265.64
	Other Operating Revenue	125.73	134.87
	Total (B)	125.73	134.87
		49,677.88	48,400.51
29	Other income		
	Interest on Employees advances	0.46	0.10
	Interest on Bank Deposits	10,941.80	9,343.10
	Interest on others	0.72	273.73
	Interest in lieu of DPS from GRIDCO	1,473.81	3,041.27
	Sale of tender paper	33.71	34.26
	House rent recovery	29.05	32.19
	Vehicle charges recovery	3.23	3.98
	Electricity charges recovery – Employees	2.66	1.08
	Electricity charges recovery – Contractors	22.29	1.63
	Guest house charges recovery	2.56	2.67
	Sale of scrap	8.56	2.57
	Amortization of -GRANT-IN-AID	0.41	
	Other miscellaneous receipt	4,043.00	1,332.35
	Recovery from Penalties	10.81	56.35
	Receipt from RTI	0.02	0.04
	Insurance Claim Received	0.87	0.31
	Forfeiture of EMD/SD	8.08	49.58
	Dam Share from DOWR	932.37	1,038.42
	Recovery of foreign exchange fluctuation loss	-	565.00
	Provisions written back	-	771.51
	Profit On sale of Asset	0.02	0.81
	Processing Fees	10.00	12.00
		17,524.43	16,562.94
30	Repair & maintenance expenses		
	R&M to Plant and Machinery	1,152.54	1,160.51
	R&M to Building	480.89	424.09
	R&M to Civil Works	391.43	358.96
	R&M to Hydraulic Works	173.74	107.17
	R&M to Line Cables Networks	70.83	22.37
	R&M to Vehicles	7.69	8.94
	R&M to Furniture & Fixtures	0.57	0.70
	R&M to Office Equipments	14.78	19.98
	R&M to Electrical Installation	23.46	29.27
	R&M to Water Supply Installation	59.49	52.95

	R&M to Misc. Assets	0.38	-
	R&M to Substation Equipments	32.95	68.64
	R&M to Dam Maintenance	2,284.24	3,587.07
		4,692.99	5,840.65
31	Operation expenses		
	Power and fuel	451.02	235.23
	Insurance charges	142.87	163.40
	Oil, Lubricant & Consumables	71.08	120.43
	Transportation charges	0.28	0.65
	Hire charges of vehicles/machineries	173.50	148.36
	Refreshment(Operation)	2.35	1.80
	Other Operation expenses	127.48	1.14
	Watch & Ward of Power House	645.99	472.11
	Annual Maintenance cost	82.87	155.69
		1,697.44	1,298.81
32	Employee benefits expense		
	Salaries & Allowances	5,505.32	7,586.53
	Wages & Allowances	4,764.12	6,408.95
	Overtime	9.58	12.30
	Bonus	3.64	6.02
	Payment to Apprentices & Trainees	51.59	74.88
	Contribution to PF and other Funds	7,325.94	10,098.39
	Employees welfare expenses	645.92	780.32
	Other employee benefit expenses	1,678.94	1,581.95
		19,985.05	26,549.34
33	Administrative & General expenses		
	Rent	86.46	75.04
	Rates and taxes	7.39	8.92
	Fees & subscriptions	12.84	10.40
	Insurance charges	7.70	10.70
	Communication expenses	98.54	93.07
	Traveling & conveyance expenses	246.07	233.86
	Printing & stationery	35.78	41.04
	Bank charges	0.31	0.46
	Electricity & water charges	151.95	169.15
	Legal expenses	22.03	19.72
	Professional & consultancy charges	51.89	36.81
	Audit fees & expenses	36.92	42.36
	Advertisement & Publicity	869.34	52.73
	Training, Seminar & Conference	63.24	80.35
	Office upkeep & Maintenance	23.62	24.64
	Watch & ward charges	264.25	252.78
	Repair & Maintenance others	0.02	-
	Recruitment expenses	50.12	0.79
	Meeting expenses	19.19	19.04
	Transit house expenses	8.32	9.26
	Loss of Assets	1.23	0.03

	Loss on Inventories	-	4.23
	Corporate Social Responsibility Expenses	358.81	282.26
	Other Administrative & General expenses	440.54	302.44
	Provision for bad debt	-	6.96
	Electrical Accessories	0.21	
		2,856.77	1,777.04
34	Finance costs		
	Interest on Gov. loan	1,965.45	2,177.06
	Interest on Gov. loan - Old power house	5,363.51	5,363.40
	Guarantee commission	0.05	-
	Interest on Term Loan (REC Ltd)	-	71.04
	Interest on OD Accounts	-	2.00
		7,329.01	7,613.50
35	Depreciation and amortization expense		
	Depreciation of tangible assets	6,836.07	8,074.66
		6,836.07	8,074.66
36	Exceptional items		
	Voluntary separation scheme payment	-	645.36
		-	645.36
	Other comprehensive income	(5,983.93)	(5,584.96)
		(5,983.93)	(5,584.96)
37	Payments to auditor		
	Statutory audit fees	4.59	4.66
	Statutory audit expenses	2.95	2.51
	Other audit fees	20.13	25.01
	Other audit expenses	9.25	10.18
		36.92	42.36

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

38. The following table summarises the financial information of JVs and associates of the group and reconciliation of the carrying amounts of the group's interest in them.

(a) Odisha Thermal Power Corporation
Summarised Balance Sheet

	(INR IN LAKHS)	
	31st March 2019	31st March 2018
Current Assets		
Cash and cash equivalents	3,687.73	3,723.06
Other assets	281.70	235.81
Total current assets	3,969.43	3,958.87
Total non-current assets	22,291.63	22,275.85
Total assets (A)	26,261.06	26,234.72
Current liabilities		
Financial liabilities (excluding trade payables)		
Other liabilities	47.57	33.44
Total current liabilities	47.57	33.44
Non-current liabilities		
Financial liabilities (excluding trade payables)		
Other liabilities		
Total non-current liabilities	-	-
Total liabilities (B)	47.57	33.44
Net Assets (A-B)	26,213.50	26,201.28
Group's share of net assets (50%)	13,106.75	13,100.64
Carrying amount of interest in OTPC	13,106.74	13,100.64

Summarised Statement of Profit & Loss

	31st March 2019
Revenue	
Interest income	266.81
Depreciation & amortization	3.91
Interest expense	
Income tax expense	-
Profit	12.25
Other comprehensive income	
Total comprehensive income	12.25
Group's share of Profit (50%)	6.12
Group's share of OCI (50%)	
Group's share of total comprehensive income (50%)	6.12

