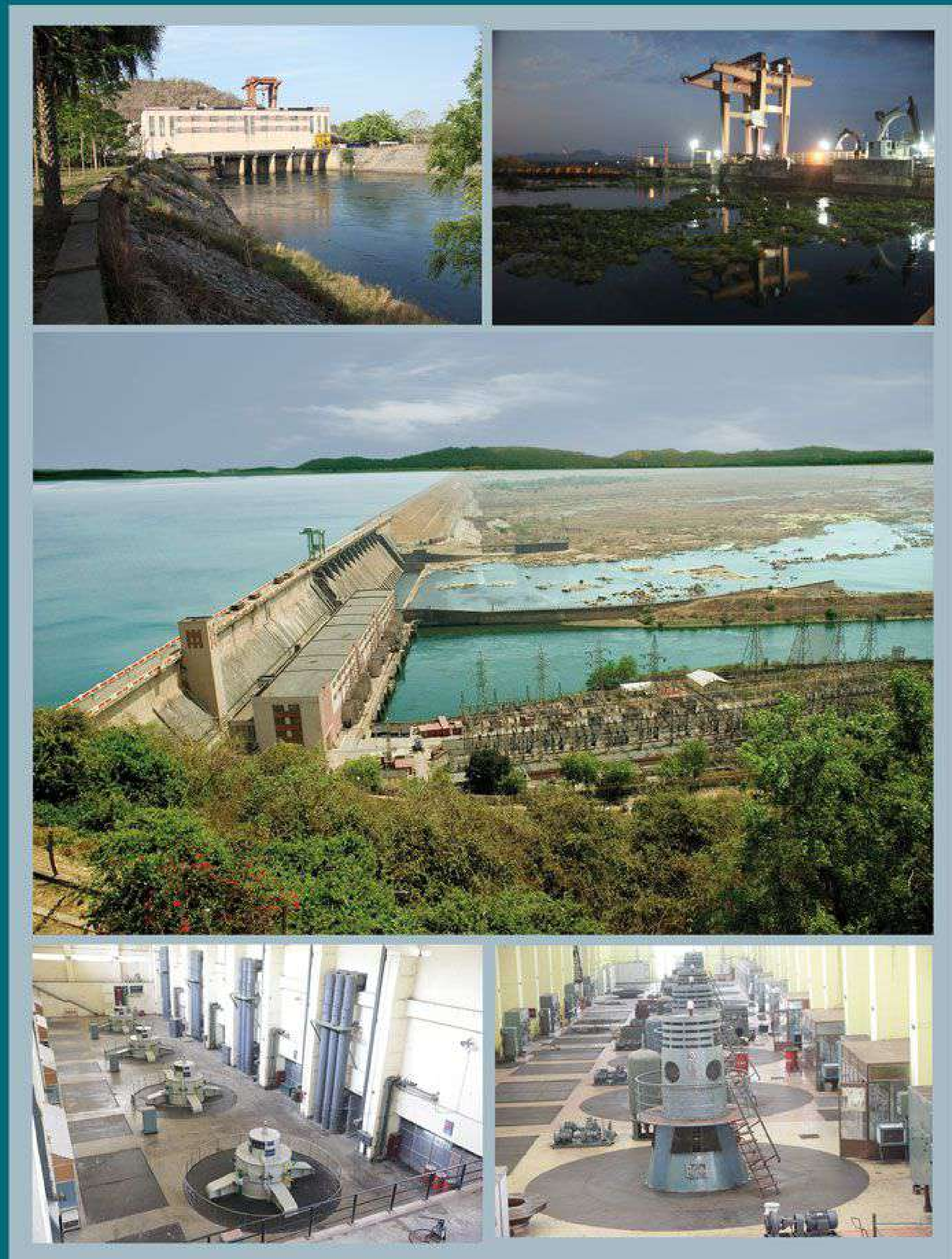
ODISHA
NEW OPPORTUNITIES



ODISHA HYDRO POWER CORPORATION LIMITED
A Gold rated State PSU
Janpath, Bhoi Nagar, Bhubaneswar 751022
Tel: 0674 2542922, Fax : 2542102, gram hydropower
www.ohpcltd.com, Email: ohpc.co&gmail.com / mdohpcltd.com

ODISHA HYDRO POWER CORPORATION LIMITED ANNUAL REPORT 2017-18

23rd ANNUAL REPORT 2017-18

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

OHPC

23RD
ANNUAL REPORT
2017-18

ODISHA HYDRO POWER CORPORATION LIMITED

(A Government of Odisha Undertaking)

CONTENTS

ODISHA HYDRO POWER CORPORATION LIMITED

Board of Directors

Sh Vishal Kumar Dev, IAS,
Chairman-Cum-Managing Director

Sh Hemant Sharma, IAS Director	Sh Pravat Kumar Lenka, IAS Director
Dr. Satya Priya Rath Director	Sh Pravakar Mohanty Director (Finance) & CFO
Dr. Prabodh Kumar Mohanty Director (HRD)	Sh Sanjib Kumar Tripathy Director (Operation)
Sh Sarat Chandra Bhadra Director	Sh Ramesh Chandra Tripathy Director
Sh Dronadeb Rath Director	Mrs. Saveeta Mohanty Director

COMPANY SECRETARY
Sh P K Mohanty

STATUTORY AUDITOR
M/s. A B P & Associates,
Chartered Accountants

SECRETARIAL AUDITOR
M/s. Saroj Panda & Co.
Company Secretaries

COST AUDITOR
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 section undertakings by the Ministry of Cola, 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 know how.

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.

THE BOARD OF DIRECTORS - BRIEF PROFILES

Shri Vishal Kumar Dev, IAS,
Chairman-cum-Managing Director
DIN 01797521

Sh Vishal Kumar Dev, IAS, Commissioner-cum-Secretary to Government of Odisha, Sports & Youth Services Department & Tourism Department is on our Board as Chairman-cum-Managing Director since 26.07.2017. Sh Vishal Kumar Dev, IAS is a 1996 batch Indian Administrative Services Officer of Odisha cadre. Mr. Dev is an alumnus of IIT- BHU, Varanasi; IIM, Lucknow and University of Sussex, UK.

He worked for 3 years in one Corporate Sector before joining the Indian Administrative Service in 1996. During his career of more than 22 years in the IAS, he served in various key Departments / Authorities like Municipal Commissioner of Cuttack as well as Bhubaneswar, Chief Executive Officer of OCAC & Director, IT Deptt, Vice-Chairman of Bhubaneswar Development Authority, Chairman and Managing Director of Industrial Development Corporation of Odisha Limited & Odisha Industrial Infrastructure Development Corporation, Commissioner-cum-Secretary to Govt., Industries Department and Women & Child Development Deptt., Govt. of Odisha. He has contributed significantly to the development of the IT/ITES Sector as well as to Industrial development of the State. Under his dynamic leadership Odisha organized successfully Men's World Cup Hockey during 2018 at Bhubaneswar.

His interest key areas of includes infrastructure development, Urban Management and e-Governance.

Sh Hemant Sharma, IAS,
Director
DIN:01296263

Sh Hemant Sharma, IAS, Commissioner-cum-Secretary to Government of Odisha, Department of Energy and Chairman-cum-Managing Director OPTCL, GRIDCO & GEDCOL is on our Board with effect from 02.08.2013. Sh Hemant Sharma joined Odisha cadre of Indian Administrative Service in 1995. He holds a Bachelor's Degree in Electrical Engineering from Roorkee University. Prior to present assignments, he made significant contributions in Land & Revenue Management, Food Security, Civil Supplies & Consumer Affairs, Industrial Development, Finance, Technical Education and Labour & Employment Sectors in his official capacities of Managing Director of Aska Sugar Co-Op Mill, Odisha State Financial Corp., Industrial Development Corp. of Odisha (IDC), Bargarh and Director at various Departments of Government of Odisha.

In his present assignment, he has been playing a pivotal role in Development of the Power Sector of Odisha. Under his able leadership, the Power Sector of the State including Power Generation, Transmission, Bulk Supply, Purchase & Trading and Power Distribution & Retail Power Supply arms of the Sector have thrived new heights. His achievement in Power Sector has been remarkably acclaimed in various forums at National and International level.

Sh Pravat Kumar Lenka, IAS

Additional Secretary to Govt. of Odisha,
Deptt. of Public Enterprises, Bhubaneswar,
Director, OHPC Ltd.
DIN:08072268

Sh Pravat Kumar Lenka, IAS, Additional Secretary to Government of Odisha, Department of Public Enterprises is on our Board with effect from 21.02.2018. Prior to his present assignment, Sh Lenka served as Additional Secretary to Govt. of Odisha in Department of Forest and Environment nearly five years. Earlier to that he worked both in the District level and Govt. level in the State Secretariat.

Dr. Satya Priya Rath,

Director
Joint Secretary to Govt. of Odisha,
Finance Department, Bhubaneswar,
DIN:- 08004438

Dr. Satya Priya Rath, Joint Secretary (Budget & Resources) to Government of Odisha, Finance Department is on our Board with effect from 23.11.2017. Dr. Rath holds a Master's Degree in Physics and a Post Graduate Degree in Business Administration. He successfully completed doctoral research work on the topic "Fiscal Sustainability: A case study of Odisha" and awarded with PHD from KIIT University, Bhubaneswar in October,2016. In addition, Dr. Rath has acquired training and experience in diverse areas of Management, Taxation etc. from various Educational and Administrative Institutions of the Country and abroad. During his career spendings over 20 years, Dr. Rath handled Sub-national Financial Management including Resource Projection, Budget, Expenditure & Treasury Management, Debt Management, Fiscal Restructuring, Finance Commission related matters and externally Aided Projects etc.

CMA Sh Pravakar Mohanty,

Director (Finance) & CFO
DIN 01756900

Sh Pravakar Mohanty is on our Board as Director (Finance) since 25.10.2016. Sh Mohanty is a Fellow Member of the Institute of Cost Accountant of India (ICAI) and a Post Graduate in Commerce & holds a Law Degree. Prior to joining OHPC, he served as Director (Finance) in Neelachal Ispat Nigam Limited; a Central PSU.

He is having more than 36 years of rich experience in Industrial Development Corporation of Odisha Limited (IDCOL); the oldest State Govt. of Odisha PSUs, NINL. Sh Mohanty has wide experience in Financial Planning, Appraisal, Getting Clearances, Financial Closure, Budgetary Monitoring, Contract Management including Commercial aspects and Policy issues. He was the first Professional from the State of Odisha to become the President of one of the pioneer Professional Body i.e. The Institute of Cost and Management Accountant of India in the year 2005-06.

He is presently a member of Odisha State Productivity Council (OSPC) and nominated by Government of India as a member in the Appellate Authority under Ministry of Corporate Affairs, Government of India. He has rich experience of teaching in professional Institutions and universities & addressed in many Seminars, Conferences and Workshop etc.

Dr. Prabodh Kumar Mohanty

Director (HRD)
DIN:07902418

Dr. Prabodh Kumar Mohanty is on our Board as Director (HRD) since 01.08.2017. Sh Mohanty has a distinguished academic & research background in the field of HRM. He is a Doctorate in Management, Masters in PMIR and Bachelor in Law.

Prior to joining OHPC, Dr. Mohanty was the Vice President (HR & ER) in OCL IRON AND STEEL LTD. He brings with him more than three decades of rich experience in various Industries as well as in Academics & Research. He has served in various senior managerial positions (HR) in both public and private sectors of repute such as CIL, PPL, EIL, NINL & JSL. He is also associated with XIMB and NIT School of Management, Rourkela as Visiting Faculty & Adjunct Professor. He has been actively associated with professional bodies like NIPM, ISTD, AIMA and QCFI. Further to his research activities, he has published eighteen research papers / articles in leading National and International Journals and a book on "Strategic HRM-A New Perspective for Steel Industry". Dr. Mohanty is also a well-known trainer in HR, OB, Industrial Laws, CSR and Strategic HRM.

Sh Sanjib Kumar Tripathy,

Director (Operation)
DIN:07915634

Sh Sanjib Kumar Tripathy is on our Board as Director (Operation) since 01.02.2018. Sh Tripathy is a Graduate from National Institute of Technology, Rourkela in Electrical Engineering. He holds a Master Degree in Business Administration in HRD from Indira Gandhi National Open University and possess a certified course in Disaster Management from Indira Gandhi National Open University.

Prior to the Board Level appointment in OHPC, he started his career in erstwhile OSEB in 1982. Sh Tripathy has over 36 years of rich experience in implementation of Hydro, Thermal and Solar Projects encompassing all areas Hydro /Solar/ Thermal Power Development from inception to commission and Operational and Maintenance.

During his illustrious career, he has made significant contributions in commissioning 2x110 MW Thermal Units at TTPS, construction, erection & commissioning of 4x150 MW Hydro Power House at Indravati, synchronization of Odisha Grid to Eastern Region Electricity Board (EREB) , commissioning of 20 MW ground mounted Solar Plant at Manamunda (Boudh) and 4 MW Rooftop Solar project on Government Buildings in Bhubaneswar & Cuttack. He has imparted many lectures & trainings to both power sector professionals & new entrants, which shows his keenness towards academics.

Sh Sarat Chandra Bhadra,

Independent Director
DIN:01896713

Sh. Sarat Chandra Bhadra has been appointed as Independent Director on the Board of our Company w.e.f 09.07.2010. Sh Bhadra is a Fellow Member of Institute of Chartered Accountants of India and a Science Graduate having Law Degree. He was the Central Council Member of Institute of Chartered Accountants of India from 1998-2001. He served as a Member of various Committees of ICAI during 3(three) years. He was in practice as Chartered Accountants for more than 42 years as Sr. Partner of M/s.SRB & Associates. As a Professional Chartered Accountant, he carried out assignment of Statutory Audits, Internal Audits, Tax & Project Consultancy of number of Govt. Companies, Joint Sector Companies, Banks, such as National Aluminum Company, Oil India Limited, Odisha Mining Corporation Limited, Grid Corporation of Orissa Limited, POSCO India (P) Limited, Statutory Audit of Banks etc.

He was Director, Bhubaneswar Stock Exchange Association Ltd., Secretary, Regional College of Management, Convener of Finance & Taxation Panel, All Odisha Blind Association & as Vice President of B.J.B English Medium School, Member of Lions International in the capacity of Club Secretary and President, Zone Chairman, Region Chairman and Dist. Chairman, Member of the State Level Implementing and Monitoring Committee to oversee implementation of the Revival Package for the Short Term Cooperative Credit Structure and member of the State Level Consultative Committee on Implementation of VAT for discussion on the salient features of GST.

Sh Ramesh Chandra Tripathy,

Independent Director
DIN:05322840

Sh Ramesh Chandra Tripathy has been appointed as Independent Director on the Board of our Company w.e.f. 07.09.2012. Sh Tripathy holds a Bachelor's Degree in Civil and Municipal Engineering in 1962 from University College of Engineering, Burla. He completed P.G. Dip. (WRD) from University of Roorkee in 1967 and M.E. (WRD) in 1970. He completed Diploma in Management from Indira Gandhi National Open University in 1987. He joined Govt. service with Irrigation & Power Dept. (presently Department of Water Resources), Govt. of Odisha in June 1962 and continued till superannuation as Engineer-in-Chief (Water Resources) in Aug. 1999. While on deputation to Central Water & Power Commission (Water Wing) from 1968 to 1972 was associated with the design and detailing of hydraulic gates and problems faced during the operation of gates in many projects in the country. He is consulted for his expertise on hydraulic gates and related structures.

He was in charge of construction of Rengali Power House from foundation excavation till commissioning, as Executive Engineer. He was chosen for the complicated works of reconstruction & rehabilitation of devastated penstocks and related structures of Upper Indravati H.E. Project after the flood debacle of

1991, as General Manager of O.C.C. Ltd.

He worked as Chief Engineer (Designs & Research), Chief Engineer & Basin Manager, Baitarani, Subarnarekha & Budhabalanga Basin, Engineer-in-Chief, Rengali Irrigation Project and Engineer-in Chief, Water Resources till retirement.

Mrs. Saveeta Mohanty

Independent Women Director

DIN:01854837

Mrs. Saveeta Mohanty has been appointed as an Independent Women Director on the Board of our Company w.e.f. 14.07.2015. Mrs. Mohanty is a Science Graduate from M.S. University, Baroda and a Post Graduate Diploma in Personnel Management from XLRI, Jamsehdpur. She worked with Wipro Corporation Limited, Bombay, Management Consultant at BBSR & Eastern Media Limited from 1977 to 1991 onwards. She is a promoter Director of a Small Scale unit Maxcare Laboratories Limited, BBSR. She is a full time Faculty at Xavier Institute of Management, Bhubaneswar since 1987. She conducts training programs for Larsen & Toubro, Bureau of Immigration, Government of India in the areas of time management, effective presentation skills, effective interpersonal communications etc. She is also a member of the local Board, Odisha region of the State Bank of India, member of the National Advisory Committee of SIDBI, Executive Committee member of CII. She has been awarded Best Lady Entrepreneur Award by Odisha Small & Medium Enterprises Assembly.

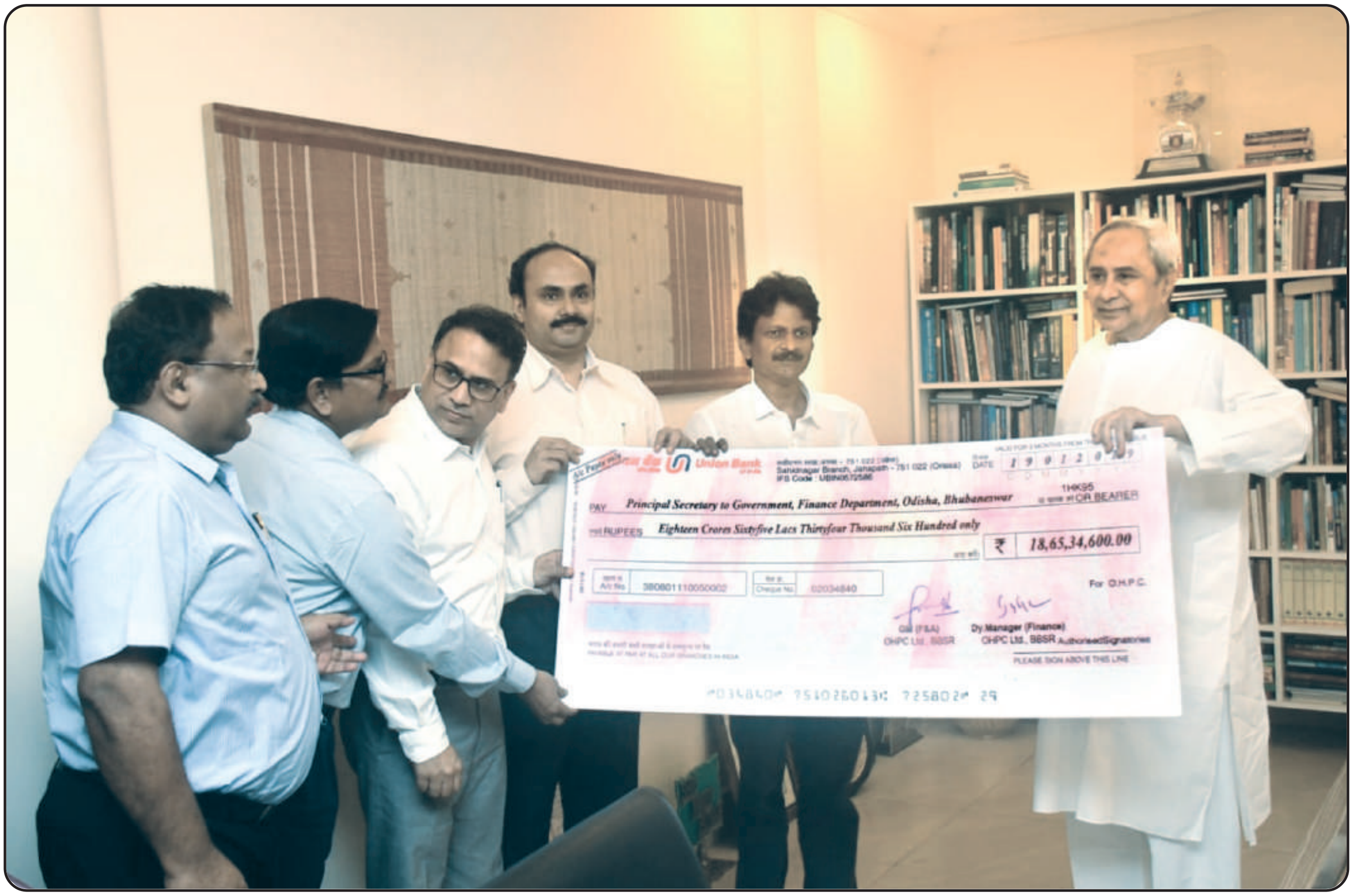
Sh Dronadeb Rath

Independent Director

DIN:00317139

Sh Dronadeb Rath has been appointed as an Independent Director on the Board of our Company w.e.f. 12.04.2017. Sh Rath holds a Bachelor's Degree in Mechanical Engineering. He joined as a Graduate Engineer / Asst. Design Engineer in 1972 in MECON and served in various capacities including senior and top level management position from 1972 to 2002. He was responsible for design & engineering of Bell Annealing Furnace of CRM Complex of Bokaro Steel Plant from June 1981 to April 2002. His experience and expertise covers broad spectrum including project planning and execution, quality control, design and engineering.

During 38 years of his illustrious career in MECON, he reached to the post of CMD of MECON in September, 2005. As Chairman of the Board of Directors of MECON, he conducted the business of the company with a turnover of over Rs.3000 million. Sh Rath is a person with strong conviction, clear strategic vision and intellectual capacity coupled with proven managerial experience. He is also an ardent Sports Lover.



Payment of dividend cheque by the Hon'ble Minister Energy, Labour & Employees' State Insurance on behalf of OHPC to the Hon'ble Chief Minister, Odisha for the Financial year 2017-18.

ODISHA HYDRO POWER CORPORATION LTD
DIRECTORS' REPORT 2017-18

Dear Members,

Your Directors are pleased to present the 23rd 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, 2018.

1. FINANCIAL HIGHLIGHTS

The Financial results for the year ended 31st March, 2018 are summarized below.

(Rs.in Crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2017-18	**2016-17**	**2017-18**	**2016-17**
REVENUE				
Revenue from Operations	468.48	432.49	484.01	447.32
Other Income	161.75	166.85	165.62	167.81
Total Revenue	**630.23**	**599.34**	**649.63**	**615.13**
EXPENSES				
Employees' Benefits Expense	264.95	129.18	265.49	129.80
Finance cost	75.00	78.69	76.13	80.91
Depreciation and Amortization Expenses	75.10	115.74	80.75	121.20
Other expenses including exceptional items	87.25	70.16	95.62	70.81
Total expenses	**502.70**	**393.77**	**517.99**	**402.72**
Profit before non-controlling interests /share in Net-profit of Joint Venture / Associate	127.53	205.57	131.64	212.41
Share in Profit / (Loss) of Joint Venture / Associate	-	-	(1.44)	(.86)
Profit before Tax	**127.53**	**205.57**	**130.20**	**211.55**
Tax expenses				
- Current Tax	33.93	70.09	34.80	71.40
- Deferred Tax	(5.10)	6.36	(4.65)	7.22
Profit for the year	98.70	129.12	100.05	132.93
Other Comprehensive Income	(36.52)	(38.24)	(36.52)	(38.24)
Total Comprehensive Income	**62.18**	**90.88**	**63.53**	**94.69**

2. REVENUE AND PROFIT

Gross Revenue (including income from other sources) during the year under review is Rs.630.23 crore as against Rs.599.34 crore in the previous year 2016-17. The Company earned profit before tax for Rs.127.53 crore for the Financial Year 2017-18 as against Rs.205.57crore in the previous financial year 2016-17. Total

Comprehensive expenses for the financial year 2017-18 is Rs.36.52 crore as against Rs.38.24 crore in the previous financial year 2016-17.