(b) Baitarni West Coal Company Limited
Summarised Balance Sheet

	(INR IN LAKHS)	
	31st March 2019	31st March 2018
Current Assets		
Cash and cash equivalents	4,163.85	4,023.43
Other assets	280.05	219.03
Total current assets	4,443.89	4,242.46
Total non-current assets	12.05	5.48
Total assets (A)	4,455.94	4,247.94
Current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	48.46	10.24
Total current liabilities	48.46	10.24
Non-current liabilities		
Financial liabilities (excluding trade payables)	1,307.89	1,307.89
Other liabilities	22.64	15.06
Total non-current liabilities	1,330.53	1,322.95
Total liabilities (B)	1,378.98	1,333.19
Net Assets (A-B)	3,076.96	2,914.75
Group's share of net assets (33.33%)	1,025.65	971.58
Carrying amount of interest in BWCCCL	1,025.65	971.58

Summarised Statement of Profit & Loss

	31st March 2019
Revenue	-
Interest income	282.34
Depreciation & amortization	1.12
Interest expense	0.02
Income tax expense	30.95
Profit	162.21
Other comprehensive income	
Total comprehensive income	162.21
Group's share of Profit (33.33%)	54.07
Group's share of OCI (33.33%)	-
Group's share of total comprehensive income (33.33%)	54.07

(c) Odisha Coal & Power Limited
Summarised Balance Sheet

	31st March 2019	31st March 2018
Current Assets		
Cash and cash equivalents	432.53	514.40
Other assets	5,611.81	4,374.60
Total current assets	6,044.34	4,889.00
Total non-current assets	97,583.71	68,350.10
Total assets (A)	103,628.05	73,239.10
Current liabilities		
Financial liabilities (excluding trade payables)	1,135	2,113.18
Other liabilities	2,697.13	1,305.00
Total current liabilities	3,831.81	3,418.18
Non-current liabilities		
Financial liabilities (excluding trade payables)		
Other liabilities	70,692.91	40,436.64
Total non-current liabilities	70,692.91	40,436.64
Total liabilities (B)	74,524.72	43,854.82
Net Assets (A-B)	29,103.33	29,384.28
Group's share of net assets (49%)	14,260.63	14,398.30
Carrying amount of interest in OCPL	14,260.64	14,398.30
Adjusted against other interest of group in OCPL		

Summarised Statement of Profit & Loss

31st March 2019

Revenue	-
Interest income	8.84
Depreciation & amortization	241.33
Interest expense	-
Income tax expense	246.90
Profit	(280.94)
Other comprehensive income	-
Total comprehensive income	(280.94)
Group's share of Profit (49%)	(137.66)
Group's share of OCI (49%)	-
Group's share of total comprehensive income (49%)	(137.66)

- (d) GEDCOL SAIL Power Corporation Limited
Summarised Balance Sheet

31st March 2019

31st March 2018

Current Assets		
Cash and cash equivalents	4.63	
Other assets	1.52	
Total current assets	6.15	
Total non-current assets	93.28	
Total assets (A)	99.43	-
Current liabilities		
Financial liabilities (excluding trade payables)	9.80	
Other liabilities	12.82	
Total current liabilities	22.62	
Non-current liabilities		
Financial liabilities (excluding trade payables)		
Other liabilities	-	
Total non-current liabilities	-	
Total liabilities (B)	22.62	
Net Assets (A-B)	76.81	
Group's share of net assets (74%)	56.84	
Carrying amount of interest in GSPCL	56.84	
Adjusted against other interest of group in GSPCL		

Summarised Statement of Profit & Loss

31st March 2019

Revenue	-
Interest income	-
Depreciation & amortization	0.10
Interest expense	-
Income tax expense	-
Profit	(23.19)
Other comprehensive income	-
Total comprehensive income	(23.19)
Group's share of Profit (74%)	(17.16)
Group's share of OCI (74%)	-
Group's share of total comprehensive income (74%)	(17.16)

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

39. Income tax expense

i) Income tax recognised in profit or loss

a. Current tax expense

(INR IN LAKHS)

	31st March 2019	31st March 2018
Current year	8,720.21	3,479.57
Deferred tax expense		
Origination and reversal of temporary differences	(281.93)	(464.09)
Reduction in tax rate		
Total income tax expense	8,438.28	3,015.48
ii) Income tax recognised in OCI		
	31st March 2019	31st March 2018
Remeasurements of defined benefit plans	(2,070.92)	(1,932.84)
Total income tax expense relating to OCI items	(2,070.92)	(1,932.84)
b. Reconciliation of tax expense and accounting profit		
	31st March 2019	31st March 2018
Accounting profit before tax from continuing operations	23,710.34	13,020.23
Accounting profit before tax from discontinued operations		-
Accounting profit before tax	23,710.34	13,020.23
Tax using the Company's domestic tax rate	34.944%	34.608%
Adjustments in respect of current income tax of previous years	8,285.34	4,506.04
Income not considered for tax purpose		
Carried forward tax losses utilised	(517.45)	-
Income not considered for tax purpose		
Expense not allowed for tax purpose	385.54	276.82
Loss of subsidiary, JV & Associates	(94.64)	
Other temporary differences	2,304.09	(3,240.52)
At the effective income tax rate of 34.944% (31 March 2018: 34.608%)	718.99	(0.01)
Difference in tax rate for subsidiary	263	0.79
Tax impact of reversal of Deferred Tax Assets on Carry Forward Loss due to change in Tax Rate	(21.34)	
Income tax reported in the statement of profit and loss	8,720.21	3,479.57
Income tax attributed to discontinued operations		
Total	8,720.21	3,479.57
c. Amounts recognised directly in equity		
	31st March 2019	31st March 2018
Current tax	-	-
Deferred tax	-	-
Total	-	-

d. Deferred tax assets and liabilities
Deferred tax relates to the following:

	31st March 2019	31st March 2018
Fixed Asset	(471.74)	(138.55)
Leave	55.70	(129.16)
On actuarial gain and losses - employee expense	(2,070.92)	(1,932.84)
On prior period adjustments reversal		(196.38)
Other items giving rise to temporary differences	-	-
Total	(2,486.95)	(2,396.93)

e. Reconciliation of deferred tax assets / liabilities

	31st March 2019	31st March 2018
Opening balance	14,284.08	16,681.01
Deferred tax recognized for the first time		-
Tax income/expense during the period recognised in profit or loss	(2,486.95)	(2,396.93)
Tax income/expense during the period recognised in profit or loss from discontinued operations		-
Closing balance	11,797.13	14,284.08

40. Earnings Per Share:
The Earnings Per Share (Basic and Diluted) are as under:

Particulars	31st March 2019	31st March 2018
Opening Balance (A)	71.27	69.37
Weighted average number of equity shares issued during the year (B)	1.32	0.84
Weighted average number of equity shares outstanding for the year (A+B)	72.58	70.21
Profit for the year attributable to equity shareholders	15,272	10,005
EPS in INR	210.41	142.50

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

41. 1. Financial instruments
A. Accounting classification and fair values

March 31, 2019 INR	Carrying amount				(INR IN LAKHS) Fair value			
	FVT PL	FVT OCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	25,975.12	25,975.12	-	-	-	25,975.12
Bank balance other than above	-	-	129,372.62	129,372.62	-	-	-	129,372.62
Non- current Financial Asset:	-	-	51.85	51.85	-	-	-	51.85
Loans								
Current Financial Assets: Loans	-	-	255.69	255.69	-	-	-	255.69
Trade and other receivables	-	-	14,037.96	14,037.96	-	-	-	14,037.96
Other Non-Current Financial Asset	-	-	61,900.00	61,900.00	-	-	-	61,900.00
Other Current Financial Asset	-	-	6,740.42	6,740.42	-	-	-	6,740.42
	-	-	238,333.66	238,333.66	-	-	-	238,333.66
Financial liabilities								
Long term borrowings	-	-	98,651.90	98,651.90	-	-	-	98,651.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	-	-	-	-	-	-
Other Non-Current financial liabilities	-	-	9.35	9.35	-	-	-	9.35
Other Current financial liabilities	-	-	82,918.64	82,918.64	-	-	-	82,918.64
	-	-	183,009.88	83,009.88	-	-	-	183,009.88

March 31, 2018 INR	Carrying amount				Fair value			
	FVT PL	FVT OCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	11,735.38	11,735.38	-	-	-	11,735.38
Bank balance other than above	-	-	94,297.83	94,297.83	-	-	-	94,297.83
Non- current Financial Asset:	-	-	48.25	48.25	-	-	-	48.25
Loans								
Current Financial Assets: Loans	-	-	247.68	247.68	-	-	-	247.68
Trade and other receivables	-	-	11,994.73	11,994.73	-	-	-	11,994.73
Other Non-Current Financial Asset	-	-	100,661.19	100,661.19	-	-	-	100,661.19
Other Current Financial Asset	-	-	4,852.18	4,852.18	-	-	-	4,852.18
	-	-	223,837.23	223,837.23	-	-	-	223,837.23
Financial liabilities								
Long term borrowings	-	-	101,674.90	101,674.90	-	-	-	101,674.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	7,013.99	7,013.99	-	-	-	7,013.99
Other Non-Current financial liabilities	-	-	6.53	6.53	-	-	-	6.53
Other Current financial liabilities	-	-	73,972.90	73,972.90	-	-	-	73,972.90
	-	-	184,098.32	184,098.32	-	-	-	184,098.32

* All the financial assets and liabilities has been measured at amortized cost at balance sheet date. The carrying value approximates the fair value.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

42. Financial risk management objective and policies.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk. The Company extends credit to customer in normal course of business. The Company monitors the payment track record of the customer. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables is low, as its customers are mainly state government authorities and operate in largely independent markets. The tariff allows the company to raise bills on beneficiaries for late-payment surcharge, which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date, company does not envisage any default risk on account of non-realization of trade receivables. Accordingly, the Company has not applied the practical expedient of calculation of expected credit losses on trade receivables using a provision matrix.

Investment

Investments primarily includes investments in group companies and are subject to limited risk of changes in value of credit risk.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2019	(INR IN LAKHS) 31 March 2018
Trade and other receivables	16,773.18	14,440.15
Investments	28,449.87	28,470.52
Cash and cash equivalents	25,975.12	11,735.38
Ageing analysis (Trade Receivables)		

	31 March 2019	31 March 2018
Upto 3 months	9,783.22	9,308.72
3-6 months	389.84	393.21
More than 6 months	6,600.13	4,738.23
	16,773.19	14,440.15

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period: (GEDCOL)

	31 March 2019	(INR IN LAKHS) 31 March 2018
At fixed rate	11,200.00	11,200.00

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

	(INR IN LAKHS)			
As at 31 March 2019	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	3,023.00	12,092.00	86,559.90	101,674.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	-			-
Other non-current financial liabilities		9.35		9.35
Other current financial liabilities	82,918.64			82,918.64
	87,371.64	12,101.35	86,559.90	186,032.88
As at 31 March 2018	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	3,023.00	12,092.00	89,582.90	104,697.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	-			-
Other non-current financial liabilities		6.53		6.53
Other current financial liabilities	73,972.90			73,972.90
	78,425.90	12,098.53	89,582.90	180,107.33

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company operates in a regulated environment. Tariff of the company is fixed by the Odisha Electricity Regulatory Commission (OERC) through Annual Revenue Requirement (ARR) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable though tariff and do not impact the profitability of the company.

Foreign currency risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the OERC Tariff Regulations.

(a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

	31 March 2019	31 March 2018
Financial Liabilities		
Foreign currency loan from PFC	nil	nil
Other financial Liability	nil	nil
Net exposure to foreign currency risk (liabilities)		

b) Sensitivity analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered as Regulatory Deferral Account Balances as per OERC Tariff Regulation.

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings. The Company manages interest rate risk by monitoring its fixed rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure:

	(INR IN LAKHS)	
	31 March 2019	31 March 2018
Fixed rate borrowings	101,674.90	104,697.90

b) Sensitivity analysis

Since the Company does not have any floating rate borrowings, it is not subject any risk associated with the change in the rate of interest.

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

43. A) Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. OERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the OERC.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

	(INR IN LAKHS)	
	31 March 2019	31 March 2018
Total liabilities	228,149.23	219,611.78
Less : Cash and cash equivalent including deposit more than 12 month	(141,425.12)	(127,326.17)
Adjusted net debt	86,724.11	92,285.61
Total equity	177,632.20	163,621.92
Net debt to equity ratio	0.49	0.56

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

B) Dividends (By Parent Company)

	(INR IN LAKHS)	
	31 March 2019	31 March 2018
Equity Shares		
Final dividend for the year ended 31 March 2018 of INR 26.175 (31 March 2017 - INR 39.302) per fully paid shares	1,865.35	2,726.19
DDT on final dividend	383.43	554.99
Dividends not recognized at the end of the reporting period	31 March 2019	31 March 2018
In addition to the above, since year end the directors have recommended the payment of final dividend of INR 41.4608 per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,157.87	1,865.35
DDT on proposed dividend	649.11	383.43