The Joint Venture / Associate Companies are under project implementation 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.1.35 crore (P.Y. Rs.3.81 crore) mainly due to elimination of intra group transactions as compared to OHPC Ltd and increase of proportionate share of profit by Rs.0.58 crore to Rs.1.44 crore in current year (P.Y. Rs.0.86 crore) from GEDCOL.

3. GENERATION

i) Gross Energy Generation from various operational plants of the Units of the Company during F.Y. 2017-18 over the previous year is as under:- [Million Units (MU)]

Name of Power House	Groos Generation Current Year 2017-18(MU)	Gross Generation Previous Year 2017-17 (MU)	Excess(+) / shortfall (-) over previous year (MU)
HHEP, Burla	614.069	535.632	78.437(+)
CHEP, Chipilima	219.111	200.807	18.304(+)
RHEP, Rengali	762.544	553.0844	209.4596(+)
BHEP, Balimela	1475.072	1001.5666	473.5054(+)
UKHEP, Upper Kolab	675.649	619.472	56.177(+)
UIHEP, Mukhiguda	1740.820	1522.634	218.186(+)
Total (MU)	**5487.265**	**4433.196**	**1054.069(+)**

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 2017-18	Achievement 2016-17	Excess over previous year
HHEP, Burla	67.84	73.993%	(-) 6.15%
CHEP, Chipilima	58.27	88.531%	(-) 30.26%
RHEP, Rengali	72.02	85.691%	(-) 13.67%
BHEP, Balimela	81.99	86.572%	(-) 4.58%
UKHEP, Upper Kolab	65.06	83.107%	(-) 18.05%
UIHEP, Mukhiguda	94.65	83.962%	(+) 10.69%
Wt. PAF of OHPC Power Station	79.42	83.762%	(-) 4.34%

iii) The total Generation and weighted average PAF achieved by OHPC vis-à-vis MoU targets of OHPC for Financial Year 2017-18 is as under :-

Parameter	Achieved for 2017-18	MoU target for 2017-18	Excess over MoU target
Generation (MU)	5487	5257	(+)230
PAF %	79.42	83	(-)3.58

4. DIVIDEND

Considering the progress made by your Company, Directors 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.18.65 crore for the F.Y 2017-18 and dividend tax will be Rs.3.83 crore.

5. 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 A/c.

6. 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 2017-18.

(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 theconsumers of the State.

(iii) Return on Equity (RoE) is not allowed in respect of the transferred assets of old powerstations 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 requiredfor repayment of loan whichever is higher is allowed by the Hon'ble Commission.

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.

7. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital and net worth as on 31.03.2018 was Rs.712.65 crore and Rs.1635.79 crore respectively.

8. 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 construction of Pumped Storage Scheme at Upper Indravati, Mukhiguda (600MW) and Upper Kolab PSP (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 of Limited (OTPC).**

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

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

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 WestCoal Company Ltd (BWCCL) has been incorporated by the three allocatees in April,2008. After de-allocation of the Baitarni West Coal Block, BWCCL is planning to apply for new Coal blocks under Government dispensation route. Regarding encashment of BG, the Hon'ble High Court of Orissa had passed an interim order in favour of BWCCL.

c) **Green Energy Development Corporation of Odisha Limited (GEDCOL).**

COMMERCIAL PERFORMANCE:

20 MW Solar Project at Manmunda.

GEDCOL was allotted 20 MW Solar Power Plant at Manmunda in Boudh district underJawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I. The project has been commissioned successfully during March' 2016 (15 MW) and June 2016 (5 MW).During the year under review, 29.824 Million Units (P.Y. 27.01 MU)were generated which corresponds to Rs.15.22 crore of revenue. The plant capacityutilization factor during F.Y. 2017-18 was 15.95 %.

Rooftop Solar Project.

564096 KWH Units generated during F.Y. 2017-18 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.

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.

Replication Scheme in 15 (fifteen) towns.

On 32nd ECI meeting held on 27.07.2016, it was decided to replicate Rooftop Solar to the other cities of Odisha. GEDCOL has executed Financial Advisory Services Agreement (FASA) with IFC to replicate the BBSR-CTC Roof Top Project in other cities of the state namely, Sambalpur, Burla, Hirakud, Rourkela, Puri, Khurda, Berhampur, Chhatrapur, Jeypore, Koraput, Sunabeda, Nabarangapur, Balasore, Bhadrak, Baripada and Bolangir.

The scheme will also cover left out buildings in Bhubaneswar & Cuttack cities. Survey has been completed and DPR prepared for 16.7 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.

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 MWcapacity at these sites.

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 KeonjharDistrict 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.

GEDCOL & Steel Authority of India Ltd. (SAIL), Rourekela have agreed to develop 10 MW Mandira SHEP on river Sankh in Sundargarh in Joint Venture mode. The DPR hasbeen prepared by M/s MECON. JV agreement has been executed between GEDCOL & SAIL on 13.02.2018. The JV Company namely GEDCOL SAIL Power Corporation Ltd. hasbeen incorporated in Sep. 2018. Tender documents for selection of EPC developer hasbeen submitted by M/s WAPCOS and are presently under vetting.

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 181.68 Million Tonne. Dip-Side is regionally explored with a reserve of 726.21 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.

856 Ac. of Private Land out of 1040 Ac. has been acquired by OCPL. Similarly out of 1041 Ac. of Government Land, 798 Ac. has been allotted in favour of OCPL and 491 Ac. of Forest Land out of 495 Ac. has been possessed by OCPL.

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 & 233 families have been shifted / relocated. Process for construction of Phase-II R&R Colony has been initiated.

The major permits for Manoharpur like Eenvironment Clearance, Consent to establish & operate, Forest Clearance, Water allocation, Permission of Nalla & Road Diversion, Site Specific Wildlife Conservation Plan, Explosive License, Non-Mineralisation Clearance, Permanent Power drawal from NTPC power plant at Darlipalli, Power supply permission for R&R colony, Grant of 5.55 Cusec of water from Hirakud Reservoir, Ownership of ITC Hemgir etc. have been obtained.

Also Prospecting License has been executed, Permission for drilling of boreholes in forest area obtained, Environment Clearance for Prospecting in place, Drilling work at Dip-side completed. The Integrated Geological Report has been prepared by CMPDIL.

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 will start by April 2019. The full production (8 MT) is expected by end of year 2022.

9. RENOVATION & MODERNISATION

Many of the Generating units of different Power Stations of OHPC were commissioned way back in the 60s and 70s and have already outlived their useful service life of 35 years. OHPC is continuously taking up the Renovation &Modernization of the old units following the state of art, modern technology for extension of life with increased reliability, better operability, efficiency and availability.

Considering the fact that the Unit #3(24 MW) of Chiplima Hydro Electric Project, Unit #5 & #6(2X37.5 MW) of Hirakud Hydro Electric Project and Unit #1 to #6(6X60) of Balimela Hydro Electric Project are more than 40-55 years old and have already outlived their useful service life of 35 years, presently OHPC have taken up the R&M work of these units.

The Renovation and Modernization work includes replacement of Turbine, Generator, Protection and Control System along with all the auxiliaries with new equipment and refurbishment of embedded parts/civil structure. Also, the unit 5 & 6 of HHEP, Burla are proposed to be upgraded from 2X37.5 MW to 2X43.6 MW after R&M.

After approval of Detailed Project Reports, International Competitive Bidding was invited for the Renovation and Modernization of each Projects. After completion of tendering process, the successful bidder was selected as the EPC Contractor and Contract agreement was signed for implementation of the above R&M Projects. Brief report of Projects are noted below:-

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 includingIDC. The tentative schedule for completion of the Project is 01.12.2018.

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 30.05.2019.

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 ProjectManagement Consultant for the above 3(three) R&M Projects.

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

10. HRD INITIATIVES

(a) Man Power

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 theState. The total manpower on the rolls of OHPC (Both direct recruits and absorbed employees) were 1936 (P.Y 1777) as on 31.03.2018.

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 duringthe 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 bythe CEA. Employees are also being regularly sponsored for undergoing training conducted by reputed Govt. of India Institutes. Further in -house seminarsand 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.

11. 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.

12. 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. 2017-18, 30 nos of applications were received under the RTI Act. All applications and appeals are disposed of in time.

13. 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 during the month of April, 2018. However, due to non-receipt of any bids, the tender was cancelled and a fresh tender for the purpose has been floated on 27.11.2018.

14. VIGILANCE

In order to ensure transparency, objectivity and quality of decision making in its operation, the company has a Vigilance Department headed by Chief VigilanceOfficer. 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 CorporateOffice and all Units.

15. PR INITIATIVES

Achievements of OHPC are duly highlighted through print and electronic media to project OHPC 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. OHPCalso participated in various sports activities like Power cricket tournamentorganized 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. ofthe Corporation.

16. SEXUAL HARASSMENT PREVENTION

OHPC has implemented the Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013 in its entirety.

Summary of Sexual harassment issues raised, attended and disposed of during theyear 2017-18:-

No of complaints received in 2017-18	Nil
No. of complaints disposed of	Nil
No. of cases pending for more than 90 days	Nil
No. of workshops or awareness programme against sexual harassment carried out	03
Nature of action taken by the employer or District Officer	Nil

17. 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 2017-18 as per the MoU signed with DoE, Govt. of Odisha, PE Deptt, GoO has rated your company as **"Excellent"**.

18. GOLD RATED PSU

Based on categorization parameters fixed by Public Enterprises Department, Govt. of Odisha, OHPC 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.

19. ISO CERTIFICATION

OHPC Corporate office, 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.

20. RESERVATION FOR SC/ST/SEBC

OHPC 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 upto the rank of E-3, representative of SC/ST Deptt. is being invited as a member.

21. 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.

22. 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 ForeignExchange earnings and out go - **Annexure-I.**

ii) Annual Report on CSR Activities - **Annexure-II.**

23. 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 partytransactions 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 partytransactions are placed before the Audit Committee and also to the Board for approval.

24. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no such materialweakness in the design or operation were observed. Further the Management is also strengthening the internal controls to the extent of Industry best standard.

25. CONSOLIDATED FINANCIAL STATEMENTS

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

26. BOARD OF DIRECTORS

The Board of your Company comprised of following Directors:-

Sl No.	Name	Date of Appointment	Date of Cessation	Designation
1.	Sh Vishal Kumar Dev, IAS (DIN:-01797521)	26.07.2017	-	CMD
2.	Sh Hemant Sharma, IAS (DIN:- 01296263)	02.08.2013 10.02.2017 25.07.2017	10.02.2017 25.07.2017	Director CMD Director
3.	Sh Pravakar Mohanty (DIN:-01756900)	25.10.2016	-	Director (Finance) & CFO
4.	Dr. Prabodh Ku. Mohanty (DIN:-07902418)	01.08.2017	-	Director (HRD)
5.	Sh Sanjib Kumar Tripathy (DIN:-07915634)	01.02.2018	-	Director (Operation)
6.	Sh S C Bhadra (DIN:- 01896713)	09.07.2010	-	Director
7.	Sh R C Tripathy (DIN: 05322840)	07.09.2012	-	Director
8.	Mrs. Saveeta Mohanty (DIN:-01854837)	14.07.2015	-	Woman Director

9.	Sh Dronadeb Rath (DIN:-00317139)	12.04.2017	-	Director
10.	Dr. Satya Priya Rath (DIN:-08004438)	23.11.2017	-	Director
11.	Sh Pravat Kumar Lenka (DIN:-08072268)	21.02.2018	-	Director
12.	Sh Vijay Arora, IAS (DIN:-02658286)	10.07.2015	05.12.2017	Director
13.	Sh D.K Jena (DIN:-02902196)	26.07.2010	23.11.2017	Director
14.	Sh Akshaya Kumar Parida (DIN:-03641348)	05.12.2017	21.02.2018	Director

The Board of Directors places on record its deep appreciation of the valuable services rendered and guidance provided by Sh Hemant Sharma, IAS in the capacity of CMD,Sh Vijay Arora, IAS, Sh D.K Jena & Sh Akshaya Kumar Parida during their tenure asDirectors of the Company.

27. BOARD MEETINGS

The Board Meetings are held normally at Bhubaneswar. During the financial year2017-18, total 7(seven) nos. of Board Meetings were held.

28. 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, 2018, 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, 2018 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 safe guarding 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.

29. AUDIT COMMITTEE

As on 31st March, 2018, the composition of Audit Committee consists of Sh S CBhadra, Independent Director as Chairman along with one independent Director Sh R.C Tripathy& Dr. Satya Priya Rath as Govt. nominee and Director (Operation) as the other Members. 06(Six) nos. of Meetings of the Audit Committee were heldduring the F.Y 2017-18 for review of the accounts, report of the Auditors, Cost Audit report, Internal Auditors' observations and other financial transactions from time to time.

30. AUDITORS

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

31. AUDITORS' REPORTS

The Report of the Statutory Auditors and comments of the C&AG on the accounts of the Company for the Financial Year 2017-18 and the replies of the Management to the report/ comments of the Auditors on both stand alone and consolidated FinancialStatements are enclosed to this report. No instance of fraud has been reported by theAuditors under Section 143(12) of the Companies Act, 2013.

32. COST AUDIT

In accordance with the Companies (Cost Records and Audit) Rules,2014 , notified byMinistry 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 Accountingrecords of power stations for the financial year 2017-18 under Section 148 of theCompanies Act, 2013.

33. 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 2017-18. The Secretarial Audit Report is placed at Annexure-III.

34. KEY MANAGERIAL PERSONNEL

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

1. Shri Vishal Kumar Dev, 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.

35. 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 businesstransactions.

36. 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.

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

Particulars of loan given investment made, guarantee given and securities providedalong 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.41 (d) & (f) of standalone financial statement.
Investment made	Refer note No.4 of standalone financial statement.
Securities provided	NIL

38. 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 orTribunals 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.

39. 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 theirvalued co-operation.

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

FOR AND ON BEHALF OF THE BOARD

VISHAL KUMAR DEV, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN :-01797521)

Place : Bhubaneswar
Date : 22.12.2018

Annexure to Director's Report

AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement containing sailent features of the financial statement of Subsidiaries / Associates Companies / Joint Ventures Part "A" : Subsidiaries)

In Rupees

Sl. No.	1
Name of the Subsidiary	Green Energy Development Corporation of Odisha Limited
Share Capital	50,32.00
Reserves & Surplus	780.52
Total Assets	28,264.71
Total Liabilities	28,264.71
Investments	-
Turnover	1,552.21
Profit Before Taxation	404.44
Provision for Taxation	(132.79)
Profit After Taxation	271.65
Proposed Dividend	-
% of Shareholding	100

Part "B" : Associates and Joint Ventures (In lakhs)

Statement pursuant to Section 129(3) of the Companies Act,2013 related to Associates Companies and Joint Ventures

Name of Associates / Joint Ventures	Odisha Thermal Power Corporation Limited	Baitarni West Coal Company Limited	Odisha Coal & Power Limited
1. Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-17	31-Mar-18
2. Un audited Balance Sheet Date		31-Mar-18	
3. Shares of Associate / Joint Ventures held by the Company on the year end			
No.	13.42	1.00	1,470.00
Amount of Investment in Associates / Joint Venture	13,420.47	1,000.00	14,700.00
Extend of Holding %	50%	33%	49%
4. Description of how there is significant influence	Significant influence Over Share Capital	Significant influence Over Share Capital	Significant influence Over Share Capital
5. Reason why the Associate / Joint Venture is not Consolidated	Consolidated	Consolidated	Consolidated
*6. Networth Attributable to Shareholding as per latest Audited Balance Sheet	26,201.28	2,914.75	29,384.26
7. Profit / (Loss) for the year	56.93	(67.62)	(305.68)
i. Considered in Consolidation	28.46	(22.54)	(150.00)
ii. Not Considered in Consolidation	28.46	(45.08)	(155.68)

Note : Odisha Thermal Power Corporation Limited, Baitarni West Coal Company Limited & Odisha Coal & Power Limited have not started commercial operation during the Financial Year 2017-18.

Note:*6 Networth attributable to shareholding of BWCCL is considered as per unaudited Financial Statement for the F.Y 2017-18.

P K Mohanty	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Company Secretary	Director (Finance) & CFO	Chairman-cum-Managing Director
	(DIN:01756900)	(DIN: 01797521)

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 beenissued 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 beenreplaced 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 maintenanceworks.

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 2017-18

(Rs. in lakhs)

		2017-18	2016-17
(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	775.21
	(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 AT 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 endeavour 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 Hemant Sharma, 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	2014-15	4668.14	11,079.91
2	2015-16	13862.22	
3	2016-17	14709.37	

4. Prescribed CSR Expenditure in FY 2017-18 comes to Rs.221.60 lakhs i.e.2% of average net profit of Rs.11,079.91 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.221.60 lakhs.

(b) Amount spent during the Financial Year: Rs.276.82 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.	Procurement of 01 no. 44 seated Bus for ITI, Malkangiri	-	Dist-Malkangiri	21,50,000/-	-	21,50,000/-	21,50,000/-
2.	Procurement of 01 vehicle for carriage of dead body in the	-	Balimela, NAC Dist-Malkangiri	3,56,477/-	-	25,06,477/-	3,56,477/-

	locality of Balimela, NAC						
3.	CSR activities in - Bariniput Gram Panchayat under Koraput District		Bariniput Gram Panchayat Dist-Koraput	40,64,000/-	-	65,70,477/-	40,64,000/-
4.	Financial Assistance-to Govt. ITIs of 5 Districts.		Sambalput Koraput Malkangiri Angul Kalahandi	65,00,000/-	-	130,70,477/-	65,00,000/-
5.	Annual Grant-in-Aid- to Schools & Colleges near Project areas of UIHEP.		Indravati Mahavidyalaya, Jaipatna & Indravati Project College, Khatiguda	146,11,142/-	-	276,81,619/-	146,11,142/-
			TOTAL				**276,81,619**

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

HEMANT SHARMA, IAS
DIRECTOR & CHAIRMAN,
COMMITTEE OF DIRECTORS ON CSR
(DIN:-01296263)

VISHAL KUMAR DEV, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN :-01797521)

Place : Bhubaneswar
Date : 22.12.2018

Main Control Room of BHEP, Balimela

ANNEXURE - III

SAROJ PANDA & CO
COMPANY SECRETARIES

Saroj K.Panda,M Com, LLB, FCS
2nd Floor, Biswal Commercial Complex
Cuttack Road, Bhubaneswar-751006
Ph No.: 0674-2314500, E-mail : saroj66@yahoo.co.in

Form No. MR-3.
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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, 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 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 2018 ("Audit Report") complied with the statutory provisions listed here under 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, 2018 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:

(i) The Company has issued 1,90,000 Equity shares of Rs 1000/- each during the year under the provisions of Section 62 of the Companies Act 2013 on 27.03.2018.

(ii) The Company has invested Rs 49,00,00,000 in the shares of Odisha Coal & Power Ltd by way of subscribing of 4,90,00,000 Equity shares of Rs 10/- each for cash at par .

(iii) The Company has provided inter corporate loan for an amount of Rs 21,00,00,000/- in favour of Green Energy Development Corporation of Odisha Ltd.

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 : 27/08/2018

Signature:
Name of Company Secretary in practice/Firm : **SAROJ PANDA & CO**
CS SAROJ KUMAR PANDA
FCS No. F 5071
C P No.: 3699

'ANNEXURE A'

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 : 27.08.2018

Signature:
Name of Company Secretary in practice/Firm : **SAROJ PANDA & CO**
CS SAROJ KUMAR PANDA
FCS No. F 5071
C P No.: 3699

Annexure to Directors' Report

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 2018.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2018 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 11 September 2018.

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, 2018. 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.

Sl No.	Comments of C&AG of India	Replies of the management
(A)	**Comments of profitability:** **Statement of Profit and Loss** **Other Income (Note-28)** **Other Miscellaneous Receipt :** **Rs.13.32 Crore**	
1.	The above is understated by Rs.37.49 crore due to non-accounting of the income tax reimbursement receivable from GRIDCO Limited for the year 2016-17. This has also resulted in understatement of current assets and profit for the year by the same amount i.e. by Rs.37.49 crore each.	The reimbursement of Income Tax amounting to Rs.37.49 crores for the FY 2016-17 from GRIDCO has not been accounted for by OHPC on mercantile basis even though the same is passed on in tariff of 2018-19 by Hon'ble OERC because of the fact that the reimbursement of Income Tax from GRIDCO is always accounted for on cash basis but not on mercantile basis from the inception of OHPC as a part of accounting policy due to uncertainty in collection from GRIDCO. Hence, there is no understatement of current assets & profit for the said year for an amount of Rs.37.49 crores.

(B)	**Comments on Disclosure.**	
2.	APGEN CO Limited claimed an amount of Rs.3.02 crore towards interest on working capital for the year 2014-15 to 2017-18. The company has not agreed on the claim of APGENCO Limited and it was decided to refer this matter to a High Level Committee. As it was decided to refer the matter to a High Level Committee, the claim of the APGENCO Limited amounting to Rs.3.02 crore should have been disclosed as contingent liability in the annual accounts of the company.	During the meeting held between 18th to 20th April 2017, at Hyderabad, the payment of interest on working capital raised by APGENCO was denied by OHPC's representative as the same was charged unilaterally by APGENCO without any provision in the agreement and also the same matter was discussed in a high level meeting chaired by EIC (Electricity) cum PCEI, Govt. of Odisha on 30.07.2016 where in the same was also disagreed. Hence, it is not required to disclose under contingent liability in the Financial Statements of OHPC.
3.	The company has not disclosed the disputable dam maintenance dues amounting to Rs.9.27 crore claimed by the Department of Water Resources, Government of Odisha for the years 2013-14 and 2014-15 as Contingent Liability in the annual account of the company during the year.	While resolving the disputes arising on account of reconciliation of Dam Maintenance cost for the FY 2015-16 & 2016-17 in a joint meeting held on 16.02.2018 by Principal Secretary, DoWR & CMD, OHPC, no Dam Authorities have raised any dispute for the FY 2013-14 and 2014-15 which has been settled by OHPC after due reconciliation. Hence, it is not required to disclose under contingent liability in the annual accounts of OHPC for FY 2017-18.