**44. Other Explanatory Notes to Accounts
Commitment & Contingent Liabilities**

		31 March 2019	31 March 2018
(A)	(i) Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda , HHEP, Burla, CHEP, BHEP, UKHEP, Corporate Office and Other new project.	147080.90	63706.25
	(ii) Uncalled Liability on shares and other investment partly paid	0.00	0
	(iii) Other commitment.	0.00	0
(B)	Claims against the Company not acknowledged as debt:		
(i)	Stamp duty on bonds of INR 766.20 crores issued to GoO on account of up- valuation of assets which has been kept in abeyance.	574.65	574.65
(ii)	EPF & Sales Tax liability of UIHEP, Khatiguda	88.98	32.00
(iii)	Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	7500.00	6557.00
(iv)	Workmen compensation pending before the Hon'ble High Court of Odisha. (CHEP)	6.43	6.43
(v)	Claim of Dam Division, Rengali Dam site under water Resources Department towards water rent in respect of residential & non-residential building of OHPC (RHEP)	15.47	15.47
(vi)	Entry Tax, appeal before the Commissioner of Commercial Taxes, Cuttack (BHEP).	1.00	1.00
(vii)	Wrong assessment of water cess by Department of Water Resources and interest charged thereon.	0.74	0.74
(viii)	50% of the Fixed deposit of INR 25 Crs. pledged for the BG of BWCCCL in favour MOC, GoI.	1250.00	1250.00
(ix)	Pending cases on account of Income Tax demand raised by AO with different appellate authority for the Assessment Year 2007-08, 2014-15 and 2015-16 amounting to INR 2.18 Crs., INR 5.45 Crs. and 1.78 Crs respectively.	942.48	941.00
(x)	Pending cases at High Court on account of refund of Income Tax for RM & U of Unit-I & II, HHEP, Burla.	282.46	282.46
(xi)	Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 for an amount of INR 9.27 Crs.	927.00	927.00
(xii)	Interest on working capital claimed by APGENCO on Machhakund A/C	273.14	273.14
(xiii)	M/s MKS Engineering - Work order not executed properly	13.98	13.98
(xiv)	Forfeiture of EMD M/S Mahavir Metallic	63.86	63.86
(xv)	M/s Multitech Engineers, New Delhi	50.39	50.39
(xvi)	OHPC has filed the case before the EPF Appellate Tribunal	19.80	19.80
(xvii)	Claiming for compensation by Sunita Rout	20.00	0.00
	(b)Guarantees.		
(i)	Corporate Guarantee for OCPL	7542.00	7542.00
	(c) Other money for which the company is contingently liability.	0.00	0.00
Grand Total		166653.28	82257.17

- (b). Against the claim of INR 7500.00 Lakhs Of M/s TSS stated at (iii) above, OHPC has lodged a claim of INR 13587.00 Lakhs on the said contractor. The arbitration is in process.
- (c) BHEP, Balimela unit has deposited INR 0.40 Lakhs under protest during the year against the assessed entry Tax of INR 1.14 Lakhs- for the year 2000-01 stated at (VI) above. Against this demand, the unit has filed an appeal before the Commissioner of Commercial Taxes, Cuttack.
- (d) The Baitarni West Coal Block allotted to M/s Baitarni West Coal Company Limited, a joint venture company of OHPC was de-allocated vide the letter dated 10th December 2012 of Ministry of Coal, Government of India. OHPC on behalf of the partners filed a petition in the Hon'ble High Court of

Odisha vide W.P.(C)No.4011/2013. with Miscellaneous case No.3942 of 2013. The Hon'ble High Court vide order dt.19.03.2013 held that "as an interim measure, it is directed that the bank guarantee furnished by the petitioner-Company may not be encashed and the Coal Block allocated to it may not be allocated to any 3rd party without leave of this Court". Accordingly 50% of FD i.e. INR 1250.00 Lakhs has been shown as Contingent Liability as above under (a) (viii).

- (e) The Tax Recovery Officer, Income Tax Department, Sambalpur had raised a demand of INR 448.00 Lakhs towards TDS in respect of supply and erection of plant & machinery of RM&U of Unit 1&2, Burla which was disputed by OHPC. Pending settlement of the dispute now in appeal before Hon'ble High Court of Odisha, Cuttack, the above amount has been deposited with Income Tax Authorities in the year 1996-97 to 2003-04. As per the order of the CIT (A), Sambalpur dtd. 08.11.2005 and 04.04.2006, the ITO, Sambalpur rectified the mistake for INR 0.33 lakhs and issued refund order of INR 0.58 lakhs. After adjustment of the said amount, the balance amount of INR 357.00 Lakhs has been shown under the head advance income tax (TDS).

45. The book value of stores and spares partly not available due to theft, fire and shortages in both Civil Stores Mukhiguda & Central Stores Khatiguda of Civil Wing as per the Stock Verification Report of M/s. Agasti & Associates, Bhubaneswar for the year ending 31.03.2019 received on 01.06.2019 are as follows:-

Particulars	Civil Stores Mukhiguda (INR in Lakhs)	Central Store Khatiguda (INR in Lakhs)	Total Amount (INR in Lakhs)
Theft	2.73	13.75	16.49
Fire Damage	-	155.13	155.13
Shortages during 2011-12.	18.87	5.81	24.68
Total Loss of Stores up to 31.03.12	21.60	174.69	196.29
Theft during 2012-13	17.09	-	17.09
Shortages during 2012-13	3.81	0.72	4.53
Shortage written off in 2016-17	-	(2.80)	(2.80)
Shortage recovered in 2017-18	-	(1.22)	(1.22)
Total loss of stores as on 31.03.2018	42.50	171.38	213.88

- (a) Out of INR 5.81 Lakhs shortage during 2011-12 at Central Store, Khatiguda INR 2.80 Lakhs being the shortage of HSD oil against late M. Sudhakar, Ex-JE (Mech.) has been written off as per Corporate Office Lr. No.1308 dtd.25.02.2017 and INR 1.22 Lakhs has been received from Sri S.K. Mishra, Ex- Jr. Engineer (Mech.) vide BRV 20 dtd. 23.09.2017 leaving balance shortage of INR 1.78 Lakhs which shall be written off after approval of competent authority. So the total loss of INR 215.10 Lakhs appearing in last year comes down to INR 213.88 Lakhs.

The Stock Verification of Electrical Stores at UIHEP, Mukhiguda for the year ending 31.03.2019 made by M/s ABPS & Associates, Chartered Accountants, Bhubaneswar. The stock verification report was received on 18.06.2018. As per the report there was shortage due to theft for INR 6.54 Lakhs during the year 2013-14 (Vol-VI of Stock Audit Report). But there is no shortage during the current year.

- (b) The value of inventory of Hirakud HEP as on 31st March,2019 includes the cost of spares theft in the year 2008, amounting to INR 4.15 lakhs. Out of the said amount, INR 2.18 lakhs has been received from insurance company as full and final settlement of the claim in the year 2010-11 and provision has been made for balance amount of INR 1.97 lakhs in the accounts 2011-12 which is yet to be written off.

- (c) The value of inventory of RHEP, Rengali includes INR 20.72 lakhs towards shortage due to theft & shortage amounting to INR 5.51 lakhs and unserviceable stores amounting to INR 15.21 lakhs which has been provided & charged to P & L account in the year 2015-16. The same shall be written off after approval of Competent Authority.

46. The following Revenues have not been recognized in books of account as it is not probable that economic benefits associated with the transaction will flow to the entity in accordance with In IAS-18.

47. **Operating Segment**

The Board of Directors of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The company operates in only one business segment i.e. 'Generation of Power'.

The CODM evaluates the Company's performance and allocates resources based on the single segment as explained above and hence detailed disclosures as required under segment reporting is not required.

48. A. The sale of energy compared to the design energy for sale during the year 2018-19 are as under:

Power stations	Actual sale of energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	2098.3882	1942.38
RHEP, Rengali	724.6514	519.75
BHEP, Balimela	1647.94731	1171.17
UKHEP, Upper Kolab	903.087	823.68
HHEP, Burla	368.217	677.16
CHEP, Chiplima	154.893	485.1
Total	5897.18391	5619.24

- B. As per the OERC tariff order dt. 22.03.2018, the tariff for the year 2018-19 for energy sold to GRIDCO is as follows.

Name of Power Station	Energy charge Rate (Paisa per Unit)	Capacity charges (INR in Crs.)
RHEP	61.41	31.918
UKHEP	29.162	24.02
BHEP	42.955	50.307
HHEP	75.503	51.127
UIHEP	40.179	78.042
CHEP	27.597	13.387
TOTAL		248.801

- C. The sale of energy includes 16.391260 MU to CSPDCL @INR 2.0475 per unit as provisionally approved by OERC which has been decided in a joint meeting held on 28.10.2014 between OHPC & CSPDCL at Raipur, Chhatisgarh.
- D. The energy sold to GRIDCO has been reconciled both in quantity & value till 2017-18. Necessary rectification entries relating to sale of energy have been passed by the respective units in the current year.
- E. 20MW SPV Project at Manamunda, Boudh:-During FY 2015-16, the tariff rate for the purpose of revenue recognition in the Financial Statement was considered at INR 4.50/- per unit as there was a delay in commissioning of the project and as per the terms of the PPA executed with SECI, the Unit rate will be reduced proportionately from the original agreed sale price of INR 5.45/- per unit. Whereas in FY 2016-17, SECI vide their letter dtd 25.11.2016 has informed

inter alia that “since the project was not commissioned within stipulated 24 months as MNRE Guidelines, the same was referred to the Committee constituted by MNRE to remove difficulties to take a view for continuance of the project under the JNNSM Phase –II, Batch-1 scheme. The matter was discussed by the Committee and in-principle approval was given to regularize the delay as a special case”. Accordingly, in the F.Y. 2016-17, 2017-18 & 2018-19 the Tariff rate @ INR.5.45/- has been considered for Revenue recognition purpose. The total unit of Solar Power generated from the project during F.Y. 2018-19 was 27.97787 MU (Previous year 27.977870 MU).

4MW Rooftop Project(Twin City):-During the FY 2018-19 , the total solar unit generated in respect of 4MW Rooftop project at Cuttack & Bhubaneswar was 26,87,422 in Kwh (Previous year 5,64,096 in Kwh).

49. During the year Electricity charges of INR 14.69 Lakhs has been paid to SOUTHCO for 4 nos of Dam sites & INR 2.68 Lakhs- paid to WESCO towards electricity charges for power consumed in the offices and non-residential buildings at Khatiguda.
50. Expenses in respect of employees who are in receipt of remuneration of not less than INR 24.00 Lakhs per annum and employed throughout the year of INR 2.00 Lakhs per month and employed for part of the year is as follows:
Sh Pravakar Mohanty = INR 30.43 Lakhs, Dr. Prabodha Kumar Mohanty = INR 24.82 Lakhs and Sh S.K Tripathy = INR 26.65 Lakhs.
51. The Corporation has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006. Resultantly disclosure if any relating to amount unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.
52. The details of installed capacity, generation and sale of power during the year are as under.

Power Stations	Installed Capacity	Gross Generation	Sale of Power	Transformation loss	Colony consumption	Auxiliary consumption
CHEP	72.000	158.388	154.893	2.656	0.000	0.840
HHEP	275.500	380.003	368.217	9.265	0.000	2.520
RHEP	250.000	745.974	724.651	8.759	11.240	1.324
UKHEP	320.000	924.085	903.087	16.711	0.000	4.287
BHEP	510.000	1679.009	1647.947	20.020	0.000	11.041
UIHEP	600.000	2144.204	2098.388	36.489	5.893	3.434
GEDCOL	23.210	30.665	30.665	0.000	0.000	0.000
Total	2050.710	6062.327	5927.849	93.900	17.132	23.445
Previous year	2047.500	5517.089	5400.737	77.281	22.421	17.190

**53. Deposit with others
(I) Mukhiguda**

The Deposit with Others amounting INR.17.91 Lakhs at UIHEP, Mukhiguda represents Security Deposit of INR 0.02 Lakhs with BSNL, Bhawanipatna towards Mobile Phone of S.G.M(Electrical) vide MDB Sl. No.134 of 9/2004, with SOUTHCO for INR 7.58 Lakhs for 4 Nos of New 11 KV metering at DAM Sites of Khatiguda Unit & INR 0.60 Lakhs with WESCO for 2 Nos 11 KV metering at Intake & Surge shaft respectively. INR 2.35 Lakhs deposited with EE, Testing & Calibration-cum-DEI, Bhubaneswar INR.7.37 Lakhs with EE RWSS Bhawanipatna towards sinking of Borewell at Mukhiguda Village.

(II) An amount of INR.104 Lakhs was deposited under protest with CTO, Koraput Circle-I, Jeypore and INR 54.03 Lakhs was deposited with CTO, Bhawanipatna by stores & Mechanical division, Khatiguda & Mukhiguda respectively during 1994-96.

INR In Lakhs		INR In Lakhs	
23.03.1994	40.00	1994-95	40.00
28.03.1994	30.00	1994-98	0.03
31.03.1995	22.00	28.06.96	14.00
15.03.1996	12.00		
104.00		54.03	

Out of INR 104.00 Lakhs a sum of INR.5.21 Lakhs has been refunded by CTO, Koraput (now Nabarangpur) through challan vide BRV No.1333 dtd.24.03.2012 after finalization of appeal. So total deposit of INR.152.82 Lakhs is with Sales Tax Authorities. The sales Tax tribunal has directed the concerned CTOs for re-assessment of Sales Tax & the matter is dealt by E.E., Stores & mechanical Divn.