For and On behalf of the
Comptroller and Auditor General of India

For and On behalf of the Board of Directors

Sd/- 26.11.2018
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

VISHAL KUMAR DEV, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-01797521)

Place : Bhubaneswar
Date : 22.12.2018

Annexure to Director's Report

REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS OF THE STATUTORY AUDITORS (STANDALONE) FOR THE FINANCIAL YEAR 2017-18

<table>
<tr><th>Sl No.</th><th>Observation of the Statutory Auditors</th><th>Replies of the management</th></tr>
<tr><td></td><td>Basis of Qualified Opinion

NON-CURRENT ASSETS: -
INR 237726.31 lakhs</td><td></td></tr>
<tr><td>1.</td><td>1. Refer Note No. 3:- CAPITAL WORK-IN-PROGRESS:- INR 14186.76 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 & loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by INR 334.24 lakhs.
<table>
<tr><th></th><th>Particulars of Projects/Assets</th><th>Units/Corporate Office</th><th>Amount (INR in lakhs)</th></tr>
<tr><td>(i)</td><td>Land, Building, Roads, Bridges, Water Supply installation, Plant & Machinery Construction and other Fixed Assets (excluding movable assets).</td><td>Potteru (UKHEP)</td><td>2285.30</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 (INR)</td><td>2334.24</td></tr>
</table>
</td><td>OHPC have appointed professional Chartered Accountant Firms for physical verification of Fixed Assets and certification regarding impairment of assets. OHPC have received the physical verification report as well as certificate that there is no impairment of Asset. However, the expenditure incurred & booked under CWIP relating to DPR (Sindol Project), Potteru (UKHEP), office building and staff quarters shall be written off during the financial year 2018-19 after obtaining approval from Board based on the recommendation of Audit Committee.</td></tr>
<tr><td>2.</td><td>Refer Note No. 4:-NON-CURRENT INVESTMENTS:- INR 34152.47 Lakhs

In view of accumulated loss by Joint Venture, carrying amount of investment i.e. at cost which is lower than its estimated recoverable amount implying thereby impairment loss or diminution (Other than temporary) in value of investment. However, the company has not provided for any impairment loss during the year. Details are as under:-</td><td>Noted for future reference.</td></tr>
</table>

INR in Lakhs

Name of the Company	Extent of Holding / interest	Investment Amount	Accumulated loss as at 31.03.2018	Share of Accumulated loss % with Amount
Baitarani West Coal Company Limited (Joint Venture)	33.33% (1/3rd)	1000.00	85.25	28.42

On account of such non-provision, non-current Investments as well as profit for the year is overstated by INR 28.42 lakhs.

3. **Refer Note No. 9 :- INVENTORIES:- INR 4375.79 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 has been determined for the purpose of valuation of inventories. Thus requirement of Ind-AS-2 has not been complied with this respect.

The inventories of stores, spares and consumables are utilized in power houses for maintenance of the machines. These inventories are not meant for sale. Hence, the same is booked as per the cost price.

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 without any financial figures. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

The work for valuation of obsolete / unserviceable / damaged items of all units have been assigned to M/s MECON Ltd. After receipt of the report, necessary action will be taken.

c. The Company operate old software in Units for accounting of stores receipt, consumption and closing stock of stores and spares and the same are not reconciled with Accounts in most of the units. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

The receipt, consumption and closing stock of stores and spares reflected in software and accounts have been reconciled except Burla & Balimela. These two units have been advised to reconcile the same during the FY 2018-19.

4.	**FINANCIAL ASSETS** **Refer Note No.5:-TRADE RECEIVABLES (NON CURRENT):- INR 2445.42 lakhs** Refer Note No.45(d):-	
	a. It includes a sum of INR 1127 lakhs receivable from GRIDCO Ltd is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2016-17 and non-reconciliation of sales of energy for the financial year 2017-18 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 INR 11270.38 lakhs in their books as on 31.03.2018 as against a debit balance of INR 11245.22 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement. However, as per books of account in company's account as on 31.03.2018 there is a debit balance of INR 11172.53 lakhs. The difference in figures communicated to GRIDCO is not as per accounts of OHPC.	Reconciliation of disputed amount of INR 1127 lakhs with GRIDCO is under process and shall be accounted once the said exercise is completed. The energy account for the FY 2017-18 has been sent to GRIDCO for reconciliation and any discrepancy noticed after reconciliation including difference in figures communicated to GRIDCO at the time of accounts finalization shall be accounted for during FY 2018-19.
	b. Refer Note No.46(c):- Sale of energy of 16.521451 MU to CSPDCL @ INR 1.9481 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, Chhatisgarh and the same may be revised in future. The effect of the same on financial statements is unascertainable. c. Further an amount of INR 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	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

	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 INR 155.85 lakhs.	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.
5.	(a) Refer Note No. 13 (b):-LOANS TO RELATED PARTIES:- INR 4550.00 lakhs | | Amount (INR in lakhs) | GEDCOL (100% subsidiary Company.) — 4550.00 (b) Refer Note No.14:-INTEREST RECEIVABLE FROM OTHERS:- INR 490.08 lakhs Amount (INR in lakhs) Interest Receivable from GEDCOL (100% subsidiary Company.) (100% subsidiary Company.) — 488.87 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 INR 5038.87 lakhs. **(c) Refer Note No. 14 :- CLAIM RECEIVABLE:- INR 581.22 lakhs.** It includes a total sum of INR 345.77 lakhs comprising of Electricity Duty of INR 5.26 lakhs	As per decision of OHPC Board, INR 4550.00 lakhs was released as ST loan to M/s GEDCOL being 100% subsidiary of OHPC with terms & conditions approved in the Board. Accordingly, interest provision is made in the books of accounts of OHPC. Since the amount of INR 5038.87 lakhs (4550.00 + 488.87) is payable on demand by M/s GEDCOL at any point of time, it is therefore shown under current asset. So there is no overstatement of current asset and understatement of non-current asset. The claims receivable of INR 345.77 lakhs comprising of ED of INR 526 lakhs, Water Cess

	for the period from Feb 15 to March 15, Water Cess of INR 326.73 lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to INR 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 INR 345.77 lakhs.	INR 326.73 lakhs and SLDC charges of INR 13.78 lakhs has been raised to GRIDCO and accepted by GRIDCO. The said amount has been adjusted by GRIDCO against rebate claimed by GRIDCO for payment released after 01.04.2013 due to securitization of INR 619.00 crores. This principle is not accepted by OHPC as OHPC has already shown those payment received for different purposes like Water Cess, ED, APGENCO, Energy Charges etc. So after two rounds of meeting with GRIDCO, they have sent a final statement which has been verified by OHPC and resubmitted to GRIDCO for payment.
6.	**Refer Note No. 15:- OTHER CURRENT ASSETS:- INR 9769.79 lakhs** (a) ADVANCE TO OTHERS:- INR 997.39 lakhs	
	i. It includes a sum of INR 752.59 lakhs paid to GEDCOL out of which an amount of INR 152.39 lakhs is towards salary of deputationists and other expenses up to 31st March 2018 (INR 44.29 lakhs paid during the current year) and a BG of INR 600.20 lakhs en-cashed by the bank against FD pledged by the company in favour of GEDCOL. In our opinion, these advances are in nature of loan of 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.	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 and hence, there is no dispute. The same amount shall be accounted for during FY 2018-19. So there is no need to make any provision for doubtful debt based on the expected credit loss and so neither claims receivable nor profit has been overstatement by an amount of INR 345.77 lakhs.
	ii. Further it includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.	The amount has been released to different units towards CSR activities of the Corporation. The concerned units have requested to the different

Name of the units	Amount (INR in lakhs)	Remarks
UIHEP,Mukhiguda	36.01	DRDA Kalahandi & WESCO
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20.06	RWSS division, Talcher
Corporate office, Bhubaneswar	1.98	E.E OPTCL
	136.06	

On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by INR 136.06 lakhs.

agency to submit their utilization certificate and after receipt of the same, it shall be booked to concerned expenditure accounts.

(b) ADVANCE TO STAFF:- INR 206.26 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.

INR 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**

The units have been advised to reconcile the said head of accounts and pass necessary adjustment entry in their books of account during the FY 2018-19.

FINANCIAL LIABILITIES:-

7 **Refer Note No. 23:- TRADE PAYABLES:- INR 2421.59 lakhs**

SUNDRY CREDITORS FOR WORKS:- INR 184.35 lakhs

	Observation	Management reply
	It includes the following balances 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 (INR in lakhs)** BHEP, Balimela — 36.22 On account of such non-write back, trade Payable is overstated by INR 36.22 lakhs and profit for the year is understated is by similar amount.	The units have been advised to reconcile the said head of accounts and pass necessary adjustment entry in their books of account during the FY 2018-19.
	CURRENT LIABILITIES :-	
8	**Refer Note No:-24 OTHERS:- INR 71823.03 lakhs** **EMPLOYEES LIBILITIES:-INR 4820.69 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 (INR 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 INR 44.54 lakhs and profit for the year is understated is by similar amount.	UIHEP, Khatiguda has been advised either to reconcile the wages payable and salary payable and pass necessary JV in their books of accounts during the FY 2018-19 or to send proposal to write back. After receipt of specific proposal for written back from the unit, the same shall be placed before the Board through audit committee for written back & necessary accounting entry shall be passed in 2018-19.
9	**Refer Note No:-25** **ADVANCE AGAINST SALE OF SCRAP INR 58.61 lakhs** **OTHER CURRENT LIBILITIES INR 58.61 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.	Advance against sale of scrap of INR 58.61 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

		remain unsettled as the cases are under sub-judice in the High Court of Calcutta & Odisha. Soon after the cases are finalized, necessary accounting entry shall be passed in the year of finalization of the above cases.
10	**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.	Necessary steps are being taken by management to make separate valuation by an actuary for Machhakund Project. After the said valuation, necessary accounting entry shall be passed in the FY 2018-19.
11	**OLD BALANCES WRITE OFF/ WRITE BACK** **(a) Refer Note No:-28 OTHER INCOME :- INR 16175.04 lakhs** **PROVISION WRITTEN BACK INR 771.51 lakhs** **Details of Decapitalisation & Write Back** (INR in lakhs)	As per decision taken in 144th Board of Directors meeting held on 11.01.2018 vide Item No.3 regarding written off / back of old unreconciled outstanding balance, an amount of INR 979.72 lakhs relating to capital expenditure has been written back crediting to Asset account of INR 97.11 lakhs and balance amount of INR 882.61 to P & L account by different units. The amount of INR 97.11 lakhs has been credited to asset account as the said amount was capitalized at the time of finalizing the R & M works of different units. So there is no understatement of P & L account, depreciation reserve account and Plant & Machinery Account.

Name of the Units	Provision written back	PPE Reduced-Plant & Machinery Decapitalized (net)	PPE Reduced-Plant & Machinery Decapitalized (net)	Total
CHEP, Chipilima	243.12	5.49 (Gross Block INR 37.00 lakhs - Accumulated Depreciation INR.31.51 lakhs)	-	**248.61**
HHEP, Burla	54.38	6.04	-	**60.42**
UIHEP	474.00	-	85.58	559.59
Total	**771.51**	**11.53**	**85.58**	**868.62**
		97.11		

The provision written back and Profit and Loss Account during the year is understated to the extent of INR 97.11 lakhs. Further the gross block (PPE - Plant & Machinery) is understated to the extent of INR 187.88 lakhs and Depreciation Reserve is

	understated by INR 90.77 lakhs. Accordingly, the written down value is understated by INR 97.11 lakhs.	
	(b) Refer Note No:-29 **REPAIR & MAINTENANCE EXPENSES:- INR 5840.64 lakhs** **REPAIR & MAINTENANCE TO PLANT & MACHINERY** **INR 1160.51 lakhs** The provision written back under other income is understated to the tune of INR 22.52 lakhs and the Repair & Maintenance to Plant & Machinery under repair & maintenance expenses head is also understated to the tune of INR 22.52 lakhs. However, there is no net impact on net impact on Profit & Loss Account.	As per accounting policy of the company vide clause No.1.6.23 under the head "Others" and sub class (v), any prior period items amounting to INR 10.00 crores and below shall be credited / debited to the respective heads account instead of crediting to provision written back account and as such there is no net impact on profit & loss account.
	(c) Further provision written back is understated to the extent of INR 88.57 lakhs as the same is reduced from respective expense head. Thus expenses are understated to the tune of INR 88.57 lakhs. However, there is no net impact on Profit & Loss Account.	As per accounting policy of the company vide clause No.1.6.23 under the head "Others" and sub class (v), any prior period items amounting to INR 10.00 crores and below shall be credited / debited to the respective heads of account instead of crediting to provision written back account and as such there is no net impact on profit & loss account.
	Details of Capitalisation &write off (d) Old outstanding debit balances amounting to INR 422.65lakhs is added to Gross Block of PPE under plant & machinery during the year. Consequently, PPE (WDV) is overstated to that extent and profit is understated by INR 420.88 lakhs after considering depreciation of INR 1.77 lakhs these items during the year.	As per decision taken in 144th Board of Directors meeting held on 11.01.2018 vide item No.3 regarding written off / back of old unreconciled outstanding balance an amount of INR 422.45 lakhs has been debited to PPE A/c being capital expenditure in nature and corresponding depreciation of INR 1.77 lakh has been charged to P & L account. So there is no overstatement of PPE (WDV) A/c and understatement of profit to the extent of INR 420.80 lakhs after charging depreciation of INR 1.77 lakhs.

	(e) Further, INR 126.82 lakhs is increased from respective expense heads in Profit & Loss Account. Thus, the expenses are overstated to the tune of INR 126.82 lakhs and write off account is understated to the same extent. However, there is no impact on Profit & Loss Account.	As per accounting policy of the company vide clause No.1.6.23 under the head "Others" and sub class (v), any prior period items amounting to INR 10.00 crores and below shall be credited / debited to the respective heads of account instead of crediting to provision written back account and as such there is no net impact on profit & loss account.
12	**Ind AS-16 PPE** **Refer Note No:-2 PPE INR 86231.06 lakhs** **Land INR 10848.54 lakhs**	
	a. Out of 4.780 acres of lease hold land held by Corporate Office, only 1.60 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 INR 954 lakhs as well as Land under PPE is overstated to the extent of INR 954 lakhs.	Necessary steps are being taken by OHPC to take the physical possession of the balance land of 3.18 Acres of lease hold land. So there is no requirement of keeping provision of INR 954 lakhs in OHPC books of account and so profit as well as land to the extent of INR 954 lakhs has not been overstated.
	b. The lease hold amounting to INR 1431.71 lakhs after adjusting the value of INR 954 lakhs is INR 477.71 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.	The lease hold land amounting to INR 1431.71 lakhs has been shown correctly under PPE. So, no adjustment is required to be made in the 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.	Since there is no decommissioning or restoration cost in case of OHPC, PPE is measured at cost less accumulated depreciation.
13	**Ind AS-12 INCOME TAX** **Refer Note No.21:- DEFERRED TAX INR 14149.57 lakhs**	
	Deferred tax is calculated on few items like PPE, provision for leave encashment, actuarial gain / loss	OHPC has calculated correctly the deferred tax liability as per Ind AS-12 considering the items

	on employee funds only. There are a few items of time difference not considered and the effect of the same is unascertainable.	to be included / deducted. No items have been left while calculating deferred tax liability for accounting purpose.
14	**Ind AS -18 :- Revenue Recognition** Recognition of certain income disclosed under policy 1.6.1 is on realization basis which is not in conformity with Ind AS-18. The effect of the same is unascertainable.	As per accounting policy of the company vide clause No.1.6.1, revenue is recognized for some items on cash basis instead of accrual basis due to uncertainty in collection of those item which have been followed by OHPC from inception.
15	**GST** The company has not created any liability and payment in respect of GST on certain incomes, except sale of tender paper, sale of scrap, required to be charged in respect of various other income. The effect of the same on financial statements is unascertainable. The company is in process of taking opinion in this respect from experts.	Action is being taken in the matter.
16	**GRIDCO collectability** Trade Receivable from GRIDCO was converted to loan to GRIDCO based on balance payable as on 31.03.2013 for INR 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 INR 8106 lakhs for FY 2017-18. Further, GRIDCO has paid interest to the tune of INR 3041 lakhs for the year and defaulted in payment of interest to the tune of INR 1911 lakhs as on 31.03.2018. The company has recognized only interest INR 3041 lakhs during the year on realization basis which is not in conformity with Ind AS -18. 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.	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 initiated by OHPC.
17	Balance of Loans (Security Deposits), Trade Receivable, Claim Receivable, Deposit with Others,	The balance confirmation letter to all the parties have been issued but very few parties have

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.	replied to this. In absence of this, it is presumed that the balance shown in our letter is confirmed and reconciled.

For ABP & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No.315104E

For and On behalf of the Board of Directors

Sd/- 11.09.2018
(CA. KAMAL KUMAR CHANDUKA)
PARTNER
ICAI M. No.058790

VISHAL KUMAR DEV, IAS
CHAIRMAN-CUM-MANAGING DIRECTOR
(DIN:-01797521)

Place : Bhubaneswar
Date : 22.12.2018

BHEP Power House, Balimela

www.caabp.com
11/A, Bapuji Nagar, 2nd Floor,
Behind State Bank of India, Bhubaneswar - 751009
Tele. : 0674 - 2597063, 2597790, Tele Fax : 2597790
mail@caabp.com
ABP & Associates
Chartered Accounts

INDEPENDENT AUDITORS REPORT

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

Report On the Standalone Financial Statements

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, 2018, 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 a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibilities

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

BASIS OF QUALIFIED OPINION

NON-CURRENT ASSETS: - Rs.237726.31 lakhs

1. Refer Note No. 3:- CAPITAL WORK-IN-PROGRESS:- Rs.14186.76 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 &loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.2334.24 lakhs

	Particulars of Projects/Assets	Units/Corporate Office	Amount (Rs. in lakhs)
(i)	Land ,Building, Roads, Bridges, Water Supply installation, Plant & Machinery Construction and other Fixed Assets (excluding movable assets).	Potteru (UKHEP)	2285.30
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78
(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20.16
		Total (Rs.)	**2334.24**

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

In view of accumulated loss by Joint Venture, carrying amount of investment i.e. at cost which is lower than its estimated recoverable amount implying thereby impairment loss or diminution (Other than temporary) in value of investment. However, the company has not provided for any impairment loss during the year. Details are as under:-

Rs.In lakhs

Name of the Company	Extent of Holding/ interest	Investment Amount	Accumulated Loss as at 31.03.2018	Share of Accumulated loss % with Amount
Baitarani West Coal Company Limited (Joint Venture)	33.33% (1/3rd)	1000	85.25	28.42

On account of such non-provision, non-current Investments as well as profit for the year is overstated by Rs.28.42 lakhs

3. **Refer Note No.9:- INVENTORIES:- Rs.4375.79 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 without any financial figures. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

   c. The Company operate old software in Units for accounting of stores issues, consumption and closing stock of stores and spares and the same are not reconciled with Accounts in most of the units. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

FINANCIAL ASSETS

4. **Refer Note no.5:-TRADE RECEIVABLES(NON CURRENT):- Rs.2445.42 lakhs**

   Refer Note No.46(d):-

   a. It includes a sum of Rs.1127 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2016-17 and non-reconciliation of sales of energy for the financial year 2017-18 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.11270.38 lakhs in their books as on 31.03.2018 as against a debit balance of Rs.11245.22 lakhs as has been communicated to GRIDCO by OHPC in the confirmation statement. However, as per books of account in company's account as on 31.03.2018 there is a debit balance of Rs. 11172.53 lakhs. The difference in figures communicated to GRIDCO is not as per accounts of OHPC.

   b. **Refer Note No.46(c):-** Sale of energy of 16.521451 MU to CSPDCL @ INR 1.9481 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.

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.490.08 lakhs

	Amount (Rs in lakhs)
Interest Receivable from GEDCOL (100% subsidiary Company.)	488.87

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.5038.87 lakhs

(c) Refer Note No. 14:-CLAIM RECEIVABLE:- Rs.581.22 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.9769.79 lakhs

(a) ADVANCE TO OTHERS:- Rs.997.39 lakhs

i. It includes a sum of Rs.752.59 lakhs paid to GEDCOL out of which an amount of Rs.152.39 lakhs is towards salary of deputationists and other expenses up to 31st March 2018 (Rs.44.29 lakhs paid during the current year) and a BG of Rs.600.20 lakhs en-cashed by the bank against FD pledged by the company in favour of GEDCOL. In our opinion, 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. Further 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
UIHEP,Mukhiguda	36.01	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20.06	RWSS division, Talcher
Corporate office, Bhubaneswar	1.98	E.E OPTCL
Total	136.06	

On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.136.06 lakhs.

(b) ADVANCE TO STAFF:- **Rs.206.26 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**

FINANCIAL LIABILITIES:-

7. Refer Note No. 23:- TRADE PAYABLES:- Rs.2421.59 lakhs

SUNDRY CREDITORS FOR WORKS:- Rs.184.35 lakhs

It includes the following balances 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 similar amount.

CURRENT LIABILITIES :-

8. Refer Note No:-24 OTHERS:- Rs.71823.03 lakhs

EMPLOYEES-LIABILITIES:- Rs.4820.69 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 similar amount.

9. Refer Note No:-25-: ADVANCE AGAINST SALE OF SCRAP Rs.58.61 lakhs

OTHER CURRENT LIBILITIES Rs. 58.61 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.

10. 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.

11. OLD BALANCES WRITE OFF/ WRITE BACK

(a) Refer Note No:-28 OTHER INCOME :- Rs.16175.04 lakhs

PROVISION WRITTEN BACK Rs.771.51 lakhs

Details of Decapitalisation & Write Back **(Rs in lakhs)**

Name of the Units	Provision written back	PPE Reduced- Plant & Machinery Decapitalized (net)	PPE Reduced- Plant & Machinery Decapitalized (net)	Total
CHEP, Chipilima	243.12	5.49 (Gross Block INR 37.00 lakhs - Accumulated Depreciation INR.31.51 lakhs)	-	**248.61**
HHEP, Burla	54.38	6.04	-	**60.42**
UIHEP	474.00	-	85.58	**559.59**
Total	**771.51**	**11.53**	**85.58**	**868.62**
		97.11		

The provision written back and Profit and Loss Account during the year is understated to the extent of Rs.97.11 lakhs. Further the gross block (PPE - Plant & Machinery) is understated to the extent of Rs.187.88 lakhs and Depreciation Reserve is understated by Rs.90.77 lakhs. Accordingly, the written down value is understated by Rs.97.11 lakhs.

(b) **Refer Note No:-29** **REPAIR & MAINTENANCE EXPENSES:-** **Rs.5840.64 lakhs**

REPAIR & MAINTENANCE TO PLANT & MACHINERY **Rs.1160.51 lakhs**

The provision written back under other income is understated to the tune of Rs.22.52 lakhs and the Repair & Maintenance to Plant & Machinery under repair & maintenance expenses head is also understated to the tune of Rs.22.52 lakhs. However, there is no net impact on Profit & Loss Account.

(c) Further provision written back is understated to the extent of Rs.88.57 lakhs as the same is reduced from respective expense head. Thus expenses are understated to the tune of Rs.88.57 lakhs. However, there is no net impact on Profit & Loss Account.

Details of Capitalisation & write off

(d) Old outstanding debit balances amounting to Rs.422.65 lakhs is added to Gross Block of PPE under plant & machinery during the year. Consequently, PPE (WDV) is overstated to that extent and profit is overstated by Rs 420.88 lakhs after considering depreciation of Rs.1.77 lakhs these items during the year.

(e) Further, Rs.126.82 lakhs is increased from respective expense heads in Profit & Loss Account. Thus, the expenses are overstated to the tune of Rs.126.82 lakhs and write off account is understated to the same extent. However, there is no impact on Profit & Loss Account.

12. Ind AS-16-PPE

Refer Note No:-2 **PPE** **Rs 86231.06 lakhs**

Land **Rs 10848.54 lakhs**

a. Out of 4.780 Acres of lease hold land held by Corporate Office, only 1.60 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.1431.71 lakhs after adjusting the value of Rs.954 lakhs is Rs. 477.71 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. 14149.57 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.

14. Ind AS-18- Revenue Recognition

Recognition of certain income disclosed under Policy 1.6.1 is on realisation basis which is not in conformity with Ind As-18. The effect of the same is unascertainable.

15. GST

The company has not created any liability and payment in respect of GST on certain incomes, except sale of tender Paper, sale of scrap, required to be charged in respect of various other income. The effect of the same on financial statements is unascertainable. The company is in process of taking opinion in this respect from experts.

16. 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.8106 lakhs for FY 2017-18. Further, GRIDCO has paid interest to the tune of Rs.3041 lakhs for the year and defaulted in payment of interest to the tune of Rs1911 lakhs as on 31.03.2018. The company has recognised only interest Rs.3041 lakhs during the year on realisation basis which is not in conformity with Ind AS-18. 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.

17. 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.

18. Ref. Note No:-42: COMMITTMENT & CONTINGENT LIABILITIES

Estimated amount of contracts remaining to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda & HHEP, Burla has been stated at Rs.63706.25 lakhs. It does not include amount relating to the parties to whom capital advances are paid by different units as well as corporate office shown under Advances to suppliers and Advance to contractors. In absence of details produced, amount to be disclosed could not be ascertained.

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 3(b),3(c),4(a),4(b),9,10,12(c), 13,14,15,16,17 and 18 of our report on the Standalone IND AS financial statements of the Company for the year ended on 31st March 2018. 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 to 18 been considered in the Standalone IND AS financial statements, profit before Tax for the year would have been Rs.8555.30 lakhs as against the reported figure of Rs.12752.63 lakhs in the Statement of Profit and Loss. Further, Total Assets reported and in balance sheet as on 31st March'2018 would have been Rs.362328.72 lakhs as against the reported figure of Rs.366606.81 lakhs, Total Liabilities would have been Rs.202947.29 lakhs as against the reported figure of Rs.203028.05 lakhs and Equity including other equity would have been Rs.159381.43 lakhs as against the reported figure of Rs.163578.76 lakhs 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
	Non-Current Assets						
1	Capital work-in-progress	3	14,186.76	(2,334.24)	-	11,852.52	(2,334.24)
	Financial Assets						
2	Investment (Non-Current) (BWCCL)	4	1,000.00	(28.42)	-	971.58	(28.42)
4	Trade Receivable	5	2,445.42	(155.85)	-	2,289.58	(155.85)
5	Loans	6	48.25	5,038.87	-	5,087.11	-
	Current Assets						
5(a)	Current Loans	13(b)	4,550.00	(4,550.00)	-	-	-
5(b)	Other Current Assets	14	490.08	(488.87)	-	1.21	-
5(c)	Claim Receivables	14	581.22	(345.77)	-	235.45	(345.77)
6(a)	Advance to Others	15(a)(iii)	997.39	(136.06)	-	861.33	(136.06)
	Current Financial Liabilities						
7	Trade Payables	23	184.35	-	(36.22)	148.13	36.22
8	Employee Liabilities	24(b)	4,820.69	-	(44.54)	4,776.15	44.54
	Write-off / Write Back	-	-	-	-	-	
11(a)	PPE	2	86,231.06	97.12	-	86,328.18	97.12
11(d)	PPE	2	86,328.18	(420.88)	-	85,907.30	(420.88)
12(a)	PPE (Land)	2	10,848.54	(1,431.71)	-	9,416.82	(954.00)
12(b)	Non-Current assets	8	1.16	477.71	-	478.87	-
	TOTAL		**2,12,713.09**	**(4,278.09)**	**(80.76)**	**2,08,354.24**	**(4,197.33)**

Qualified Opinion

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 standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit/Loss, total comprehensive income, the changes in equity and its cash flows 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 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, except for the possible effects of 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 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.42 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 has been no amount is required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO.315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11th September, 2018

One 44 seated Bus presented to ITI, Malkangiri for use of students under CSR activities of OHPC

ANNEXURE - A

THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018. OF 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 and 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 4.780 Acres of lease hold land held by Corporate Office, Bhubaneswar respectively. Out of these lease hold land i.e. 1.60 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.

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, its subsidiary up to the period ending 31st March 2018 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.752.59 lakhs including Rs.152.39 lakhs (Rs.44.29 lakhs for the current year) has been paid to GEDCOL up to 31st March 2018 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.

Further during the year FDs were given by the company as security for issuance of bank guarantee on behalf of GEDCOL. On devolvement of the BG, the FD was en-cashed by the bank amounting to

Rs.600.20 lakhs from the said FD pledged to Bank and the company debited to GEDCOL for recovery of the same from GEDCOL. 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/guarantee to directors and to any other person in whom a director is interested and Section 186 regarding loan/security and investment by the company is not applicable to Government Company, provided the company has obtained prior approval from the state government by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.

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. We have broadly reviewed the books and records maintained by the company as specified by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act 2013 in respect of the activities and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view of determine whether they are accurate and 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, sales-tax, service-tax, duty of customs, duty of excise, value added 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 2018 for a period of more than six months from the date they became payable except the following:-

Name of the Statue/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
Odisha Entry Tax Act 1999	Entry Tax Payable	HHEP,Burla	0.94
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, sales tax/VAT, duty of custom, service 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. Based on our audit procedures and 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.

xi. In view of exemption given vide in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Govt. of India the provision of Section 197 read with schedule-V regarding managerial remuneration, are not applicable to the Company.

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.

xiii. According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details of such transactions have been adequately disclosed in notes to the financial statements as required by the applicable accounting standard.

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.

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.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO.315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11TH SEPTEMBER'2018

ANNEXURE "B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE ODISHA HYDRO POWER CORPORATION LIMITED FOR FINANCIAL YEAR 2017-18.

(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:

<table>
<tr><th>Sl No.</th><th>Particulars</th><th>Our Comments</th></tr>
<tr><td>1.</td><td>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?</td><td>The company is in the process of identifying leasehold and freehold land separately.
<table>
<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>
<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.</td></tr>
<tr><td colspan="3">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 4.780 Acres of lease hold land held by Corporate Office, Bhubaneswar as per above.

Out of the leasehold land of Corporate Office, 1.60 Acres is under physical possession of the company and rest of the leasehold land is not under the physical possession of the company.

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.</td></tr>
</table>
<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. 500</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>
</td></tr>
<tr><td>2.</td><td>Whether there are any cases of waiver/ write off of debts/loans/</td><td>Details to write-off/write-back of debts /loans/interest along with reasons thereof and amount involved as under:</td></tr>
</table>

		STATEMENT OF UNRECONCILED OLD OUTSTANDING BALANCE WRITTEN OFF & WRITTEN BACK (Rs. In lakhs)
	interest etc., if yes, the reasons there for and amount involved.	

SL. NO.	HEAD OF ACCOUNT	WRITTEN OFF AMOUNT	WRITTEN BACK AMOUNT
1	ADVANCE TO SUPPLIER	324.10	279.13
2	ADVANCE TO CONTRACTOR	163.00	-
3	OTHER ADVANCE TO STAFF	1.26	20.11
4	OTHER RECEIVABLE FROM	0.01	
5	MEDICAL ADVANCE TO STAFF	0.29	
6	CONTRACTOR PAYABLE	41.20	
7	CTD	1.31	
8	TEMPORARY ADVANCE	13.50	
9	CLAIM RECEIVABLE	4.80	
10	FOR SUPPLY OF MATERIAL		160.51
11	FOR WORKS		17.01
12	OTHER PAYABLE		217.02
13	UNPAID SALARY PAYABLE		0.08
14	PAY ROLL DED. BANK LOAN		0.43
15	SALARY PAYABLE		24.45
16	TA PAYABLE		3.97
17	OTHER DED. EMPLOYEES		6.29
18	PROVISION FOR EXGRATIA		1.14
19	ADVANCE TO OTHERS		28.94
20	PROVISION FOR OTHERS		98.34
21	MOTORCYCLE		0.68
22	FESTIVAL ADVANCE		2.96
23	SECURITY DEPOSIT FROM OTHERS		11.03
24	SECURITY DEPOSIT FROM EMPLOYEES		0.84
25	RETENTION MONEY		106.80
	TOTAL	**549.47**	**979.72**

EMD AND SD MORE THAN 3 YEARS FROM REPORTING DATE IS WRITTEN OFF

(Rs. In lakhs)

Name of Unit	EMD amount	SD Amount
C O	8.00	4.63
HHEP	9.94	21.85
RHEP	6.65	21.11
CHEP	0.97	0.69
BHEP	27.03	16.25
UKHEP	0.91	-
UIHEP-M	12.30	2.59
UIHEP- K	17.81	102.29
TOTAL	**83.61**	**169.41**

The company has old outstanding balances in different heads of accounts and the same were written off/written back/adjusted with respective account heads.

3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants (s) from the Government or other authorities.	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.

As per sector specific Additional directions under Section 143(5) of the Companies Act , 2013, we report that:

Sl 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 Sl 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 Rs1434 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-18. 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 31.03.2018 is Rs.2285.30 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 ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO.315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11TH SEPTEMBER'2018

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, 2018 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, 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 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 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 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, 2018:

(a) The company did not have an appropriate internal control system to ensure that correct or adequate provisions are made pending receipt of bills/utilisation 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 confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors/ Advance 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 objectives 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, 2018, 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 tests applied in our audit of the March 31, 2018 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

FOR ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO. 315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11TH SEPTEMBER'2018

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR
No.ES-I (T) /Accts/OHPC/17-18/22/18-19/341 Dt. 26.11.2018

To

The Chairman-cum-Managing Director,
Odisha Hydro Power Corporation Limited,
Janpath, Bhoinagar,
Bhubaneswar - 751022.

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 Corpration Limited for the year 2017-18.

Sir,

I enclosed 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 2017-18.

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 Standalone Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2018.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2018 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 : 11 September 2018.

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 2018. This supplementary audit has been carried out independently without access to the working paper of the Statuary 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) Comments on Profitability
Statement of Profit and Loss
Other Income (Note-28)
Other miscellaneous receipt : Rs.13.32 crore

(1) The above is understand by Rs.37.49 crore due to non-accounting of the income tax reimbursement receivable from GRIDCO Limited for the year 2016-17. This has also resulted in understatement of current assets and profit for the year by the same amount i.e. by Rs.37.49 crore each.

(B) Comments on Disclosure.

(2) APGENCO Limited claimed an amount of Rs.3.02 crore towards interest on working capital for the year 2014-15 to 2017-18. The company has not agreed on the claim of APGENCO Limited and it was decided to refer this matter to a High Level Committee. As it was decided to refer the matter to a High Level Committee, the claim of the APGENCO Limited amounting to Rs.3.02 crore should have been disclosed as contingent liability in the annual accounts of the company.

(3) The company has not disclosed the disputable dam maintenance dues amounting to Rs.9.27 crore claimed by the Department of Water Resources, Government of Odisha for the years 2013-14 and 2014-15 as Contingent Liability in the annual accounts of the company during the year.

For and On behalf of the
Comptroller and Auditor General of India

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar
Date : 26.11.2018

AUDITED STANDALONE FINANCIAL STATEMENTS 2017-18

ODISHA HYDRO POWER CORPORATION LIMITED

JANPATH, BHOI NAGAR, BHUBANESWAR

ODISHA HYDRO POWER CORPORATION LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

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

(INR IN LAKHS)

Sl. No.	Particulars	Note No.	For the year ending 31 March 2018	For the year ending 31 March 2017
			Ind AS	Ind AS
	ASSETS :			
(1)	**Non-current Assets**			
(a)	Property, plant & equipment	2	86,231.06	90,550.21
(b)	Capital work-in-progress	3	14,186.76	6,714.60
(c)	Financial Assets			
	(i) Investments	4	34,152.47	29,252.47
	(ii) Trade receivables	5	2,445.42	
	(iii) Loans	6	48.25	85.97
	(iv) Others	7	1,00,661.19	61,900.00
(d)	Other non - current assets	8	1.16	5,240.38
	TOTAL		**2,37,726.31**	**1,93,743.63**
(2)	**Current Assets**			-
(a)	Inventories	9	4,375.79	4,228.02
(b)	Financial Assets			
	(i) Trade receivables	10	8,910.29	12,522.72
	(ii) Cash & cash equivalents	11	1,518.35	1,11,944.89
	(iii) Bank balance other than (ii) above	12	94,283.63	4,639.00
	(iv) Loans	13	4,783.21	8,383.25
	(v) Others	14	5,239.43	5,321.70
(c)	Other current assets	15	9,769.79	13,783.00
	TOTAL		**1,28,880.50**	**1,60,822.58**
	TOTAL ASSETS		**3,66,606.81**	**3,54,568.21**
	EQUITY AND LIABILITIES :			
	Equity			
(a)	Equity share capital	16	71,265.07	69,365.07
(b)	Other equity	17	92,313.69	89,377.04
			1,63,578.76	**1,58,742.11**
	Liabilities			
(1)	**Non-current Liabilities :**			
(a)	Financial Liabilities			
	(i) Borrowings	18	1,01,674.90	1,04,697.90
	(ii) Others	19	6.53	10.03
(b)	Provisions	20	5,958.83	3,339.76
(c)	Deferred tax liabilities (Net)	21	14,149.57	16,593.09
			1,21,789.83	**1,24,640.78**
(2)	**Current Liabilities**			
(a)	**Financial Liabilities**			
	(i) Borrowings	22	1,430.00	1,430.00
	(ii) Trade payables	23	2,421.59	268.23
	(iii) Others	24	71,823.03	58,973.26
(b)	Other current liabilities	25	58.61	74.64
(c)	Provisions	26	5,504.99	10,437.19
			81,238.22	**71,183.32**
	TOTAL EQUITY AND LIABILITIES		**3,66,606.81**	**3,54,568.21**

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

In terms of our report of even date attached

For **ABP & ASSOCIATES**

Chartered Accountants

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place : Bhubaneswar / Date : 11.09.2018

ODISHA HYDRO POWER CORPORATION LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31.03.2018

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

(INR IN LAKHS)

Sl. No.	Particulars	Note No.	For the year ending 31 March 2018	For the year ending 31 March 2017
			Ind AS	**Ind AS**
I	Revenue from operations	27	46,848.30	43,249.05
II	Other income	28	16,175.04	16,685.38
III	**Total Revenue (I+II)**		**63,023.34**	**59,934.43**
IV	**Expenses :**			
	Repair & maintenance expenses	29	5,840.64	4,513.81
	Operation expenses	30	1,111.58	933.86
	Employee benefits expense	31	26,495.10	12,918.57
	Administrative & general expenses	32	1,727.66	1,547.33
	Finance costs	33	7,540.46	7,869.06
	Depreciation and amortization expense	34	7,509.91	11,573.57
	Total Expenses (IV)		**50,225.35**	**39,355.57**
V	Profit before exceptional items & tax (III-IV)		**12,797.98**	**20,578.85**
VI	Exceptional items	35	**45.36**	**21.48**
VII	Profit before tax (V-VI)		**12,752.63**	**20,557.38**
VIII	Tax expense:			
	(a) Current tax		3,393.38	7,009.17
	(b) Deferred tax		(510.69)	636.15
	Total Tax		**2,882.69**	**7,645.32**
	Profit for the year (VII - VIII)		**9,869.94**	**12,912.06**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss		(5,584.96)	(5,848.01)
	Income tax relating to items that will not be reclassified to profit or loss		1,932.84	2,023.88
	Total comprehensive income for the period		**6,217.83**	**9,087.93**
	Earnings per equity share			
	[Face Value of R 1000 /- each (Previous value of INR 1000 /- each)]			
	Basic and Diluted	38	140.58	201.45

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

In terms of our report of even date attached

For **ABP & ASSOCIATES**

Chartered Accountants

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place : Bhubaneswar

Date : 11.09.2018

ODISHA HYDRO POWER CORPORATION LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

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

(INR IN LAKHS)

Particulars	For the year ending 31 March 2018	For the year ending 31 March 2017
Cash flow from operating activities		
Profit for the year	12,752.63	20,556.74
Adjustments for :		
Depreciation & amortization	7,509.91	11,573.57
Finance costs	7,540.46	7,869.06
Finance income	(12,282.30)	(14,945.47)
(Profit)/Loss on sale of property, plant and equipment	(0.78)	2.72
Income/Expenses directly debited to reserve accounts	-	
Operating cash flows before working capital changes	**15,519.92**	**25,056.62**
Changes in operating assets and liabilities		
Inventories	(147.77)	(235.02)
Trade receivables	1,167.01	(1,880.62)
Other non-current assets	-	
Other assets	**(26,015.44)**	(148.20)
Trade payables	**2,153.35**	(14.82)
Other liabilities	**(295.17)**	(10,609.91)
Provisions - Non Current	**2,619.08**	(1,932.52)
Net cash provided by operating activities before taxes	**(2,922.05)**	12,687.80
Income tax Adjustment	-	457.30
Income taxes paid	(10,402.55)	(7,264.97)
Net cash provided by operating activities	(13,324.60)	5,880.12
Cash flow from investing activities		
Purchase of property, plant and equipment	(10,760.31)	(3,309.39)
Proceeds from sale of property, plant and equipment	98.18	31.95
Investment in Bank Deposits	(89,644.63)	(1,539.00)
Investment in shares, debentures and other securities	(4,900.00)	(11,797.55)
Finance income received	12,509.00	13,960.13
Net cash generated/(used) in investing activities	**(92,697.77)**	**(2,653.86)**
Cash flow from financing activities		
Increase in share capital	1,900.00	5,500.00
Dividend paid including DDT	(3,281.17)	(3,152.07)
Repayment of long term loan	(3,023.00)	(3,023.00)
Finance cost paid	-	(142.70)
Net cash generated/(used) in financing activities	**(4,404.17)**	**(817.77)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	
Net increase / (Decrease) in cash and cash equivalents	(1,10,426.54)	2,408.49
Cash and cash equivalents at the beginning of the period	1,11,944.89	1,09,536.40
Cash and cash equivalents at the end of the period (Note 11)	**1,518.35**	**1,11,944.89**

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 with original 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 2018	31st March 2017
Cash and cash equivalents	1,518.35	1,11,944.89
Cash and Cash equivalents comprises of the following:		
Earmarked Balance with Bank	500.00	1,10,684.00
Other Bank Balance	1,015.15	1,246.14
Cash on hand	2.88	2.08
Postal Orders & Stamps	0.31	0.17
Remittance in transit	-	12.50

Significant Accounting Policy & Accompaning notes forming part of the financial statements In terms of our report of even date attached

For **ABP & ASSOCIATES**

Chartered Accountants

Place : Bhubaneswar

Date : 11.09.2018

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

ODISHA HYDRO POWER CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR AS AT 31 MARCH 2018

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

a Equity share capital **(INR IN LAKHS)**

Particulars	Balance at the beginning of the reporting period 2017	Changes in equity share capital during the year	Balance at the end of the reporting period 2018
Equity Share	69,365	1,900	71,265

b Other equity **(INR IN LAKHS)**

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 01 April 2017	10,000.00	13,214.00	73,719.99	(7,556.95)	89,377.04
Changes in accounting policy/ prior period errors	-		-	-	-
Restated balance at the beginning of the reporting period	10,000.00	13,214.00	73,719.99	(7,556.95)	89,377.04
Total Comprehensive Income for the year			9,869.94	(3,652.12)	6,217.83
Dividends and Dividends distribution taxs			-	(3,281.17)	(3,281.17)
Balance as at 31 March 2018	**10,000.00**	**13,214.00**	**83,589.93**	**(14,490.24)**	**92,313.69**

As per the Order No. 3060 dtd. 31.03.2015 & subsequent DoE Notification No. 5843 dtd. 03.07.2015, a sum of INR 100.00 Lakhs has been shown under the head capital reserve towards dam share of UIHEP, Khatiguda.

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

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place : Bhubaneswar
Date : 11.09.2018

ODISHA HYDRO POWER CORPORATION LIMITED

Significant accounting policies and notes to the accounts for the financial year ended 31st March 2018

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, Mukhigudauda, 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., Machakund 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 it's 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 (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakhs (upto two decemal) 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 Orissa 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.

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 Orissa on 01.04.1996 under Transfer Scheme, are stated at transfer price.

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 Re. 1/- as WDV.

Assets valuing Rs. 5000/- or less are fully depreciated during the year in which asset is made available for use with Re. 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 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.

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.

1.6.9 **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 and

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 expected 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/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 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.

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.

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 or 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.

1.6.17 **Provisions Contingent Liabilities & Contigent 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 Orissa on 01.04.1996 are accounted for as and when settled.

Contigent assets are possible assets that arrise past events and whose existance will be compared only by the occuracne or non-occurance of one or more uncertain future events not wholly within the control of the Corporation. Contigent 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 devlopments 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 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 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 share holders 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 **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 Rs 10,00,00,000/- 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 propoer verification and booked to concerned expenditure in the year of refund.

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

Figures have been rounded off to the nearest rupee.

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Standalone Financial Statements for the year ended 31 March 2018

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

2 Property, plant & equipment

(INR IN LAKHS)

Sl. No.	Description	DEPRECIATION									NET BLOCK	
		As to 01.04.17	Addition	Transfer/ Adj	As to 31.03 .18	Upto 31.03 .17	For the Year	Adjustment	Deletion	Up to 31.03 .18	As at 31.03 .18	As at 31.03.17
1	Land	10,898.08	1.61		10,899.68	34.10	17.05	-	-	51.15	10,848.54	10,863.98
2	Power House Civil Work	14,639.09	63.19		**14,702.28**	2,649.65	1,328.43	-	-	3,978.07	10,724.21	11,989.45
3	Power House Electric Mechanical Work	74,703.65	2,922.15	(188.13)	**77,437.68**	20,295.58	4,986.90	-	90.77	25,191.72	52,245.96	54,408.07
4	Civil Building/ Township	14,165.94	106.21		**14,272.15**	2,070.43	1,042.14	-	-	3,112.57	11,159.58	12,095.51
5	Vehicles	168.87	95.14		**264.01**	32.12	15.80	0.01	-	47.92	216.09	136.75
6	Furniture & Fixtures	117.91	12.13		130.03	15.71	9.94	-	-	25.65	104.38	102.19
7	Office Equipment	327.12	17.07	- 0.029	344.16	73.73	38.89	-	-	112.63	231.53	253.39
8	Misc. Assets	188.50	6.79		195.29	38.13	19.05	-	-	57.19	138.10	150.37
9	Electric Installation	233.24	18.67		251.91	33.28	18.18	-	-	51.46	200.45	199.96
10	Water Supply Installation	407.69	41.91		449.60	68.97	32.59	-	-	101.56	348.04	338.72
11	Training Course Equipment	14.48	3.31		17.79	2.67	0.94	-	-	3.61	14.18	11.81
	Total	**1,15,864.57**	**3,288.16**	**(188.16)**	**1,18,964.58**	**25,314.37**	**7,509.91**	**0.01**	**90.77**	**32,733.52**	**86,231.06**	**90,550.21**

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. 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 17.04 Lakhs has been amortised during the year for leasehold land at Chandrasekharpur held by Corporate Office since 16.01.2012. Such amutisation 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.