54. I) OHPC has lodged a insurance claim of INR 3605.00 Lakhs with M/S United India Insurance Co Ltd on account of loss due to flood disaster on 28/29.7.91 at UIHEP, Mukhiguda. Against this claim OHPC has received an interim payment of INR 500.00 Lakhs in two spells i.e. INR 350.00 Lakhs in May 95 and INR 150 Lakhs in Feb 98 and shown as income in the respective years. The insurance company intimated OHPC on 21.9.2005 the final net settlement value of INR 95.98 lacs which was not accepted by OHPC. OHPC invoked the arbitration clause, and referred the matter to arbitration. In the process of Arbitration the Hon'ble Arbitrators in the interim order dtd 26.07.2009 directed the Insurance Company to pay INR 95.58 lacs. The said amount received from the Insurance Company has been shown as income in the year 2009-10. Now the Arbitral award is delivered on dated 13.06.2013 and directed to M/s. United India Insurance Company Ltd. to pay INR 740.23 lakhs within two months of the order dated.

The arbitration award has been challenged by the petitioner M/s United India Insurance Co. Ltd. vide Arbitration petition No.325 of 2013 in the Court of the District Judge, Khurda. The last hearing was held on 24.07.2014. The matter is yet to be disposed off.

II) (a) Insurance claim for INR 2.77 lakhs- has been lodged to National Insurance Company on 09.06.2015 for unit-V, CB & CT. (b) Insurance claim of INR 31.48 lakhs has been lodged to national insurance Company on 02.07.2015 for damage of assets of Conference Hall & other equipments due to fire against which an amount of INR 1.40 lakhs has been settled by Insurance Company. (c) Insurance claim of INR 7.22 lakhs has been lodged to National Insurance Company on 16.12.2015 for theft of store materials.

55. It was decided in 105th Board of directors meeting held on 11th March 2011 to make valuation of the Assets of Potteru Small Hydro Electric project after government approval for disposal of the project on "as-is-where-is basis which is still pending for Cabinet approval.
56. The Company spent INR 276.82 lakhs towards CSR i.e. INR 232.41 lakhs towards promoting education & others and INR 44.41 lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013. (By Parent Company).

	(INR IN LAKHS)			
Year	2015-16	2016-17	2017-18	2018-19
Net profit before tax as per Section 198	13862.22	14708.73	7167.67	
Average profit for last 3 years	-	-	-	11,912.87
2% of average profit	-	-	-	238.26
Expenditure made during the year	-	-	-	364.26

Amount spent during the year on:**(INR IN LAKHS)**

	In cash\ Cheque	Yet to be paid in cash	Total
Construction/acquisition of any asset.	-	-	-
On purposes other than (i) above	364.26	-	364.26

B. As per the Companies Act, 2013, the Company is required to spend at least two percent of the average net profit made during the three immediately preceding financial year, in pursuance of its Corporate Social Responsibility Policy. During the year an amount of Rs.7.62 Lakhs (2% of average profit before tax of immediately previous 3 (three) years (P.Y-NIL) to be spent on CSR head during the year. However the said amount was not spend during the year (GEDCOL).

(INR IN LAKHS)

Particulars	2015-16	2016-17	2017-18	2018-19
Net Profit Before Tax as per Section 198	55.13	684.04	404.44	
Average Profit for Last Three Years				381.20
2% of Average Profit				7.62
Expenditure made during the year				-

57. Foreign currency transactions:

Particulars	2018-19	2017-18
	(INR in LAKHS)	(INR in LAKHS)
(a) Payment made to consultants	144.21	16.18
(b) Traveling Expenses	0.25	1.20
Total expenses	144.46	17.38

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial statement for the year ended 31st March 2019
(All amounts in Indian rupees, except share data and unless otherwise stated)

58. Related Party Disclosures are given below:

(a) Interest in Subsidiaries:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Green Energy Development Corporation LTD	India	Power Generation	100%	100%

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Odisha Thermal Power Corporation LTD	India	Power Generation	50%	50%
Baitarni West Coal Company LTD	India	To own, acquire, develop , operate and carry on the business of coal mining and coal washerces etc.	33.33%	33.33%

(c) Interest in Associates Company:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at	
			31-03-19	31-03-18
Odisha Coal and Power Limited	India	Extraction of Coal	49%	49%

(d) List of Other Related Parties:

Name of Related Parties	Principal place of operation	Nature of Relationship
OHPC PF Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Pension Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Gratuity Trust Fund	India	Post-employment benefit plan of OHPC
OHPC Rehabilitation Trust	India	In service death benefit plan of OHPC

(e) (i) Key Management Personnel (of parent company)

Sl. No	Name	Position Held
1	Sh Vishal Kumar Dev, IAS,	Chairman-cum-Managing Director
2	Sh Hemant Sharma, IAS,	Govt nominee Director
3	Sh Pravakar Mohanty,	Director (Finance)& CFO
4	Sh S.C. Bhadra,	Independent Director
5	Sh R.C. Tripathy,	Independent Director
6	Mrs. Saveeta Mohanty,	Independent Director
7	Dr. Prabodha Kumar Mohanty,	Director (HRD)
8	Sh S.K Tripathy	Director (Operation)
9	Sh P.K. Lenka	Govt nominee Director
10	Sh S.P. Rath	Govt nominee Director
11	Sh Dronadeb Rath	Independent Director
12	Sh P.K. Mohanty	Company Secretary

(ii) Key Management Personnel (of wholly own subsidiary company of GEDCOL)

Sl No.	Name of the Director	Position Held
1	Sh Hemant Sharma, IAS	Chairman-cum-Managing Director
2	Sh Vishal Kumar Dev, IAS	Director
3	Sh S.C. Bhadra	Director
4	Sh B.B. Acharya	Director
5	Sh S.K. Tripathy	Director
6	Sh C.R. Pradhan	Director

(f) Name and Nature of Relationship with Government:

Sl. No	Name of the Government	Nature of Relationship with OHPC
1	Government of Odisha	Shareholder having control over company

The Company is a State Public Sector Undertakings (SPSU) controlled by State Government by holding of shares. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, shall be regarded as related parties. The Company has applied the exemptions available for government related entities and have made limited disclosures in the financial Statements in accordance with Ind AS 24.

The Company has business transactions with the state governments and entities controlled by the Govt. of India. Transactions with these entities are carried out at market terms on arms- length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and are not considered to be significant.