(iv) As per the decision taken in 144th Board of Directors meeting held on 11.01.2018, assets amounting to INR 248.60 Lakhs relating to CHEP, Chiplima, INR 60.42 Lakhs relating to HHEP, Burla, INR 453.90 Lakhs relating to UIHEP (Mukhiguda), INR 105.69 Lakhs relating to UIHEP (Khatiguda) has been written back and assets amounting to INR 2.04 Lakhs relating to CHEP, Chiplima, INR 184.76 Lakhs relating to UIHEP (Mukhiguda), INR 235.84 Lakhs relating to UIHEP (Khatiguda) have been written off during the current financial year.

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Standalone Financial Statements for the year ended 31st March 2018

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

(INR IN LAKHS)

Note	Particulars	For the year ending 31 March 2018	For the year ending 31 March 2017
		Ind AS	Ind AS
3	**Capital work-in-progress**		
(a)	Land	3.03	3.03
(b)	Building	1,065.95	870.26
(c)	Road, Bridge, Culvert & Other Civil Works	133.26	230.48
(d)	Water Supply Installation	1.10	1.10
(e)	Plant & Machinery (Construction)	1,148.03	1,148.03
(f)	Plant & Machinery (Generation)	7,274.40	2,904.13
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	392.36	392.36
(h)	Substation Equipments	62.45	64.06
(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	16.85
(p)	Sindol Project	28.78	28.78
(q)	Office Building	2,016.35	1,016.35
(r)	Staff Quarters	3.81	3.81
(s)	ERP	34.25	16.90
(t)	Capital Advance	1,970.62	-
	Total	**14,186.76**	**6,714.60**
	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)**	**5,032.00**	**5,032.00**
	(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**	13,420.47	13,420.47
	(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**	1,000.00	1,000.00
	(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**	14,700.00	9,800.00
	(A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC) 14,70,00,000 shares of INR 10/- each		
		34,152.47	**29,252.47**
	(a) Aggregate amount of quoted investments and market value thereof;		
	(b) Aggregate amount of unquoted investments;	**34,152.47**	**29,252.47**
	(c) Aggregate amount of impairment in value of investments.		

5	**TRADE RECEIVEABLES - FINANCIAL ASSET**		
	Unsecured, considered good		
	Sundry Debtor for Sale of Power	2,445.42	
	Sundry Debtor for Others	6.96	
	Less : Provision for doubtful trade receivables > 1 Years	(6.96)	
		2,445.42	
6	**Loans**		
(a)	**Security Deposits**		
	Unsecured, considered good	48.25	85.97
		48.25	85.97
7	**Others**		
	(i) Debt Securitization of GRIDCO Dues	61,900	61,900
	(ii) Balance with Bank in deposit accounts (More than 12 months)	33,014.54	
	(iii) Held as marigin money in Fixed Deposit	5,746.65	
		1,00,661.19	**61,900.00**
	(a) 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.		
	(b) Fixed deposit of INR 57,46,65,488/- with HDFC, Jharpada and Sahid 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 HHEP, Burla & CHEP Chiplima.		
8	**Other non - current assets**		
(a)	**Capital advances**		
	Unsecured, considered good	-	30.52
(b)	**Advances other than capital advances**	-	
	Unsecured, considered good	-	
	Advance to Supplier	1.16	
	Plan Assets (employees)	-	5,209.86
		1.16	**5,240.38**
9	**Inventories**		
	(Valued at cost)		
(a)	Stores and spares	4,618.67	4,460.60
(b)	Loose Tools	3.07	8.78
	-stores & spares		0.37
	Less : Provision for loss of inventory	(245.94)	(241.72)
		4,375.79	**4,228.02**
	Current Financial Asset		
10	**Trade receivable**		
(a)	Outstanding for a period exceeding six months from due date of payment		
	Unsecured, considered good	17.92	6.96
	Unsecured, considered doubtful	-	
	Less:Provision for doubtful trade receivables > 6 months	-	
		17.92	**6.96**
(b)	Outstanding for a period less than six months from due date of payment		
	Unsecured, considered good	8,892.38	12,515.76
	Less : Provision for doubtful trade receivables < 6 months	-	-
		8,892.38	12,515.77
	Total	**8,910.29**	**12,522.73**

11	**Cash and cash equivalents**		
(a)	Balances with banks		
	(i) Balance with Bank in deposit accounts	500.00	1,10,684.00
	(ii) Other Bank Balance	1,015.16	1,246.14
(b)	Cash on hand	2.88	2.08
(c)	Others		
	Postal Orders & Stamps	0.31	0.17
	Remittance in transit	-	12.50
		1,518.35	**1,11,944.89**
	(i) Balance with banks for the following purposes		
	Terminal liabilities	**15,000.00**	6,200.00
	Loan repayments	3,023.00	3,023.00
	JV & new project	47,013.40	53,461.00
	RMU & new project	60,000.00	48,000.00
	Arrear Salary	4,500.00	
		1,29,536.40	**1,10,684.00**
12	**Bank balance other than cash and cash equivalents**		
	(i) Balance with Bank in deposit accounts (3 Month to 12 months)	82,576.25	-
	(ii) Held as margin money in Fixed Deposit	11,707.37	4,639.00
		94,283.63	**4,639.00**
	(OHPC has pledged (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 BWCCL 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 76,98,95,878/- with HDFC, Jharpada and Sahid 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 HHEP, Burla and CHEP, Chiplima.)		
13	**Loans**		
(a)	**Security Deposits**		
	Unsecured, considered good	-	
	Deposit with Others	233.21	233.25
(b)	Loans to related parties		
	Unsecured, considered good		
	GEDCOL(100% subsidiary Company)	4,550.00	3,050.00
	(receivable with interest @ FD rate in the month of Drawl +1%)		
	OCPL (49% Joint Venture Company)	-	5,100.00
	(receivable with interest @ FD rate in the month of Drawl +1%)		
		4,783.21	**8,383.25**
14	**Others**		
	Claims Receivables	581.22	559.07
	Receivable from GRIDCO on Machhakund	426.81	1,346.59
	Dam Share Receivable from W.R.Department on accounts of Indravati	1,062.72	24.30
	Interest Accrued but not due on bank deposit	2,674.95	2,333.37
	Interest Receivable from others	490.08	1,058.37
	Other Receivable from Staff	3.66	
		5,239.43	**5,321.70**
15	**Other current assets**		
	Advances other than capital advances		
(a)	Other Advances		

	(i) Advance to supplier	40.23	1,780.38
	(ii) Advance to contractors	6.26	483.76
	(iii) Advance to other	997.39	272.35
	(iv) Advance to staff	206.26	257.98
(b)	Other Advances		
	(i) Advance income tax (TDS)	4,965.73	5,390.19
	(ii) Advance income tax	3,376.00	5,456.58
	(iii) Advance sales tax		0.05
	(iv) Advance income tax (TCS)	1.13	0.21
	Others		
	(i) OHPC rehabilitation assistance trust fund	0.10	0.10
	(ii) Pre-paid expenses	109.71	134.79
	(iii) Other misc. asset	0.30	0.62
	(iv) Other receivable from staff	-	0.40
	(v) OHPC gratuity fund	66.67	5.60
		9,769.79	**13,783.00**
16	**Equity share capital**		
(a)	**Authorized share capital**		
	Equity shares of INR 1000/- each (Nos)	200.00	100.00
	Equity shares of INR 1000/- each (INR)	2,00,000.00	1,00,000.00
(b)	Issued, subscribed and fully paid up		
	Equity shares of INR 1000/- each (Nos)	71.27	69.37
	Equity shares of INR 1000/- each (INR)	71,265.07	69,365.07
		71,265.07	**69,365.07**
(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	69.37	63.87
	Issued during the year in Nos	1.90	5.50
	Outstanding at the end of the year in Nos	**71.27**	**69.37**
	Equity shares		
	At the beginning of the year in INR	69,365.07	63,865.07
	Issued during the year in INR	1,900.00	5,500.00
	Outstanding at the end of the year in INR	**71,265.07**	**69,365.07**
(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

	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	(7,556.95)	(3,732.82)
	Add : During the year	(5,584.96)	(5,848.01)
	Less: Deferred tax (OCI)	1,932.84	2,023.88
	Closing balance	**(11,209.06)**	**(7,556.95)**
(ii)	Retained earnings		
(a)	Surplus at the beginning of the year	86,933.99	77,174.64
	Add : Profit for the year	9,869.94	12,911.42
	Less : Transfer to general reserve	-	-
	Less : Dividend paid	(2,726.19)	(2,618.92)
	Less : Tax on Dividend	(554.99)	(533.15)
		-	
		93,522.76	**86,933.99**
	Total	**92,313.69**	**89,377.04**
	Non - Current : Financial Liabilities		
18	**Borrowings**		
	Term loans		
	From other parties - unsecured		
	Indian rupee loan from Government of Odisha		
	UIHEP- TL (1)	25,054.90	28,077.90
	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 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 241.84 Crs. till 31.03.2018. So balance loan amount of INR 280.78 Crs. is shown separately to the extent of INR 250.55 Crs. as above as non-current and INR 30.23 Crs in Note-24(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 160.90 Crs as interest payable to State Govt. of Odisha is shown at current-other financial liabilities in Note-24(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.		
		1,01,674.90	**1,04,697.90**
19	**Others**		
	Security Deposits from contractors/ suppliers	6.53	10.03
			-
		6.53	**10.03**

20	**Provisions**		
	(a) Provision for leave salary	5,958.83	3,339.27
	(b) Others	-	0.49
		5,958.83	**3,339.76**
21	**Deferred tax liabilities (Net)**		
	Deferred tax liabilities		
	Deferred tax liabilities/(assets) at the beginning of the year	16,593.09	17,980.82
	Deferred tax liabilities/(assets) during the year on account of temporary difference	(2,443.53)	(1,387.73)
	Deferred tax liabilities / assets at the end of the year	**14,149.57**	**16,593.09**
22	**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.		
23	**Trade payables**		
	Sundry creditors for supply of materials	2,196.74	171.23
	Sundry creditors for works	184.35	76.01
	Sundry creditors for others	40.50	20.99
		2,421.59	**268.23**
	Current : Financial Liabilities		
24	**Others**		
(a)	Current maturities of long term debt	3,023.00	3,023.00
(b)	Employees liabilities	4,820.69	692.55
(c)	OHPC PF trust	(29.68)	78.26
(d)	Liability to others	5,957.28	2,882.52
(e)	Security deposit from contractors / suppliers	419.47	555.38
(f)	EMD from contractors / suppliers	81.65	144.11
(g)	Other security deposit	11.57	20.85
(h)	Retention money / withheld a/c	950.81	1,205.67
(i)	Payable to APGENCO on Machhakunda a/c	402.90	1,723.29
(j)	Payable to Machhakund	0.20	0.20
(k)	Security deposit from employees	3.90	6.68
(l)	Interest payable on UIHEP Govt. loan	40,091.02	37,913.95
(m)	Interest on State Government loan (old projects)	16,090.20	10,726.80
		71,823.03	**58,973.25**
	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	1,094.20	1,636.51
	Cost of Power beyond 30% share	74.13	102.61
		1,168.34	**1,739.12**

	OHPC received an amount of INR 21,16,87,345/- in 2017-18 from GRIDCO including arrear dues of APGENCO for 2016-17 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to INR 4,02,90,366/- as on 31.03.2018. 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 .		
25	**Other current liabilities**		
	Advance against sale of scrap	58.61	74.64
			-
		58.61	**74.64**
26	**Provisions**		
(a)	Provision for employee benefits		
	(i) Provision for arrear salary	4,361.27	-
	(ii) Provision for bonus	8.30	10.89
	(iii) Provision for leave encashment	749.76	2,940.38
(b)	Other Provisions		
	(i) Provision for income tax	-	7,009.17
	(ii) Provision for others	375.51	466.60
	(iii) Provision for loss of asset	10.15	10.15
		5,504.99	**10,437.19**

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Standalone Financial Statements for the year ended 31st March 2018

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

(INR IN LAKHS)

Note	Particulars	For the year ending 31 March 2018	For the year ending 31 March 2017
		Ind AS	Ind AS
27	**Revenue from operations**		
	Revenue from		
	On Sale of Electricity	46,713.43	43,116.82
	Total (A)	**46,713.43**	**43,116.82**
	Other Operating Revenue	134.87	132.23
	Total (B)	134.87	132.23
		46,848.30	**43,249.05**
28	**Other income**		
	Interest on Employees advances	0.10	0.12
	Interest on Bank Deposits	8,644.23	9,420.62
	Interest on others	596.70	572.73
	Interest in lieu of DPS from GRIDCO	3,041.27	4,952.00
	Sale of tender paper	34.26	25.83
	House rent recovery	32.19	22.43
	Vehicle charges recovery	3.98	4.16
	Electricity charges recovery - Employees	1.08	2.75
	Electricity charges recovery - Contractors	1.63	2.64
	Guest house charges recovery	2.67	2.73
	Sale of scrap	2.57	0.27
	Other miscellaneous receipt	1,332.35	35.68
	Recovery from Penalties	56.35	11.76
	Receipt from RTI	0.04	0.04
	Insurance Claim Received	0.31	2.79
	Forfeiture of EMD/SD	49.58	28.21
	Dam Share from DOWR	1,038.42	966.18
	Recovery of foreign exchange fluctuation loss	565.00	371.00
	Profit On sale of Inventory	-	1.03
	Provisions written back	771.51	262.41
	Profit On sale of Asset	0.81	
		16,175.04	**16,685.38**
29	**Repair & maintenance expenses**		
	R&M to Plant and Machinery	1,160.51	1,334.65
	R&M to Building	424.09	494.51
	R&M to Civil Works	358.96	449.07
	R&M to Hydraulic Works	107.17	291.20
	R&M to Line Cables Networks	22.37	22.67
	R&M to Vehicles	8.93	35.03
	R&M to Furniture & Fixture	0.70	0.65
	R&M to Office Equipments	19.98	10.39
	R&M to Electrical Installation	29.27	64.52
	R&M to Water Supply Installation	52.95	41.69
	R&M to Misc. Assets	-	0.01
	R&M to Substation Equipment	68.64	47.61

	R&M to Dam Maintenance	3,587.07	1,721.81
		5,840.64	**4,513.81**
30	**Operation expenses**		
	Power and fuel	203.69	91.63
	Insurance charges	163.40	106.73
	Oil, Lubricant & Consumables	120.43	125.70
	Transportation charges	0.65	0.13
	Hire charges of vehicles/machineries	148.36	145.46
	Refreshment(Operation)	1.80	2.39
	Other Operation expenses	1.14	0.48
	Watch & Ward of Power House	472.11	461.35
		1,111.58	**933.86**
31	**Employee benefits expense**		
	Salaries & Allowances	7,532.30	4,990.06
	Wages & Allowances	6,408.95	4,692.01
	Overtime	12.30	9.84
	Bonus	6.02	23.81
	Payment to Apprentices & Trainees	74.87	84.40
	Contribution to PF and other Funds	10,098.39	1,427.71
	Employees welfare expenses	780.32	780.14
	Other employee benefit expenses	1,581.95	910.60
		26,495.10	**12,918.57**
	The increase in employee benefit expenses is due to implementation of 7th Pay amounting to INR. 43.61 Crs. towards arrear salary and INR 97.00 Crs. towards terminal liabilities.		
32	**Administrative & General expenses**		
	Rent	73.71	70.96
	Rates and taxes	8.92	10.54
	Fees & subscriptions	10.24	7.51
	Insurance charges	10.70	6.07
	Communication expenses	92.82	79.82
	Traveling & conveyance expenses	224.65	206.97
	Printing & stationery	40.95	54.74
	Bank charges	0.22	0.31
	Electricity & water charges	169.15	158.33
	Legal expenses	19.72	21.92
	Professional & consultancy charges	23.89	33.97
	Audit fees & expenses	40.63	29.70
	Advertisement & Publicity	50.95	36.67
	Training, Seminar & Conference	80.33	83.87
	Office upkeep & Maintenance	24.64	22.56
	Watch & ward charges	252.78	204.09
	Repair & Maintenance others	-	0.53
	Recruitment expenses	0.79	16.07
	Meeting expenses	16.85	18.56
	Transit house expenses	9.26	11.33
	Electrical Accessories	-	1.26
	Loss of Assets	0.03	2.72
	Survey & Inspection Exp. for Pump Storage Project		135.87
	Loss on Inventories	4.23	(3.43)

	Corporate Social Responsibility Expenses	276.82	32.00
	Other Administrative & General expenses	288.41	304.38
	Provision for bad debt	6.96	
		1,727.66	**1,547.33**
33	**Finance costs**		
	Interest on PFC loan	-	75.12
	Interest on Govt. loan (UIHEP)	2,177.06	2,388.67
	Interest on Govt. loan - Old power house	5,363.40	5,363.40
	Guarantee commission	-	7.03
	Foreign exchange fluctuation loss	-	34.83
		7,540.46	**7,869.06**
34	**Depreciation and amortization expense**		
	Depreciation of tangible assets	7,509.91	11,573.57
		7,509.91	**11,573.57**
35	**Exceptional items**		
	Voluntary separation scheme payment	45.36	21.48
		45.36	21.48
	Other comprehensive income	(5,584.96)	(5,848.01)
		(5,584.96)	**(5,848.01)**
36	Payments to auditor		
	Statutory audit fees	4.00	4.00
	Statutory audit expenses	2.51	1.53
	Other audit fees	24.06	15.38
	Other audit expenses	10.07	8.80
		40.63	**29.70**

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Standalone Financial Statements for the year ended 31st March 2018

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

Note	Particulars	31 March 2018	31 March 2017
37	**Income tax expense**		
	i) Income tax recognised in profit or loss		
a)	**Current tax expense**		
	Current year	3,393.38	7,009.17
	Deferred tax expense		
	Origination and reversal of temporary differences	(510.69)	636.15
	Reduction in tax rate		
	Total income tax expense	2,882.69	7,645.32
	ii) Income tax recognised in OCI		
		31 March 2018	**31 March 2017**
	Remeasurements of defined benefit plans	(1,932.84)	(2,023.88)
	Total income tax expense relating to OCI items	**(1,932.84)**	**(2,023.88)**
b)	**Reconciliation of tax expense and accounting profit**		
		31 March 2018	**31 March 2017**
	Accounting profit before tax from continuing operations	12,752.63	20,556.74
	Accounting profit before tax from discontinued operations		-
	Accounting profit before tax	**12,752.63**	**20,556.74**
	Tax using the Company's domestic tax rate	0.35	0.35
	Adjustments in respect of current income tax of previous years	4,413.43	7,114.28
	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	276.82	2.72
	Carried forward tax losses utilized	-	-
	Other temporary differences	(3,224.25)	(306.42)
	At the effective income tax rate of 34.608% (31 March 2017: 34.608%)	(1,020.05)	(105.10)
	Income tax reported in the statement of profit and loss	3,393.38	7,009.17
	Income tax attributed to discontinued operations	-	-
	Total	**3,393.38**	**7,009.17**
c)	Amounts recognised directly in equity		
		31 March 2018	**31 March 2017**
	Current tax	-	-
	Deferred tax	-	-
	Total	-	-
d)	**Deferred tax assets and liabilities**		
	Deferred tax relates to the following:		
		31 March 2018	**31 March 2017**
	Fixed Asset	(185.30)	780.66
	Leave	(129.00)	(144.51)
	On OCI Component	(1,932.84)	(2,023.88)
	DTL Reversal on prior period item	(196.38)	
	Total	**(2,443.53)**	**(1,387.73)**

e)	**Reconciliation of deferred tax assets / liabilities**		
		31 March 2018	**31 March 2017**
	Opening balance	16,593.09	17,980.82
	Deferred tax recognized for the first time		
	Tax income/expense during the period recognised in profit or loss	(2,443.53)	(1,387.73)
	Tax income/expense during the period recognised in profit or loss from discontinued operations		-
	Closing balance	14,149.57	16,593.09
38	**Earnings Per Share:**		
	The Earnings Per Share (Basic and Diluted) are as under:		
	Particulars	**31 March 2018**	**31 March 2017**
	Opening Balance (A)	69.37	63.87
	Weighted average number of equity shares issued during the year (B)	0.84	0.23
	Weighted average number of equity shares outstanding for the year (A+B)	**70.21**	**64.09**
	Profit for the year attributable to equity shareholders	**9,869.94**	**12,911.42**
	EPS	140.58	201.45

39 1. **Financial instruments**

A. **Accounting classification and fair values**

(INR IN LAKHS)

	Carrying amount				Fair value			
31 March 2018 INR	**FVTPL**	**FVTOCI**	**Amortized Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	1,518.35	1,518.35	-	-	-	1,518.35
Bank balance other than above	-	-	94,283.63	94,283.63				94,283.63
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	-	-	1,00,661.19	1,00,661.19	-	-	-	1,00,661.19
Other Current Financial Asset	-	-	5,239.43	5,239.43	-	-	-	5,239.43
	-	-	2,17,889.78	2,17,889.78	-	-	-	2,17,889.78
Financial liabilities								
Long term borrowings	-	-	1,01,674.90	1,01,674.90	-	-	-	1,01,674.90
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
	-	**-**	**1,77,356.05**	**1,77,356.05**	**-**	**-**	**-**	**1,77,356.05**

	Carrying amount				Fair value			
31 March 2018 INR	**FVTPL**	**FVTOCI**	**Amortized Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	1,11,944.89	1,11,944.89	-	-	-	1,11,944.89
Bank balance other than above	-	-	4,639.00	4,639.00	-	-	-	4,639.00
Non- current Financial Asset: Loans	-	-	85.97	85.97	-	-	-	85.97
Current Financial Assets: Loans	-	-	8,383.25	8,383.25	-	-	-	8,383.25
Trade and other receivables	-	-	12,522.73	12,522.73	-	-	-	12,522.73
Other Non Current Financial Asset	-	-	61,900.00	61,900.00	-	-	-	61,900.00
Other Current Financial Asset	-	-	5,321.70	5,321.70	-	-	-	5,321.70
	-	-	2,04,797.54	2,04,797.54	-	-	-	2,04,797.54
Financial liabilities								
Long term borrowings	-	-	1,04,697.90	1,04,697.90	-	-	-	1,04,697.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	268.23	268.23	-	-	-	268.23
Other Non-Current financial liabilities	-	-	10.03	10.03	-	-	-	10.03
Other Current financial liabilities	-	-	58,973.25	58,973.25	-	-	-	58,973.25
	-	**-**	**1,65,379.42**	**1,65,379.42**	**-**	**-**	**-**	**1,65,379.42**

* 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)

40 **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 behavior 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:

(INR IN LAKHS)

	31 March 2018	31 March 2017
Trade and other receivables	11,355.72	12,522.73
Investments	34,152.47	29,252.47
Cash and cash equivalents	1,518.35	1,11,944.89

Ageing analysis (Trade Receivables) (INR IN LAKHS)

	31 March 2018	31 March 2017
Upto 3 months	8,891.95	9,960.78
3-6 months	0.43	2,554.98
More than 6 months	2,463.34	6.96
	11,355.72	**12,522.73**

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:

	31 March 2018	31 March 2017
At fixed rate	-	-

Maturities of financial liabilities

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

(INR IN LAKHS)

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	1,04,697.90
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**	**1,80,379.05**

As at 31 March 2017	**Less than 1 year**	**1-5 years**	**>5 years**	**Total**
Long term borrowings	3,023.00	12,092.00	92,605.90	1,07,720.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	268.23			268.23
Other non current financial liabilities		10.03		10.03
Other current financial liabilities	58,973.25			58,973.25
	63,694.49	**12,102.03**	**92,605.90**	**1,68,402.42**

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 Orissa Electricity Regulatory Commission (OERC) through Annual Revenue Requirment (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 2018	**31 March 2017**
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.