(g) Key Management Personnel (KMP) compensation:

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
i) Short Term Employee Benefits	101.06	60.17
ii) Post-Employment Benefits	12.530	8.49
Other Transactions with KMP	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Sitting Fees and other reimbursements to non-executive/Independent directors	5.11	5.94

(h) Transactions with Related Parties-Following transactions occurred with related parties:**(I) Transaction with Government that has control over company (OHPC)- State Govt.**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Guarantee commission Due	-	0.05
Interest on Govt Loan Due	7,328.96	7,540.46
Loan Repaid	3,023.00	3,023.00
Guarantee commission Repaid	0.05	7.03
Loan Outstanding	103,104.90	106,127.90

(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)

	During the FY 2018-19	During the FY 2017-18
Sale Of Goods (Electricity)	47,484.06	46,401.43
Service Received by the Company (SLDC)	155.02	142.96
Service Received by the Company (Rent)	83.06	77.13
Debtors Receivable	11,923.48	11,172.53
Debt Securitisation Receivable	61,900.00	61,900.00

(III) Transaction with Subsidiaries

	During the FY 2018-19	During the FY 2017-18
Loan Given To GEDCOL		1,500.00
Loan amount Receivable from GEDCOL	4,550.00	4,550.00
Interest receivable for the year	345.38	322.97
Interest receivable as on reporting date	834.24	488.87
Advance to others (Salary & Other Expenses paid for GEDCOL)	60.54	644.49
Receivable from GEDCOL on account of Advance to Others	813.14	752.59

(IV) Transaction with Joint Ventures

Fixed deposit pledged with Punjab and Sindh Bank towards margin money on behalf of BWCCCL	2,500.00	2,500.00
Advance to others (Other Expenses paid for BWCCCL)	0.29	1.71
Receivable from BWCCCL	0.47	1.71

(V) Transaction with Associates

	During the FY 2018-19	During the FY 2017-18
Loan given to OCPL		2,000.00
Loan Repaid by OCPL		7,100.00
Interest receivable for the year		272.05
Fixed deposit pledged with Axis Bank towards margin money on behalf of OCPL	1,508.42	1,539.00
Corporate Guarantee	6,033.66	6,033.66

(VI) Transaction with Trust created for Post-employment Benefit plans of OHPC.

	During the FY 2018-19	During the FY 2017-18
1. PF Trust		
Contribution to Trusts	961.71	1,001.08
2. Gratuity Trust		
Contribution to Trusts	3,102.15	66.96
Payable to Trust	5.55	2,846.84
3. Rehabilitation Trust		
Contribution to Trusts	38.00	38.50
4. Employees Pension Trust		
Contribution to Trusts	8,520.34	5,733.06
Payable to trust	4,594.18	1,142.83
Total of transactions with above trusts	12,622.20	6,839.59

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial statement for the year ended 31st March 2019

(All amounts in Indian rupees, except share data and unless otherwise stated)

59. Defined Benefit Plans: - Corporation has following defined post-employment obligation.

(a) Description of plans

(i) Provident Fund

Ø The employees from Govt. of Odisha and erstwhile OSEB related to generation undertaking have been permanently absorbed in OHPC consequent upon the formation of OHPC. In addition, OHPC also recruited its own employees.

Ø The employees transferred from erstwhile OSEB & pensionable employees of Govt. joined with OHPC PF Trust and contributed to Provident Fund which is being invested as per guidelines issued by MOC from time to time. In case of non-pensionable employees of Govt. absorbed in OHPC and own recruited employees, OHPC contributes matching employer contribution of 12% of Pay +DA is deposited with RPFC and charged to P & L account.

(ii) Pension:

The employees of the corporation who have been permanently absorbed in OHPC from Govt. / erstwhile OSEB and also the employees opted for uniform pension scheme rendering continuing service of 10 years are eligible to get pension at the rate of total emoluments divided by two X each half yearly qualifying service subject to maximum fifty half yearly qualifying service. The liability for the same is recognized on the basis of actuarial valuation. The scheme is being managed by a separate trust created for the purpose and obligation of the corporation is to make contribution to the Trust based on actuarial valuation.

(iii) Gratuity

The Corporation has taken two group Gratuity Insurance Policies with LIC of India w.e.f. 01.01.2005 and 01.04.2014. The Corporation has a defined benefit gratuity plan. The ceiling limit of Gratuity is fixed as per payment of Gratuity Act 1972 for the employees covered under EPF Act. As per this, an employee rendering service of five years or more are entitled to get gratuity at 15 days salary (15 / 26 X last drawn basic salary plus DA) for each completed year of service or part thereof in excess of 6(six) months subject to maximum of INR 20.00 lakhs on superannuation, resignation, termination, disablement or on death. Further the ceiling limit of Gratuity for the employees transferred from Govt. / erstwhile OSEB covered under pension scheme and rendered continuous service of ten years or more are entitled to get gratuity equal to ¼ th of his last salary (Basic Salary) for each completed six monthly period of qualifying services subject to maximum of 16 ½ times of the emoluments or INR 15.00 lakhs whichever is lower on superannuation. But in case of death, the ceiling limit of gratuity is fixed depending upon the length of service corresponding to rate of gratuity as given below:

Length of Service	Rate of Gratuity
(i) Less than one year	2 Times of emoluments
(ii) One year or more but less than 5 years	6 Times of emoluments
(iii) 5 years or more but less than 20 years	12 times of emoluments
(iii) 20 years or more	Half of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times emoluments provided that the amount of Death Gratuity shall in no case, exceed seven lakh fifty thousand

The liability for the same is recognised on the basis of actuarial valuation and is being managed by LIC through a separate Trust created for the purpose and obligation of the corporation is to make contribution to the Trust based on actuarial valuation.

(iv) Other Long Term Employee benefits (Leave benefit)

The Corporation provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave at the time of retirement is limited to 300 days. The maximum accumulated half pay leave is limited to 480 days. The liability for the earned leave is recognised on the basis of actuarial valuation.

(v) Allowances on Retirement / Death :

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to his / her native place as recorded in Service Book where he / she may settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actual payment. In addition, the Corporation has a policy to pay INR 15,000/- to the family of the deceased employee towards transportation of dead body and obsequies expenses.