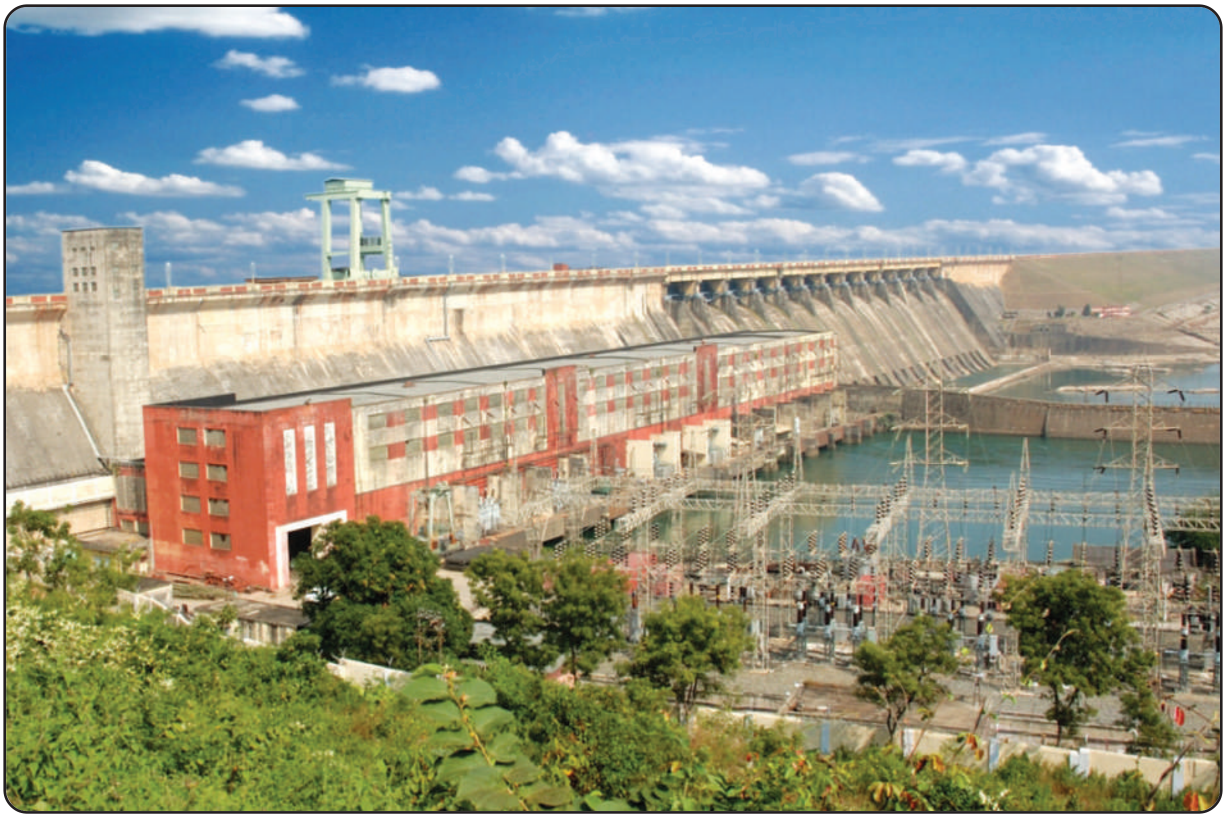
The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure **(INR IN LAKHS)**

	31 March 2018	**31 March 2017**
Fixed rate borrowings	1,04,698	1,07,721

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.



HHEP Power House, Burla

41 **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.

(INR IN LAKHS)

	31 March, 2018	31 March, 2017
Total liabilities	2,03,028.05	1,95,824.10
Less : Cash and cash equivalent	(1,518.35)	(1,11,944.89)
Adjusted net debt	**2,01,509.70**	**83,879.21**
Total equity	1,63,578.76	1,58,742.11
Net debt to equity ratio	**1.23**	**0.53**

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

b) Dividends

	31 March, 2018	31 March, 2017
Equity Shares		
Final dividend for the year ended 31 March 2017 of INR 39.302 (31 March 2016 - INR 37.755) per fully paid shares	2,726.19	2,618.92
DDT on final dividend	554.99	533.15
Dividends not recognized at the end of the reporting period	**31 March 2018**	**31 March 2017**
In addition to the above, since year end the directors have recommended the payment of final dividend of INR 26.175 per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,865.35	2,726.19
DDT on proposed dividend	383.43	554.99

42 **Other Explanatory Notes to Accounts**

Commitment & Contingent

(a) Commitment (INR IN LAKHS)

			31 March, 2018	31 March, 2017
(a)	(i)	Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda & HHEP, Burla	63706.25	63415.00
(b)		Claims against the Company not acknowledged as debt:		
	(i)	Stamp duty on bonds of INR 76620.00 Lakhs issued to GoO on account of up- valuation of assets which has been kept in abeyance.	575.00	575.00
	(ii)	EPF & Sales Tax liability of UIHEP, Khatiguda	32.00	32.00
	(iii)	Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	6557.00	6557.00
	(iv)	Workman compensation pending before the Hon'ble High Court of Odisha. (CHEP)	6.00	6.00
	(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)	15.00	15.00
	(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.	1.00	1.00
	(viii)	50% of the Fixed deposit of INR 2500.00 Lakhs pledged for the BG of BWCCL in favour MOC, GoI.	1250.00	1250.00
	(ix)	(i) 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 218.00 Lakhs, INR 545.00 Lakhs and 178.00 Lakhs respectively.	941.00	763.00
	(x)	(ii) Pending cases at High Court on account of refund of Income Tax for RM & U of Unit-I & II, HHEP, Burla.	357.00	357.00
	(xi)	Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 and 2015-16 & 2016-17 for an amount of INR 927.00 Lakhs and 1261.00 Lakhs respectively.	-	2188.00
	(xii)	Corporate Guarantee for OCPL	6034.00	6034.00
		Grand Total	**79475.25**	**81194.00**

(b) Against the claim of INR 6557.00 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 Horn'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).

43 The book value of stores & spares partly not available due to theft, fire and shortages in both civil stores & Electrical Store Mukhiguda and Central Stores Khatiguda of Civil wing as per the stock verification report of MARP Associates., Bhubaneswar for the year ending 31.03.2018 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	17.08	-	17.08
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 31.03.2018 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,2018 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 INR1.97 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.

44 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 INR 27.38 Lakhs of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2018 were issued on 09.04.2018 by Regd. post but confirmations were not received viz.

	INR IN LAKHS		INR IN LAKHS
E.E., Left Canal Divn.	4.43	SDO, BSNL,Nabarangpur	9.47
		SDO, BSNL,Dharamgarh	12.11
		SBI, Jaipatna	1.36
Total Receivable from DOWR:	4.43	Total Receivable from BSNL&Banks:	22.95

Out of the said outstanding, E.E. Left Canal Division has deposited INR 4.43 Lakhs on 25.06.2018 and SBI Jaipatna has deposited INR 1.29 Lakhs in April, 2018.

45 **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

46 **A)** The sale of energy compared to the design energy for sale during the year 2017-18 are as under:

Power stations	**Actual sale of energy (in MU)**	**Design energy for sale (in MU)**
UIHEP, Mukhiguda	1712.427	1942.38
RHEP, Rengali	738.1023	519.75
BHEP, Balimela	1447.8036	1171.17
UKHEP, Upper Kolab	657.122	823.68
HHEP, Burla	600.948	677.16
CHEP, Chiplima	214.51	485.1
Total	**5370.9129**	**5619.24**

B) As per the OERC tariff order dt. 23.03.2017, the tariff for the year 2017-18 for energy sold to GRIDCO is as follows.

Name of the Power stations	Energy charge Rate (Paisa per Unit)	Capacity charges (INR in Crs.)
RHEP	59.101	30.718
UKHEP	27.872	22.958
BHEP	41.252	48.313
HHEP	72.36	48.999
UIHEP	38.748	75.263
CHEP	26.638	12.922
TOTAL		**239.173**

C) The sale of energy includes 16.521451 MU to CSPDCL @INR 1.9481 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 2016-17. Necessary rectification entries relating to sale of energy have been passed by the respective units in the current year.

47 During the year Electricity charges of INR 19.16 Lakhs has been paid to SOUTHCO for 4 nos of Dam sites & INR 2.96 Lakhs- paid to WESCO towards electricity charges for power consumed in Intake and Surge Gate up to 2/2018 by UIHEP, Mukhiguda and Electricity Charges of INR 3.63 Lakhs paid to SOUTHCO by UIHEP, Khatiguda for power consumed in the offices and non-residential buildings at Khatiguda.

48 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 Nil.

49 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 year end together with interest paid/payable as required under the said Act have not been given.

50 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	219.111	214.510	3.887	0.000	0.713
HHEP	275.500	614.069	600.948	9.942	0.000	3.719
RHEP	250.000	762.544	738.102	11.651	11.440	1.351
UKHEP	320.000	675.649	657.122	15.912	0.000	2.615
BHEP	510.000	1475.072	1447.804	16.439	5.093	5.737
UIHEP	600.000	1740.820	1712.427	19.450	5.888	3.055
Total	2027.500	5487.265	5370.913	77.281	22.421	17.190
Previous year	1967.500	4433.196	4310.023	83.401	24.142	15.630

51 **Deposit with others**

(I) Mukhiguda

The Deposit with Others amounting INR 10.54 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 0.56 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.

(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	1994-95	40
28.03.1994	30	1994-98	0.03
31.03.1995	22	28.06.96	14.03
15.03.1996	12		
	104		**54.06**

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.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.

52 I) OHPC has lodged a insurance claim of INR 3605 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 Lakhs in two spells i.e. INR 350 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 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 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 2,76,666/- has been lodged to National Insurance Company on 09.06.2015 for unit-V, CB & CT. (b) Insurance claim of INR 31,47,840/- 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.

53 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.

54 The consolidate financial statement has been prepared separately taking the Audited Accounts of OHPC, GEDCOL, OTPCL, BWCCL & 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.

55 The Company spent INR 276.82 Lakhs towards CSR i.e. INR 232.41 Lakhs towards promoting education & others and INR44.41 Lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013.:

(INR In Lakhs.)

Year	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Net profit before tax as per Section 198	4668.14	13862.22	14708.37	-
Average profit for last 3 years	-	-	-	11,079.91
2% of average profit	-	-	-	221.60
Expenditure made during the year	-	-	-	276.82

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	276.82	-	276.82

56 **Foreign currency transactions:**

	Particulars	**2017-18**	**2016-17**
(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 (HHEP, Burla 21112.60 & $ 86506.60 and CHEP, Chiplima 9659.40 & $ 70353.60)	-	775.21
Total expenses		**NIL**	**775.21**

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

57 **Related Party Disclosures are given below:**

(a) Interest in Subsidiaries:

			Proportion of Ownership interest as at	
Name of Companies	**Principal place of operation**	**Principal activities**	**31-03-2018**	**31-03-2017**
Green Energy Development Corporation Ltd.	India	Power Generation	100%	100%

(b) Interest in Joint Ventures:

			Proportion of Ownership interest as at	
Name of Companies	**Principal place of operation**	**Principal activities**	**31-03-2018**	**31-03-2017**
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:

			Proportion of Ownership interest as at	
Name of Companies	**Principal place of operation**	**Principal activities**	**31-03-2018**	**31-03-2017**
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 Truest 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:

S.No	**Name**	**Position Held**
1	Sh Vishal Kumar Dev, IAS,	CMD w.e.f 26.07.2017
2	Sh Hemant Sharma, IAS,	CMD upto 25.07.2017
3	Sh Hemant Sharma, IAS,	Independent Director w.e.f 26.07.2017

4	Sh Vijay Arora, IAS,	Independent Director upto 05.12.2017
5	Sh D K Jena, IAS,	Independent Director
6	Sh Pravakar Mohanty,	Director (Finance) & CFO
7	Sh S C Bhadra,	Independent Director
8	Sh R C Tripathy,	Independent Director
9	Mrs. Saveeta Mohanty,	Independent Director
10	Dr. Prabodha Kumar Mohanty,	Director (HRD) w.e.f 01.08.2017
11	Sh S.K Tripathy	Director (Operation)
12	Sh PK Lenka	Independent Director w.e.f 05.12.2017
13	Sh SP Rath	Independent Director w.e.f 23.11.2017
14	Sh Ak Parida	Independent Director upto 05.12.2017
15	Sh Dronadeb Rath	Independent Director
16	Sh S. Nayak, OAS(SAG), Special Secretary, DoE, Department of Energy	Director HRD upto 31.07.2017
17	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: **INR in Lakhs**

	Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
i)	Short Term Employee Benefits	60.17	68.29
ii)	Post-Employment Benefits	8.49	13.29

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Sitting Fees and other reimbursements to non-executive/Independent directors	4.12	7.30

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

Particulars	**For the Year ended 31.03.2018**	**For the Year ended 31.03.2017**
(I) Transaction with Government that has control over company (OHPC)- State Govt.		
Guarantee commission Due	0.05	7.03
Interest on Govt Loan Due	7,752.07	7,752.07
Loan Repaid	3,023.00	3,023.00
Guarantee commission Repaid	7.03	803.78
Loan Outstanding	1,03,104.90	1,06,127.90
(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)	**During the FY 2017-18**	**During the FY 2016-17**
Sale Of Goods (Electricity)	46,401.43	42,796.46
Service Received by the Company (SLDC)	142.96	151.93
Service Received by the Company (Rent)	77.13	69.43
Debtors Receivable	11,172.53	12,332.68
Debt Securitisation Receivable	1,00,661.19	61,900.00
(III) Transaction with Subsidiaries	**During the FY 2017-18**	**During the FY 2016-17**
Loan Given To GEDCOL	1,500.00	3,050.00
Loan amount Receivable from GEDCOL	4,550.00	3,050.00
Interest receivable for the year	322.97	116.84
Interest receivable as on reporting date	488.87	105.16
Fixed deposit pledged with Axis Bank towards performance Bank Guarantee on behalf of GEDCOL	-	600.00
Advance to others (Salary & Other Expenses paid for GEDCOL)	644.49	53.04
Receivable from GEDCOL on account of Advance to Others	752.59	108.10
(IV) Transaction with Joint Ventures		
Fixed deposit pledged with Punjab and Sindh Bank towards margin money on behalf of BWCCL	2,500.00	2,500.00
Advance to others (Other Expenses paid for BWCCL)	1.71	-
Receivable from BWCCL	1.71	0.05

(V) Transaction with Associates	**During the FY 2017-18**	**During the FY 2016-17**
Loan given to OCPL	2,000.00	5,100.00
Loan Repaid by OCPL	7,100.00	-
Interest receivable for the year	272.05	455.73
Fixed deposit pledged with Yes Bank towards margin money on behalf of OCPL	1,539.00	1,539.00
Corporate Guarantee	6,003.00	6,003.00
Receivable from OCPL	-	410.16
(V) Transaction with Trust created for Post employment Benefit plans of OHPC		
1. PF Trust	**During the FY 2017-18**	**During the FY 2016-17**
Contribution to Trusts	1,001.08	1,206.43
2. Gratuity Trust		
Contribution to Trusts	66.96	19.12
	2,846.84	-
3. Rehabilitation Trust		
Contribution to Trusts	38.50	41.50
4. Employees Pension Trust		
Contribution to Trusts	5,733.06	3,405.22
Payable to trust	1,142.83	-
Total of transactions with above trusts	**6,839.59**	**4,672.27**

58 **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 absorved 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. absorved in OHPC and own recruited employees, OHPC contributes matching employer contribution of 12% of Pay + GP +DA is deposited with RPFC and charged to P & L account.

(ii) Pension :

The employees of the corporation who have been permanently absorved 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 a 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 celling 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 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 + GP) 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**
Less than one year	2 Times of emoluments
One year or more but less than 5 years	6 Times of emoluments
5 years or more but less than 20 years	12 times of emoluments
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 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 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 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(INR IN LAKHS)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
		2016-17	
Opening Balance as at 01.04.2016	6,490.65	6,742.34	(251.69)
Current Service Cost	273.42	-	273.42
Past Service Cost	-	-	-
Interest Expenses/ (Income)	519.25	539.39	(20.13)
Total Amount recognised in Profit or Loss	792.67	539.39	253.29
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	180.26		180.26

Experience (gains)/Losses	(356.85)	9.74	(366.59)
Total Amount recognised in Other Comprehensive Income	(176.59)	9.74	(186.33)
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(346.20)	(346.20)	-
Closing Balance as at 31.03.2017	**6,760.54**	**6,945.27**	**(184.73)**

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		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**

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

(INR IN LAKHS)

Particulars	**31 March 2018**	**31 March 2017**
Present Value of funded obligations	10,041.42	6,760.54
Fair value of Plan Assets	7,127.90	6,945.27

Deficit/(Surplus) of funded plans	**2,913.52**	**(184.73)**
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	**2,913.52**	**(184.73)**

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 2018**	**31 March 2017**
Present Value of Obligation at the end of the period	10,041.42	6,760.54
a) Impact due to increase of 0.50%	(233.58)	(180.30)
b) Impact due to decrease of 0.50%	245.66	190.30
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	10,041	6760.54
a) Impact due to increase of 0.50%	182.39	190.30
b) Impact due to decrease of 0.50%	(183.86)	(181.95)

(ii) **Pension:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(INR IN LAKHS)

Particulars	**Present Value of Obligation (i)**	**Fair value of Plan Assets (ii)**	**Net Amount iii=(i)-(ii)**
		2016-17	
Opening Balance as at 01.04.2016	26,713.60	34,216.57	(7,502.96)
Current Service Cost	714.17	-	714.17
Past Service Cost	-	-	-
Interest Expenses/ (Income)	2,110.37	2,703.11	(592.73)
Total Amount recognised in Profit or Loss	**2,824.55**	**2,703.11**	**121.44**
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	1,520.84	-	1,520.84
Experience (gains)/Losses	4,672.24	431.46	4,240.78

Total Amount recognised in Other Comprehensive Income	**6,193.08**	**431.46**	**5,761.62**
Contributions:-			
- Employers		3,405.22	3,405.22
- Plan participants			
Benefit payments	(5,449.39)	(5,449.39)	
Closing Balance as at 31.03.2017	**30,281.84**	**35,306.96**	**(5,025.13)**

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

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

Particulars	31 March 2018	31 March 2017
Present Value of funded obligations	38,477.35	30,281.84
Fair value of Plan Assets	37,334.52	35,306.96
Deficit/(Surplus) of funded plans	**1,142.83**	**(5,025.13)**
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	**1,142.83**	**(5,025.13)**

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 2018	31 March 2017
	Present Value of Obligation at the end of the period	32,214.63	30,281.84
a)	Impact due to increase of 0.50%	(2,518.81)	(1,938.25)
b)	Impact due to decrease of 0.50%	2,595.56	2,020.30

b) Impact of the change in salary increase

	Present Value of Obligation at the end of the period	3,22,14,62,500	30,282
a)	Impact due to increase of 0.50%	2,608.23	2,068.57
b)	Impact due to decrease of 0.50%	(2,527.55)	1,979.13

(iii) **Earned Leave :** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(INR IN LAKHS)

Particulars	Present Value of Obligation	
	2017-18	**2016-17**
Opening Balance as at 01.04.2017	**6,277.24**	**5,724.30**
Current Service Cost	297.86	278.83
Past Service Cost		
Interest Expenses/ (Income)	470.79	457.94
(Gain)/loss from change in Demographic assumptions	3.43	
(Gain)/loss from change in financial assumptions	(19.89)	181.45
Experience (gains)/Losses	224.64	91.27
Total Amount recognised in Profit or Loss	**976.84**	**1,009.49**
Contributions:-		
- Employers		
- Plan participants		
Benefit payments	(545.49)	(456.54)
Closing Balance as at 31.03.2018	**6,708.59**	**6,277.24**

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

(INR IN LAKHS)

		31 March 2018	31 March 2017
a)	**Impact of the change in discount rate**		
	Present Value of Obligation at the end of the period	6,708.59	6,277.24
	a) Impact due to increase of 0.50%	(189.69)	(181.45)
	b) Impact due to decrease of 0.50%	200.88	192.22
b)	**Impact of the change in salary increase**		
	Present Value of Obligation at the end of the period	**6,708.59**	**6,277.24**
	a) Impact due to increase of 0.50%	200.98	192.22
	b) Impact due to decrease of 0.50%	(191.51)	(183.11)

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

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place : Bhubaneswar
Date : 11.09.2018

Celebration of 23rd OHPC Foundation Day on 21.04.2019

5th ANNUAL REPORT
2017-18

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD

(A wholly owned subsidiary of Odisha Hydro Power Corporation Ltd., a Govt. of Odisha undertaking)

OHPC Corporate Office, OSPH & W C Building
JANPATH, BHOINAGAR, BHUBANESWAR - 751022,
Tel: 0674-2542922, Fax:2542102, Gram : HYDROPOWER
CIN : U40102OR2013SGC016747

CONTENTS

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD

Board of Directors

Sh Hemant Sharma, IAS,
Chairman-Cum-Managing Director

Sh Vishal Kumar Dev, IAS Director	Sh C R Pradhan Director
Sh B B Acharya Director	Sh S C Bhadra Director
Sh S K Tripathy Director	

COMPANY SECRETARY
Sh P K Mohanty

STATUTORY AUDITOR
Subrat Das & Co.
Chartered Accountants

SECRETARIAL AUDITOR
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)

DIRECTORS' REPORT 2018

Dear Members,

Your Directors are pleased to present the 5th Annual Report of the Company on the business and operations of the Company along with the audited 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, 2018.

1. FINANCIAL HIGHLIGHTS

The Financial results for the year ended 31st March, 2018 are summarized below.

(Rs in Lakhs)

Particulars	2017-18	2016-17
INCOME		
Revenue from Operation	1552.21	1482.97
Other Income	710.87	211.98
Total Income	2263.08	1694.95
EXPENDITURE		
Employee Benefit Expenses	54.24	61.39
Operational Expenses	187.23	37.99
Other expenses	49.38	26.40
Total Expenditure	290.85	125.78
Profit before depreciation, Finance cost and Tax	1972.23	1569.17
Depreciation	571.78	546.71
Profit after depreciation but before Finance cost, exceptional Item and Tax	1400.45	1022.46
Finance Cost	396.01	338.42
Exceptional Item	600.00	-
Profit after depreciation, Finance cost but before Tax	404.44	684.04
Tax	132.79	216.46
Profit after depreciation, Finance cost and Tax	271.65	467.58
Other comprehensive Income (OCI)	-	-
Total Comprehensive Income (TCI)	**271.65**	**467.58**

1.1 REVENUE:

GEDCOL has generated total revenue of Rs.22.63 crore during Financial Year 2017-18.

1.2 EXPENSS:

The total expenditure during Financial Year 2017-18 was Rs.2.9 crore.

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, 27.92 Million Units (MU) (previous year 27.01 MU) were generated. The plant capacity utilization factor during F.Y. 2017-18 was 15.95 %. GEDCOL has generated revenue from this project for Rs.15.22 crore.

2.2 Rooftop Solar Project.

564096 KWH Units generated during F.Y. 2017-18 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.

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.

3.2 Replication Scheme in 15 (fifteen) towns.

On 32nd ECI meeting held on 27.07.2016, it was decided to replicate Rooftop Solar to the other cities of Odisha. GEDCOL has executed Financial Advisory Services Agreement (FASA) with IFC to replicate the BBSR-CTC Roof Top Project in other cities of the state namely, Sambalpur, Burla, Hirakud, Rourkela, Puri, Khurda, Berhampur, Chhatrapur, Jeypore, Koraput, Sunabeda, Nabarangapur, Balasore, Bhadrak, Baripada and Bolangir.

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.

3.3 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 PowerHouse at Mukhiguda and GEDCOL Solar Plant at Manmunda. DPR has been prepared by Gujarat Energy Research & Management Institute (GERMI) for 8 MWcapacity at these sites. Tender for selection of EPC contractor shall be published shortly.

3.4 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.
- GEDCOL & Steel Authority of India Ltd., Rourekela have agreed to develop 10 MW Mandira SHEP on river Sankh in Sundargarh in Joint Venture mode. The DPR has been prepared by M/s MECON. JV agreement has been executed between GEDCOL & SAIL on 13.02.2018. The JV company namely GEDCOL SAIL Power Corporation Ltd. has been incorporated in Sep. 2018. Tender documents for selection of EPC developer has been submitted by M/s WAPCOS and are presently under vetting.

4. 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 NIL.

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 transactionsare placed before the Audit Committee as also to the Board for approval.

7. HOLDING COMPANY:

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

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

The particulars relating to conservation of energy, technology absorption and foreignexchange earnings &

out go as required to be disclosed under section 134 (3) (m) ofthe companies Act,2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are enclosed at ANNEXURE-I.

9. CSR ACTIVITIES:

An annual report of Corporate Social Responsibility, highlighting the CSR Policy ofthe Company details of expenditure on CSR etc. in prescribed format underCompanies (CSR Policy) Rules, 2014 is enclosed at Annexure-II and forms and 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 theCompanies Act, 2013 read with Rule 12(1) of Companies (Management andAdministration) Rules, 2014 is given at ANNEXURE-III.

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 fourth financial year ended on 31st March 2018.

12. INTERNAL AUDITOR:

M/s B S Subudhi & Co, Chartered Accountants, Bhubaneswar has been appointed asInternal Auditor of the company in pursuant to the provisions of Section 138 of the Companies Act, 2013 for F.Y. 2017-18.

13. SECRETARIAL AUDITOR:

The Board has appointed M/s T K Satpathy & Co, Practicing Company Secretaries, toconduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report is placed at ANNEXURE-IV.

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, 2018 and the replies of the Management to the report of the Statutory Auditors and comments of the C&AG 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 Hemant Sharma, IAS (DIN:-01296263)	20.01.2014 10.02.2017	10.02.2017 -	MD CMD
2.	Sh Vishal Kumar Dev, IAS (DIN:-01797521)	22.08.2017	-	Director
3.	Sh C.R Pradhan (DIN:-00127539)	21.05.2013	-	Director
4.	Sh B B Acharya (DIN:-06567542)	21.05.2013	-	Director
5.	Sh S C Bhadra (DIN:-01896713)	21.05.2013	-	Director
6.	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 2017-18, total 05 nos. of Board Meetings were held.

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.

18. 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.

19. 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 31,2018, 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, 2018 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.

20. 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.

21. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of thefollowing 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 Companies which have become or ceased as subsidiaries, joint ventures or associate companies during the Year.

22. Acknowledgments:

The Board places on record its appreciation for the continued support, contribution and co-operation extended by the Government of Odisha (especially the Departmentsof Energy, DoWR, PPP Cell in P&C Dept. and Finance Deptt.) and SECI, OHPC Ltdand 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:- 28.09.2018

Hemant Sharma, IAS
Chairman-cum-Managing Director
(DIN:-01296263)

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.

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 2017-18

(Rs. in lakhs)

		2017-18	2016-17
(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.	1.20	NIL
(iii)	Expenditure incurred in foreign currency for payments of Consultants.	16.18	3.42

ANNEXURE -II

CORPORATE SOCIAL RESPONSIBILITY AT GEDCOL FOR THE FINANCIAL YEAR 2017-18.

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 Hemant Sharma, 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.2,72,13,607/.**

   b) **Prescribed CSR expenditure Rs.5,44,272/-.**

   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	2014-15	77,23,901/-	2,72,13,607/-
2	2015-16	55,13,396/-	
3	2016-17	6,84,03,521/-	

b. CSR Expenditure in FY 2017-18 Rs.5,44,272/-.

c. Details of CSR spent during the Financial Year 2017-18 :

   (a) Total amount to be spent for the Financial Year: Rs.5,44,272/-.

   (b) Total amount spent during the Financial Years - NIL.

   (c) Amount unspent, if any : Rs.5,44,272/-.

   (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.2017-18.

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

Hemant Sharma,IAS
CMD & Chairman
Committee of Directors on CSR
DIN: 01296263

Place : Bhubaneswar
Date : 28.09.2018

T.K. SATAPATHY & CO.
COMPANY SECRETARIES

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 2018

[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 2018 ("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, 2018 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) 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.

Place : Bhubaneswar
Date : 01.09.2018

Signature: Sd/-
Name of Company Secretary in practice:T K SATAPATHY & CO.
CS Trinath Kumar Satapathy
C P No.: 2682

Annexure-III

FORM No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

II. REGISTRATION AND OTHER DETAILS :

i)	CIN	U40102OR2013SGC016747
ii)	Registration Date	18th 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

III. 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.

IV. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANEIS.

Sr. No.	Name of the Company	Address	CIN/GLN	Holding / Subsidiary/ Associate	% of hares 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)

V. **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 01.04.2017)**				**No. of Shares held at the end of the year (As on 31.03.2018)**				**% 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) (I):	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 01.04.2017)			Share holding at the end of the year (As on 31.03.2018)			% change in share holding during the year
	1	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 01.04.2017)		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 Shares allotted during the year	503200 0	100.00 0	503200 0	99.14 0
	At the end of the year (As on 31.03.2018)	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	0	0	0	0
	At the beginning of the year 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

(vi) Shareholding of Directors and Key Managerial Personnel :

Sl No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
A.	DIRECTORS	No. of Shares at the Beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				Share	% of total shares of the Company
1.	Sh Hemant Sharma, IAS,CMD	100	0.14	01.04.2017	0	0	100	0.14
		100	0.14	31.03.2018	0	0	100	0.14
2.	Sh S C Bhadra	100	0.14	01.04.2017	0	0	100	0.14
		100	0.14	31.03.2018	100	Transfer	100	0.14
3.	Sh A. K Mishra	100	0	01.04.2017	100	0	100	0
		100	0.14	20.07.2017	100	Transfer	0	0
		0	0	31.03.2018	0	0	0	0
4.	Sh S. K Tripathy	0	0	01.04.2017	0	0	0	0
		100	0.14	28.06.2017	100	0	100	0.14
		100	0.14	31.03.2018	100	0	100	0.14

5.	Sh Vishal Ku Dev, IAS	0	0	01.04.2017	0	0	0	0
		0	0	31.03.2018	0	0	0	0
6.	Sh C R Pradhan	0	0	01.04.2017	0	0	0	0
		0	0	31.03.2018	0	0	0	0
7.	Sh B B Acharya							
		0	0	01.04.2017	0	0	0	0
		0	0	31.03.2018	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	30,50,00,000	Nil	Nil
(ii) Interest due but not paid	Nil	1,98,19,417	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	32,48,19,417	Nil	Nil
Change in Indebtedness during the Financial Year				
Addition	Nil	15,00,00,000	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	15,00,00,000	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	4,88,86,645	Nil	Nil
Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	**Nil**	**50,38,86,645**		

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.45,000/-	Rs.50,000/-	Rs.45,000/-	Rs. 1,40,000/-
	Commission	Nil	Nil	Nil	-
	Others, please specify	Nil	Nil	Nil	-
2.	**Total (1)**	Rs.45,000/-	Rs.50,000/-	Rs.45,000/-	Rs. 1,40,000/-

3.	Other Non-Executive Directors		-	-	
4	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission Nil Others, please specify	Nil Nil	Nil Nil	Nil Nil	 Nil
5.	Total (2) Rs.45,000/-	Rs.50,000/-	Rs.45,000/-	Rs. 1,40,000/-	
6.	Total (B) = (1+2)	Rs.45,000/-	Rs.50,000/-	Rs.45,000/-	Rs. 1,40,000/-
7.	Total Managerial Remuneration				
8.	Overall Ceiling as per the Act	NA			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THANMD/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

SUBRATA DAS & CO
Chartered Accountants

N-5/469,I.R.C.Village,Bhubaneswar
Tel:0674-2362293,Fax:0674-2362293
e-mail: subratdas573@gmail.com

Observation of the Statutory Auditors	Replies of the Management
BASIS FOR QUALIFIED OPINION The Company's Other Current Liabilities state a figure of Rs.26,04,04,185/- which includes a figure of Rs.17,84,05,050/- under the sub-head "Withheld Amount". But as the same is deducted from the bill of the Contractor, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,84,05,050/-and net profit and shareholders' funds would have been increased by Rs. 17,84,05,050/-	Since the contract with BHEL,WAPCOS & MECON are yet to be closed, it is shown under Current Liability under the sub-head "Withheld Amount". The C&AG in their Supplementary Audit made under Section 143(6)(b) of the Companies Act,2013 for the FY 2017-18 concurred with the views of GEDCOL.

For SUBRATA DAS & CO
Chartered Accountants
(Firm Registration No. 319080E)

Sd/-
SUBRATA KUMAR DAS
Partner
Membership No.054189

For and On behalf of the Board of Directors

Hemant Sharma, IAS
Chairman-cum-Managing Director
DIN-01296263

Place: Bhubaneswar
Date : 28.09.2018

Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on financial Statements of Green Energy Development Corporation of Odisha Limited for the year ended 31st March 2018.

The preparation of financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31st March 2018 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 Sector 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: 01 August 2018.

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 Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2018. 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 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.

Sl No.	Comments of C&AG of India	Replies to the Management
A.	**Comments on Financial Position** **Balance Sheet** **Assets** **Current Assets** **Loans and Advances (Note-7): Rs.2.17 Crore.** 1. The above includes Rs.0.14 Crore being the amount of claim for TDS, GST and bank charges in respect of advisory work for the rooftop solar project in Bhubaneswar and Cuttack. Since the claim has been disallowed by Planning and Convergence (P&C) Department, Govt. of Odisha, inclusion of the same has resulted overstatement of Loans and Advances and understatement of Other Expenses and overstatements of profit for the year by Rs.0.14 crore each.	Noted for future reference.

	Equity and Liabilities **Non-Current Liabilities** **Deferred Tax Liabilities (Net) (Note-12)** 2. The above is understated by Rs.0.09 crore due to wrong calculation of Income Tax @30.90 percent instead of applicable rate of 33.06 percent, ignoring the applicable surcharge. This has also resulted in overstatement of profit after tax by Rs.0.09 core.	Noted for future reference.
B.	**Comments on Auditor's Report** 3. The Statutory Auditor in his qualified opinion stated that "the company's other current liabilities figure of Rs.26,04,04,185/- which includes a figure of Rs.17,84,05,050/- under sub-head "Withheld Amount", deducted from the bill of the contractor, and is not paid so the same should be recognized as revenue and not as liability". However, the fact is that the Company has correctly shown the above amounts under "Other Current Liabilities" as the contracts with the parties (BHEL, MECON and WAPCOS) are yet to be closed.	Noted.

For and on behalf of
The Comptroller and Auditor General of India

For and on behalf of
the Board of Directors

Sd/- 26.09.2018
PRINCIPAL ACCOUNTANT GENERAL
DIN-01296263

Hemant Sharma, IAS
Chairman-cum-Managing Director

Place: Bhubaneswar
Date: 28.09.2018

SUBRATA DAS & CO
Chartered Accountants

Off.Cum Res.2362293
N-5/469, I.R.C. Village, Bhubaneswar-15
Tel.:0674-2362293, Fax:0674-2362293
Mob.:9437229866, 9861093438
e-mail:subratdas573@gmail.com
mailmeskdas29@rediffmail.com

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, 2018, 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 Stand Alone Ind AS Statement).

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Management 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 financial position, 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 conducted our audit 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 management, 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 qualified audit opinion.

BASIS FOR QUALIFIED OPINION

1. The Company's Other Current Liabilities state a figure of Rs.26,04,04,185/- which includes a figure of Rs.17,84,05,050/- under the sub-head "Withheld Amount". But as the same is deducted from the bill of the Contractor, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,84,05,050/-and net profit and shareholders' funds would have been increased by Rs. 17,84,05,050/-

QUALIFIED OPINION

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 paragraph above, the aforesaid STANDALONE Ind AS FINANCIAL STATEMENTS give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows 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.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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. On the basis of the written representations received from the Directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms 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- B", 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.

3. Our observation to the Direction u/s 143(5) of the Companies Act,2013 are as follows:

(I) Power Sector:

	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.	(1)	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.	(2)	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	(3)	The Company has raised its bill of revenue for the year. But none of it has been realized. But the bills

the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?

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?

(4) As explained to us, there are no abandoned projects.

(II) Generation

(1) 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.

(1) At present the Company does not have any thermal power project.

(2) 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?

(2) The company has not entered into any revenue sharing agreements with private parties for extraction of coal at pitheads.

(3) 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?

(3) The Company does not deal with coal in any manner.

(4) 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?

(4) Its Power purchase agreement doesn't have any clause regarding share of free power with state government.

(5) 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.

(5) The Company is yet to set up any hydroelectric project.

(III) 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?

(1) 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.	(2)	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 from Government or other Authorities.	(3)	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 : 01.08.2018

SUBRATA KUMAR DAS
Partner
Membership No.054189

Main Control Room of 20 MW PVSPP, Manmunda

"ANNEXURE- A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our 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 :

The Company has lease-hold land and CWIP as fixed assets (refer to our comments in the paragraph "BASIS FOR QUALIFIED OPINION" in the main Audit report). Company maintains its Fixed Assets Register showing full particulars including individual identification of the assets, quantitative details and situation of such assets. As explained to us, the Company management is verifying them regularly and no discrepancies were noticed on such verification, but no such verification report is found during the course of our audit.

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, Service 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, 2018 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, Service 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) 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) 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) 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 : 01.08.2018

SUBRATA KUMAR DAS
Partner
Membership No.054189

"ANNEXURE- B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE Ind AS FINANCIAL STATEMENTS OF GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA 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 Green Energy Development Corporation of Odisha Limited ("the Company") as of March 31, 2018 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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, **except to point no-3(i) of the Companies (Auditor's Report) Order 2016** an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 : 01.08.2018

SUBRATA KUMAR DAS
Partner

Membership No.054189

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR
No.ES-I (T) /Accts/GEDCOL/17-18/14/18-19/233 dt. 26.09.2018

To
The Chairman-cum-Managing Director,
Green Energy Development Corporation of Odisha Limited (GEDCOL),
Bhubaneswar - 751022.

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 2017-18.

Sir,

I enclosed 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 2017-18.

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 financial Statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2018.

The preparation of financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31st March 2018 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 Sector 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: 01 August 2018.

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 Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2018. 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 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. Comments on Financial Position

Balance Sheet

Assets

Current Assets

Loans and Advances (Note-7): Rs.2.17 Crore.

1) The above includes Rs.0.14 Crore being the amount of claim for TDS, GST and bank charges in respect of advisory work for the rooftop solar project in Bhubaneswar and Cuttack. Since the claim has been disallowed by Planning and Convergence (P&C) Department, Govt. of Odisha, inclusion of the same has resulted overstatement of Loans and Advances and understatement of Other Expenses and overstatements of profit for the year by Rs.0.14 crore each.

Equity and Liabilities

Non-Current Liabilities

Deferred Tax Liabilities (Net) (Note-12)

2) The above understated by Rs.0.09 crore due to wrong calculation of Income Tax @30.90 percent instead of applicable rate of 33.06 percent, ignoring the applicable surcharge. This has also resulted in overstatement of profit after tax by Rs.0.09 core.

B. Comments on Auditor's Report

3) The Statutory Auditor in his qualified opinion stated that "the company's other current liabilities figure of

Rs.26,04,04,185/- which includes a figure of Rs.17,84,05,050/- under sub-head "Withheld Amount", deducted from the bill of the contractor, and is not paid so the same should be recognized as revenue and not as liability". However, the fact is that the Company has correctly shown the above mounts under "Other Current Liabilities" as the contracts with the parties (BHEL, MECON and WAPCOS) are yet to be closed.

For and on behalf of
The Comptroller and Auditor General of India

Place: Bhubaneswar
Date : 26.09.2018

Sd/-
PRINCIPAL ACCOUNTANT GENERAL

SPP Inverter Room of 20 MW PVSPP, Manmunda

FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR
2017-18

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD

(A wholly owned subsidiary of OHPC Ltd.)

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

CIN: U40102OR2013SGC016747

(All amount in ₹)

Particulars	Note No.	As at 31st March,2018	As at 1st April,2017
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,43,72,05,474	1,49,43,73,407
Capital work-in-progress	4	2,58,59,377	1,97,94,166
Intangible assets		-	-
Financial assets		-	-
Deferred tax assets (net)		-	-
Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		**1,46,30,64,851**	**1,51,41,67,573**
CURRENT ASSETS			
Financial assets			
Trade receivables	5	30,84,43,652	15,32,22,480
Cash and cash equivalents	6	1,02,31,22,598	90,00,52,272
Loans & advances	7	2,16,58,376	15,67,46,315
Other financial assets	8	1,01,81,642	46,43,866
TOTAL CURRENT ASSETS		**1,36,34,06,268**	**1,21,46,64,933**
TOTAL ASSETS		**2,82,64,71,119**	**2,72,88,32,506**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	50,32,00,000	50,32,00,000
Other equity	10	7,80,51,795	5,08,86,739
TOTAL EQUITY		**58,12,51,795**	**55,40,86,739**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	11	-	15,00,00,000
Trade payables		-	-
Other Financial liabilities		-	-
Provisions			
Deferred tax liabilities (Net)	12	1,34,52,116	87,92,044
Other non-current liabilities	13	96,90,00,000	86,90,00,000
TOTAL NON-CURRENT LIABILITIES		**98,24,52,116**	**1,02,77,92,044**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	14	50,38,86,645	32,48,19,417
Trade payables	16	45,92,39,996	58,35,15,193
Other financial liabilities	15	2,98,36,493	2,98,22,360
Other current liabilities	17	26,04,04,185	19,55,79,257
Provisions	18	93,99,889	1,32,17,496
TOTAL CURRENT LIABILITIES		**1,26,27,67,208**	**1,14,69,53,723**
TOTAL EQUITY AND LIABILITIES		**2,82,64,71,119**	**2,72,88,32,506**
See accompanying notes to the financial statement.	1 to 37		

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

As per our report of even date attached.

For & on behalf of
Subrata Das & Co.
Chartered Accountants

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd.

Subrata Das	**P. K Mohanty**	**S.K. Tripathy**	**Hemant Sharma, IAS**
Partner	Company Secretary & CFO	Director	CMD
Membership No. 054189		DIN-07915634	DIN-01296263

Place: Bhubaneswar
Date : 01.08.2018

GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

Statement of Profit and Loss for the year ended 31st March'2018

(All amount in ₹)

Particulars	Note No.	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
Revenue from operations	19	15,52,21,172	14,82,96,798
Other income	20	7,10,87,199	2,11,97,889
TOTAL INCOME		**22,63,08,371**	**16,94,94,687**
EXPENSES			
Operational Expenses	21	1,87,23,471	37,99,241
Employee benefit expenses	22	54,23,734	61,38,703
Finance cost	23	3,96,00,950	3,38,42,218
Depreciation and amortization expense	03	5,71,77,833	5,46,71,179
Other expenses	25	49,38,220	26,39,822
TOTAL EXPENSES		**12,58,64,208**	**10,10,91,163**
Profit before exceptional items and tax		**10,04,44,163**	**6,84,03,525**
Exceptional Items	24	6,00,00,000	-
PROFIT BEFORE TAX		**4,04,44,163**	**6,84,03,525**
Tax expenses			
Current tax	12	86,19,035	1,30,34,292
Deferred tax	12	46,60,072	86,11,611
TOTAL TAX EXPENSES		**1,32,79,107**	**2,16,45,903**
PROFIT FOR THE YEAR		**2,71,65,056**	**4,67,57,622**
Other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,71,65,056**	**4,67,57,622**
Earnings per equity share (of Rs.1000 each)			
Basic (in ₹)		53.98	92.92
Diluted (in ₹)		53.98	92.92
See accompanying notes to the financial statement.	1 to 37		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For & on behalf of Subrata Das & Co. Chartered Accountants	For & on behalf of the Board of Directors Green Energy Development Corporation of Odisha Ltd.		
Subrata Das	**P. K Mohanty**	**S.K. Tripathy**	**Hemant Sharma, IAS**
Partner	Company Secretary & CFO	Director	CMD
Membership No. 054189		DIN-07915634	DIN-01296263

Place: Bhubaneswar
Date : 01.08.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(All amount in ₹)

Particulars	Equity share capital	Other Equity Reserves & Surplus			Total other equity	Total equity
		Retained earnings	Capital reserve	General reserve		
Balance As at 1st April, 2017	50,32,00,000	5,08,86,739	-	-	5,08,86,739	55,40,86,739
Profit for the year	-	2,71,65,056	-	-	2,71,65,056	2,71,65,056
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
At 31st March,2018	**50,32,00,000**	**7,80,51,795**	-	-	**7,80,51,795**	**58,12,51,795**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For & on behalf of
Subrata Das & Co.
Chartered Accountants

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd.