(vi) Memento to employees on attaining the age of superannuation:

The Corporation has a policy of providing Memento valuing INR 0.04 Lakhs to employee on superannuation. The liability for the same is recognised on the basis of actual payment.

b. Disclosure of Balance Sheet amounts and sensitivity analysis of plans

(i) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

(INR IN LAKHS)			
Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	6,760.54	6,945.27	(184.73)
Current Service Cost	377.23	-	377.23
Past Service Cost	2,739.73	-	-
Interest Expenses/ (Income)	507.04	532.24	(25.20)
Total Amount recognised in Profit or Loss	3,624.00	532.24	3,091.76
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(23.99)	-	(23.99)
Experience (gains)/Losses	31.44	-	31.44
Total Amount recognised in Other Comprehensive Income	7.45	-	7.45
Contributions:-	-	-	-
-Employers	-	0.95	0.95
-Plan participants	-	-	-
Benefit payments	(350.57)	(350.57)	-
Closing Balance as at 31.03.2018	10,041.42	7,127.90	2,913.52

(INR IN LAKHS)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
2018-19			
Opening Balance as at 01.04.2018	10,041.42	7,127.90	2,913.52
Current Service Cost	398.06	-	398.06
Past Service Cost			-
Interest Expenses/ (Income)	758.13	663.37	94.75
LIC Adjustment		(25.00)	25.00
Total Amount recognised in Profit or Loss	1,156.19	638.37	517.81
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions		-	-
(Gain)/loss from change in financial assumptions	130.47		130.47
Experience (gains)/Losses	(395.36)		(395.36)
Total Amount recognised in Other Comprehensive Income	(264.89)		(264.89)
Contributions:-	-	-	-
-Employers	-	3,160.89	3,160.89
-Plan participants	-	-	-
Benefit payments	(289.94)	(289.94)	-
Closing Balance as at 31.03.2019	10,642.77	10,637.22	5.55

The net liability disclosed above related to funded and unfunded plans are as follows:

(INR IN LAKHS)

Particulars	31 March 2019	31 March 2018
Present Value of funded obligations	10,642.77	10,041.42
Fair value of Plan Assets	10,637.22	7,127.90
Deficit/(Surplus) of funded plans	5.55	2,913.52
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	5.55	2,913.52

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

(INR IN LAKHS)

a) Impact of the change in discount rate	31 March 2019	31 March 2018
Present Value of Obligation at the end of the period	10,642.77	10,041.418
i) Impact due to increase of 0.50%	(238.78)	(233.58)
ii) Impact due to decrease of 0.50%	251.71	245.66

b) Impact of the change in salary increase

	Present Value of Obligation at the end of the period	10,643	10041.42
i)	Impact due to increase of 0.50%	170.10	182.39
ii)	Impact due to decrease of 0.50%	(172.04)	(183.86)

- (ii) **Pension:** The amount recognised in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

(INR IN LAKHS)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
2017-18			
Opening Balance as at 01.04.2017	30,281.84	35,306.96	(5,025.13)
Current Service Cost	978.90		978.90
Past Service Cost	5,918.32		5,918.32
Interest Expenses/ (Income)	2,271.14	3,229.33	(958.19)
Total Amount recognised in Profit or Loss	9,168.36	3,229.33	5,939.03
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(1,938.25)	-	(1,938.25)
Experience (gains)/Losses	7,900.23	-	7,900.23
Total Amount recognised in Other Comprehensive Income	5,961.98	-	5,961.98
Contributions:-			
-Employers		5,733.06	5,733.06
-Plan participants			
Benefit payments	(6,934.83)	(6,934.83)	
Closing Balance as at 31.03.2018	38,477.35	37,334.52	1,142.83

(INR IN LAKHS)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
2018-19			
Opening Balance as at 01.04.2018	38,477.35	37,334.52	1,142.83
Current Service Cost	1,109.97		1,109.97
Past Service Cost	4,743.17		4,743.17
Interest Expenses/ (Income)	2,905.04	3,285.01	(379.97)
Total Amount recognised in Profit or Loss	8,758.18	3,285.01	5,473.18
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	2,266.55		2,266.55
Experience (gains)/Losses	4,231.96	-	4,231.96
Total Amount recognised in Other Comprehensive Income	6,498.51	-	6,498.51
Contributions:-			
-Employers		8,520.34	8,520.34
-Plan participants			
Benefit payments	(9,237.76)	(9,237.76)	
Closing Balance as at 31.03.2019	44,496.28	39,902.10	4,594.18

The net liability disclosed above related to funded and unfunded plans are as follows:

(INR IN LAKHS)

Particulars	31 March 2019	31 March 2018
Present Value of funded obligations	44,496.28	38,477.35
Fair value of Plan Assets	39,902.10	37,334.52
Deficit/(Surplus) of funded plans	4,594.18	1,142.83
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	4,594.18	1,142.83

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

(INR IN LAKHS)

a) Impact of the change in discount rate		31 March 2019	31 March 2018
	Present Value of Obligation at the end of the period	44,496.28	38,477.35
i)	Impact due to increase of 0.50%	(2,603.71)	(2,518.81)
ii)	Impact due to decrease of 0.50%	2,689.25	2,595.56
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	44,496.28	38,477.35
i)	Impact due to increase of 0.50%	2,704.67	2,608.23
ii)	Impact due to decrease of 0.50%	(2,613.65)	(2,527.55)

- (iii) **Earned Leave** : The amount recognised in the Balance Sheet as at 31.03.2018 & 31.03.2019 along with the movements in the net defined benefit obligation during the years 2017-18 and 2018-19 are as follows:

(INR IN LAKHS)

Particulars	Present Value of Obligation	
	2018-19	2017-18
Opening Balance as at 01.04.2018	6,708.59	6,277.24
Current Service Cost	324.03	297.86
Past Service Cost		
Interest Expenses/ (Income)	506.50	470.79
(Gain)/loss from change in Demographic assumptions	-	3.43
(Gain)/loss from change in financial assumptions	112.66	(19.89)
Experience (gains)/Losses	204.12	224.64
Total Amount recognised in Profit or Loss	1,147.32	976.84
Contributions:-		
-Employers		
-Plan participants		
Benefit payments	(741.82)	(545.49)
Closing Balance as at 31.03.2019	7,114.08	6,708.59

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

(INR IN LAKHS)

a) Impact of the change in discount rate		31 March 2019	31 March 2018
	Present Value of Obligation at the end of the period	7,114.08	6,708.59
i)	Impact due to increase of 0.50%	(205.71)	(189.69)
ii)	Impact due to decrease of 0.50%	219.05	200.88

b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	7,114.08	6,708.59
i)	Impact due to increase of 0.50%	218.58	200.98
ii)	Impact due to decrease of 0.50%	(207.17)	(191.51)

Significant Accounting Policy & Accompanying notes forming part of the financial statements

In terms of our report of even date attached

For ABP & ASSOCIATES

Chartered Accountants

Debasis Parida
Partner
ICAI M.No. **062867**
Place: Bhubaneswar
Date: **21-08-2019**

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO

Vishal Kumar Dev, IAS
CMD
DIN: **01797521**

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24th ANNUAL REPORT 2018-19

ODISHA HYDRO POWER CORPORATION LIMITED

ANNUAL REPORT 2018-19



**ODISHA HYDRO POWER
CORPORATION LIMITED**
(A Government of Odisha Undertaking)

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