Subrata Das
Partner
Membership No. 054189

P. K Mohanty
Company Secretary & CFO

S.K. Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Place: Bhubaneswar
Date : 01.08.2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AS AT 31ST MARCH, 2018

(All amount in ₹)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March,2017
(A)	**Cash flow from / (Used in) Operating Activities :**		
	Net Profit/ (Loss) Before Tax from Continuing Operations	4,04,44,163	6,84,03,525
	Profit for the year before Tax	**4,04,44,163**	**6,84,03,525**
	Adjustments to reconcile profit before Tax to net cash flow		
	Depreciation and impairment of property, plant and equipment	5,71,77,834	5,46,71,179
	Amortization 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	(6,98,86,606)	(1,99,21,989)
	Total	**2,77,35,390**	**10,31,52,715**
	Operating Profit/(Loss) before working capital changes		
	Adjustment for Working Capital :		
	Increase/ (Decrease) in Loan & Advance	13,50,87,939	(84,97,857)
	Increase/ (Decrease) in Trade Receivable	(15,52,21,172)	(14,82,96,798)
	Increase/ (Decrease) in Other Current Assets	(55,37,776)	(14,02,781)
	Increase/ (Decrease) Short Term Borrowing	17,90,67,228	(5,16,99,698)
	Increase/ (Decrease) Trade payable	(12,42,75,197)	(7,63,83,007)
	Increase/ (Decrease) in Other Financial Liabilities	14,133	22,360
	Increase/ (Decrease) in Other Current Liabilities	6,48,24,928	1,06,53,610
	Increase/ (Decrease) in Short Term Provisions	15,10,050	(97,479)
	Cash Generated from / (Used in) Operations	**12,32,05,523**	**(17,25,48,935)**
	Direct Tax paid (net of refunds)	(1,39,46,692)	(10,50,577)
	Net Cash flow from / (Used in) Operating Activities (A)	**10,92,58,831**	**(17,35,99,512)**
(B)	**Cash Flow from/ (Used in) Investing Activities**		
	Increase/ (Decrease) in Capital Work in Progress	(60,65,211)	35,47,30,672
	Increase/ (Decrease) in Pre Operative Expenditure	-	-
	Increase/ (Decrease) in Property, Plant and Equipment	(9,900)	(36,29,07,808)
	Increase/ (Decrease) in long term advance	-	-
	Interest Income from Bank Deposit	6,98,86,606	1,99,21,989
	Net Cash Flow from / (Used In) Investing Activities(B)	**6,38,11,945**	**1,17,44,854**
(C)	**Cash Flow from / (Used in) Financing Activities**		
	Increase in Borrowings	(15,00,00,000)	15,00,00,000
	Increase in Other financial Liabilities	-	86,90,00,000
	Received from Govt. of Odisha	10,00,00,000	(20,00,00,000)
	Proceeds from Issue of Share Capital	-	-
	Net Cash Flow from / (Used in) Financing Activities (C)	**(5,00,00,000)**	**81,90,00,000**
	Net Increase/f (Decrease) in Cash and Cash Equivalent Bank Balance (A+B+C).	**12,30,70,326**	**65,71,45,342**
	Cash and cash equivalent at beginning of period (Refer Note.6)	90,00,52,272	24,29,06,930
	Cash and Cash equivalent at end of period (Refer to Note No.6)	1,02,31,22,598	90,00,52,272

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For & on behalf of
Subrata Das & Co.
Chartered Accountants

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd.

Subrata Das
Partner
Membership No. 054189

P. K Mohanty
Company Secretary & CFO

S.K. Tripathy
Director
DIN-07915634

Hemant Sharma, IAS
CMD
DIN-01296263

Place: Bhubaneswar
Date : 01.08.2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018.

1. Company overview.

The financial statements comprise financial statements of GEDCOL for the year ended 31st March, 2018. 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 Sonepur 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

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 twelve 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 ongoing 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.

Property, Plant and Equipment

Note No. 3

(Amount in Rs.)

Particular	Cost				Depreciation				Net Carrying Amount	
	Cost as on 01.04.2017	Additions	Sales/ Adjustment	Cost as on 31.03.2018	Upto 01.04.2017	For the year	Sales/ Adjustment	Upto 01.04.2016	As at 31.03.2018	As at 31.03.2017
Land										
Lease hold	10,29,86,963	-	-	10,29,86,963	35,62,951	16,17,893	-	51,80,844	9,78,06,119	9,94,24,012
Free hold										
Plant & Machinery										
Plant & Equipment				-				-	-	
Solar Power Plant	1,44,22,91,619	-	-	1,44,22,91,619	5,42,63,527	5,47,92,545	-	10,90,56,072	1,33,32,35,547	1,38,80,28,092
Electrical Installation	75,86,977	-	-	75,86,977	7,71,543	7,29,748	-	15,01,291	60,85,686	68,15,434
Computer Installation	1,07,940	-	-	1,07,940	14,609	34,181	-	48,790	59,150	93,331
Office Equipment	16,328	9,900	-	26,228	3,790	3,466	-	7,256	18,972	12,538
Total	**1,55,29,89,827**	**9,900**	-	**1,55,29,99,727**	**5,86,16,420**	**5,71,77,833**	-	**11,57,94,254**	**1,43,72,05,474**	**1,49,43,73,407**
Previous Year	**1,19,00,82,019**	**38,03,64,375**	**1,74,56,566**	**1,55,29,89,827**	**39,45,241**	**5,46,71,179**	**63,237**	**5,86,16,420**	**1,49,43,73,407**	

Note No-4 : Capital Work In Progress

(Amount in Rs.)

Particular	Cost				Depreciation				Net Carrying Amount	
	Cost as on 01.04.2017	Additions	Deletion/ Transfer to Assets	Cost as on 31.03.2018	Upto 01.04.2017	For the year	Sales/ Adjustment	Upto 01.04.2018	As at 31.03.2018	As at 31.03.2017
SHEP Mandira	-	60,65,211	-	60,65,211	-	-	-	-	60,65,211	-
SHEP Project	1,97,94,166	-		1,97,94,166	-	-	-	-	1,97,94,166	1,97,94,166
Total	**1,97,94,166**	**60,65,211**	-	**2,58,59,377**	-	-	-	-	**2,58,59,377**	**1,97,94,166**
Previous Year	**37,45,24,838**	**73,78,870**	**36,21,09,542**	**1,97,94,166**	-	-	-	-	**1,97,94,166**	

Description Notes:

Company has acquired leasehold land form IDCO ,measuring Ac 152.324 valuing Rs.8,52,12,129 /- vide lease agreement dated 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively. 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.

(All amount in ₹)

		As at 31st March 2018	As at 31st March 2017
5.	**Trade receivables**		
	Sundry Debtors for Sale of solar Power	30,84,43,652	15,32,22,480
	Total	**30,84,43,652**	**15,32,22,480**
6.	**Cash and cash equivalents**		
	Cash in hand	2,096	13,560
	Balance with Banks:-		
	- On Current accounts	1,43,45,907	1,07,18,728
	- *On Deposit Accounts	1,00,87,74,595	88,93,19,984
	Total	**1,02,31,22,598**	**90,00,52,272**
	*Deposit with Bank		
	Term Deposit(IDBI Bank)	5,00,00,000	-
	Term Deposit(Union Bank)	15,17,74,595	15,93,20,000
	Term Deposit With Andhra Bank	10,00,000	57,00,00,000
	Term Deposit with Axis Bank Ltd	-	5,99,99,994
	Term Deposit (HDFC Bank Ltd)	34,10,00,000	9,99,99,990
	Term Deposit with IndusInd Bank Ltd	10,00,00,000	-
	Term Deposit with OSCB Ltd, Kalinga Hospital Branch	36,50,00,000	-
	Total	**1,00,87,74,595**	**88,93,19,984**

Note:- Fixed deposit kept with Andhra Bank for Rs.10,00,000 & Union Bank of India for Rs.4,20,000 have been pledged as security deposit for issuance of Bank Guarantees.

		As at 31st March 2018	As at 31st March 2017
7.	**Loans & Advance**		
	TDS Receivable	59,22,018	5,91,117
	Advance to OHPC	-	-
	Temporary advance	-	-
	Advance Income Tax (CBDT)	1,36,17,153	91,26,673
	Deposit From Others(5MW Roof Top)	12,48,971	12,48,971
	Advance to Dept. of Planning & Convergence	1,77,014	-
	Mobiliasation Advance(BHEL)	-	14,46,90,800
	Mobilisation Advance(WAPCOS)	2,72,000	3,50,000
	Mobilisation Advance(MECON LTD)	-	7,38,754
	Advance Other (Azure)	4,21,220	-
	Advance & Deposit(OFDC)	-	-
	Total	**2,16,58,376**	**15,67,46,315**
8.	**Others Financial Assets**		
	Security Deposit(Power System OPTCL)	20,648	20,648
	Interest Accrued but not due	1,01,60,994	46,23,218
	Total	**1,01,81,642**	**46,43,866**
9.	**Equity**		
	Equity Share capital		
	Authorised		
	10,00,000 Equity Shares of Rs.1000/- each	1,00,00,00,000	1,00,00,00,000
	Issued, subscribed & paid-up		
	5,03,200 Equity Shares (Previous Year 5,03,200 Equity Share) of Rs.1000/- each fully paid-up	50,32,00,000	50,32,00,000
	Total	**50,32,00,000**	**50,32,00,000**

(All amount in ₹)

			As at 31st March 2018	As at 31st March 2017
	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, 2018 is set out below:

% Held as at 31st March' 2018		No. of shares Rs. at 31st March, 2018	No. of shares Rs.at 31st March, 2017
M/s Odisha Hydro Power Corporation Limited and its Nominees	100	5,03,200	5,03,200
	100	5,03,200	5,03,200
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

10.	**Other Equity**		
	Retained Earning		
	Opening Balance	5,08,86,739	41,29,117
	(+) Net Profit / (Net Loss) For the current year	2,71,65,056	4,67,57,622
	Closing Balance	7,80,51,795	5,08,86,739
11.	**Financial Liabilities**		
	Borrowings (Term Loan - REC Ltd)	-	15,00,00,000
	Trade payables	-	-
	Other financial liabilities (other than those specified above)	-	-
	Total	**-**	**15,00,00,000**

12.	**Income tax expense**			
a)	**i)**	**Income tax recognised in profit or loss**		
		Current tax expense	**March 31, 2018**	**March 31, 2017**
		Current year	77,06,635	1,30,34,292
		Adjustment for prior periods	9,12,400	-
		Total	**86,19,035**	**1,30,34,292**
		Deferred tax expense		
		Origination and reversal of temporary differences	46,60,072	86,11,611
		Reduction in tax rate		
		Total income tax expense	1,32,79,107	2,16,45,903
	ii)	**Income tax recognised in OCI**	-	-

b) Reconciliation of tax expense and accounting profit.

(All amount in ₹)

	March 31, 2018	March 31, 2017
Accounting profit before tax from continuing operations	4,04,44,163	6,84,03,525
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	4,04,44,163	6,84,03,525
Tax using the Company's domestic tax rate (Current year 30.90% and Previous Year 30.90%)	1,24,97,246	2,11,36,689
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	25,30,293	16,47,940
MAT credit of earlier year recognised this year	-	-
Carried forward tax losses utilised	-	-
Other temporary differences	-	-
At the effective income tax rate of 30.90% (31 March 2017: 30.90%)	7,81,861	5,09,213
Income tax reported in the statement of profit and loss	1,32,79,107	2,16,45,903
Income tax attributed to discontinued operations	-	-
Total	**1,32,79,107**	**2,16,45,903**

c) Amounts recognised directly in equity

Current tax	86,19,035	1,30,34,292
Deferred tax	46,60,072	86,11,611
Total	**1,32,79,107**	**2,16,45,903**

d) Deferred tax assets and liabilities

Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(1,71,60,484)	26,10,15,113
Gratuity	-	
Finance lease	-	
Provision for loss allowance	-	
Expenses allowed on payment basis	-	
Unused tax losses/ depreciation	3,04,39,591	(23,93,69,211)
Other items giving rise to temporary differences	-	-
MAT credit	(86,19,035)	(1,30,34,292)
Total	**46,60,072**	**86,11,610**

e) Reconciliation of deferred tax assets/ Liabilities

Opening balance as at 1 April	87,92,044	1,80,433
Tax income/expense during the period recognised in profit or loss	46,60,072	86,11,611
Tax income/expense during the period recognised in profit or loss from discontinued operations	-	-
Closing balance	**1,34,52,116**	**87,92,044**

(All amount in ₹)

		As at 31st March 2018	As at 31st March 2017
13.	**Grant In Aid (Govt. of Odisha)/ Deferred Income**	**96,90,00,000**	**86,90,00,000**

The break-up of Govt. grant of Rs.96,90,00,000/- is as under :-

i) Infrastructure Assistance received from Govt. of Odisha for Rs.40,00,00,000/- .

ii) For Roof Top Project (4 MW), Rs.18,80,00,000/- has been received from Govt. of Odisha.

iii) 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/-.

14.	**Financial Liabilities**		
	Borrowings		
	Short Term Borrowing		
	Inter Corporate Loan (OHPC)	50,38,86,645	32,48,19,417
	Total	**50,38,86,645**	**32,48,19,417**

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 Rs.45,50,00,000/- and Interest Due Rs.4,88,86,645/- as on 31.03.2018)

15.	**Other Financial Liabilities**		
	Retention Money / Withheld A/C	36,493	22,360
	Deposit From Others(MNRE, GoI)	2,98,00,000	2,98,00,000
	Total	**2,98,36,493**	**2,98,22,360**

16.	**Trade payables**		
	Sundry Creditors for supply of Materials	31,33,18,664	44,44,90,952
	Sundry Creditors for Works (BHEL)	11,94,22,534	13,52,25,000
	Sundry Creditors for Others (WAPCOS Ltd)	43,07,742	-
	Sundry Creditors for Others (O&M 20MW)	1,90,37,176	37,99,241
	Sundry Creditors-Azure(4MW Rooftop)	31,53,880	-
	Total	**45,92,39,996**	**58,35,15,193**

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)	7,52,53,478.31	1,08,10,333
	TDS Payable	63,44,193	9,58,139
	Service Tax Payable	-	47,404
	CGST Payable	2,700	-
	OGST Payable	2,700	-
	Withheld Amount *	17,84,05,050	17,83,45,200
	EMD from Contractor/Suppliers	91,077	50,91,077
	Security Deposit From Contractors & suppliers	15,165	15,165
	Salary Payable	1,54,822	1,92,189
	Audit Fees Payable	1,35,000	1,19,750
	Director Sitting fees Payable		
	Total	**26,04,04,185**	**19,55,79,257**

*A sum of Rs.17,70,00,000/- , Rs 7,59,850/- & Rs.6,45,200/- has been withheld from BHEL, WAPCOS & MECON respectively, as the contract is yet to be closed.

(All amount in ₹)

		As at 31st March 2018	As at 31st March 2017
18.	**Provisions**		
	Provision for others (Outstanding Liabilities)	11,48,982	1,83,204
	Provision for Income Tax (MAT)	77,06,635	1,30,34,292
	Provision for CSR	5,44,272	-
	Total	**93,99,889**	**1,32,17,496**
19.	**Revenue From Operations**		
	Sale of Electricity (20MW SPV Project at-Manamunda)	15,21,85,639	14,82,96,798
	Sale of Electricity (4MW Solar Rooftop Project at-Cuttack& Bhubaneswar)	30,35,533	-
	Total	**15,52,21,172**	**14,82,96,798**

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, 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. 2017-18 was 27.923970 MU (Previous year 27.019627 MU)

4MW Rooftop Project: Unit generated during the F.Y. 2017-18 was 564096 kWh.

20.	**Other Income**		
	Financial Income		
	Other non- operating Income- Interest Received from Bank Deposit	6,98,86,606	1,99,21,989
	Amount Written Back	593	-
	Processing Fee	12,00,000	12,75,900
	Total	**7,10,87,199**	**2,11,97,889**
21.	**Operational Expenses**		
	Annual Maintenance Cost:		
	20MW SPV at Manamunda	1,55,69,591	37,99,241
	Purchase of Electricity -4MW Solar Rooftop Project at-Cuttack& Bhubaneswar	31,53,880	-
	Total	**1,87,23,471**	**37,99,241**
22.	**Employee benefits expense**		
	Salary & Allowances (Administrative)	54,23,734	61,38,703
	Total	**54,23,734**	**61,38,703**
23.	**Finance costs**		
	Interest on Inter Corporate Loan(OHPC)	3,22,96,918	1,16,83,904
	Interest on Term Loan (REC Ltd)	71,04,454	1,23,41,095
	Interest on OD Account with Banks HDFC	1,93,536	86,49,722
	Interest on OD Account with Banks Union Bank	6,042	11,67,497
	Total	**3,96,00,950**	**3,38,42,218**

(All amount in ₹)

		For the F.Y 2017-18	For the F.Y.2016-17
24.	**Exceptional Item**		
	Bank Guarantee invoked by SECI	6,00,00,000	-
	Total	**6,00,00,000**	**-**
25.	**Other Expenses**		
	Printing & Stationary	9,011	70,546
	Sitting Fees	1,82,000	1,43,675
	Meeting Expenses	37,722	38,263
	Bank charges	23,779	43,479
	Professional charges	12,91,920	2,69,500
	Contract service expenses	1,07,882	42,664
	Contractual Remuneration	80,000	-
	Miscellaneous expenses	9,96,165	2,14,227
	R&M repairs	-	21,400
	Vehicle Running Expenses	10,911	99,030
	Travelling and Conveyance	4,69,055	4,83,173
	Advertisement expenses	1,78,249	1,23,816
	Fees & Subscription	15,500	1,09,748
	Outside Training Fees	2,000	-
	Corporate Social Responsibility	5,44,272	
	Vehicle Hire Charges	4,40,629	3,90,968
	ED Charges on Auxiliary Consumption 20MW SPV Manamunda	65,154	59,088
	Ground Rent (IDCO)	1,33,196	2,74,439
	SLDC Charges	1,54,548	1,22,652
	Audit Expenses	11,200	-
	Telephone Charges	24,077	6,629
	*Audit Fees	1,60,950	1,26,525
	Total	**49,38,220**	**26,39,822**
	*Audit Fees		
	Audit Fees Statutory Audit	65,950	40,425
	Audit Fees Internal audit	47,200	46,000
	Audit fees -Tax audit	27,200	20,000
	Audit Fees Secretarial Audit	20,600	20,100
		1,60,950	1,26,525

26. Financial instruments

A. Accounting classification and fair values

	Carrying amount				Fair value			
March 31, 2018 INR	**FVTPL**	**FVTOCI**	**Amotised Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	1,02,31,22,598	1,02,31,22,598	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-	-	-	-
Short-term loans and advances	-	-	2,16,58,376	2,16,58,376	-	-	-	-

(All amount in ₹)

Trade and other receivables	-	-	30,84,43,652	30,84,43,652	-	-	-	-
Other Non-current financial asset	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	1,01,81,642	1,01,81,642	-	-	-	-
	-	-	1,36,34,06,268	1,36,34,06,268	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-
Long term borrowings	-	-	-	-	-	-	-	-
Short term borrowings	-	-	50,38,86,645	50,38,86,645	-	-	-	-
Trade and other payables	-	-	45,92,39,996	45,92,39,996	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	2,98,36,493	2,98,36,493	-	-	-	-
	-	-	**99,29,63,134**	**99,29,63,134**	-	-	-	-

			Carrying amount			Fair value		
March 31, 2018 INR	**FVTPL**	**FVTOCI**	**Amotised Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	90,00,52,272	90,00,52,272	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Unquoted Equity Investments	-	-	-	-	-	-	-	-
Non- current Financial Asset: Loans	-	-	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-
Current Financial Assets: Loans	-	-	15,67,46,315	15,67,46,315	-	-	-	-
Trade and other receivables	-	-	15,32,22,480	15,32,22,480	-	-	-	-
Other Non Current Financial Asset	-	-	-	-	-	-	-	-
Other Current Financial Asset	-	-	46,43,866	46,43,866	-	-	-	-
	-	**-**	**1,21,46,64,933**	**1,21,46,64,933**	**-**	**-**	**-**	**-**
Financial liabilities								
Long term borrowings	-	-	15,00,00,000	15,00,00,000	-	-	-	-
Short term borrowings	-	-	32,48,19,417	32,48,19,417	-	-	-	-
Trade and other payables	-	-	58,35,15,193	58,35,15,193	-	-	-	-
Other Non-Current financial liabilities	-	-	-	-	-	-	-	-
Other Current financial liabilities	-	-	2,98,22,360	2,98,22,360	-	-	-	-
	-	-	1,08,81,56,970	1,08,81,56,970	-	-	-	-

** The carrying value and the fair value approximates.*

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 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-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 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 risk 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:

(All amount in ₹)

	31-Mar-18	**31-Mar-17**
Trade and other receivables	-	-
Investments	-	-
Cash and cash equivalents	-	-
Impairment losses	-	-
	31-Mar-18	**31-Mar-17**
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		
Upto 3 months	4,16,76,695	4,10,50,109
3-6 months	3,92,78,305	4,24,38,387
More than 6 months	22,74,88,652	6,97,33,985
	30,84,43,652	**15,32,22,480**

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:

	31-Mar-18	31-Mar-17
	1,12,00,00,000	97,00,00,000

Maturities of financial liabilities

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

As at 31 March 2018	Less than 1 year	1-5 years	>5 years	Total
Long term Borrowings	-	-	-	-
Short term Borrowings	17,90,67,228	32,48,19,417	-	50,38,86,645
Trade and other payables	2,64,98,798	43,27,41,198	-	45,92,39,996
Other financial liabilities	2,98,36,493	-	-	2,98,36,493
	23,54,02,519	**75,75,60,615**	**-**	**99,29,63,134**
As at 31 March 2017	**Less than 1 year**	**1-5 years**	**>5 years**	**Total**
Long term Borrowings	-	-	-	-
Short term Borrowings	32,48,19,417	-		32,48,19,417
Trade and other payables	58,35,15,193			58,35,15,193
Other financial liabilities	2,98,22,360			2,98,22,360
	93,81,56,970	-	-	93,81,56,970

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 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 exposure 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 2018	31 March 2017	
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 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

(All amount in ₹)

	31-Mar-18	31-Mar-17
Variable rate borrowings	45,50,00,000	30,50,00,000
Fixed rate borrowings	-	-

b) Sensitivity analysis

There is no material interest relating to company's financial liabilities.

28. 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 . 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 .

Subject to the above, contingent liabilities & commitments charges to the extend not provided for:

a.	**CONTINGENT LIABILITIES**	**NIL**
b.	**COMMITMENTS**	**NIL**

29. VGF grant for Rs.24.00 crore receivable from SECI has not been considered since the modality to receive the said amount is yet to be completed.

30. 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.

31. Foreign currency transactions

(All amount in ₹)

		2017-18	2016-17
a)	Expenditure incurred in foreign currency on cash basis being payment made to consultants.	16,18,105	3,41,718
b)	Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC.	Nil	Nil
c)	Traveling expenses.	1,19,574	Nil
d)	Foreign currency transactions (Earning)	Nil	Nil

32. 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.5,44,272/-** (2% of average profit before tax of immediately previous 3 (three) years (P.Y-NIL) to be spent on CSR head during the year and the same has been booked to CSR expenses as per the accounting policy.

(All amount in ₹)

Particulars	2014-15	2015-16	2016-17	2017-18
Net Profit Before Tax as per Section 198	77,23,901	55,13,396	6,84,03,525	
Average Profit for Last Three Years				**2,72,13,607**
2% of Average Profit				**5,44,272**
Expenditure made during the year				

33. Related Party Transaction.

List of Related Parties.

33.1 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

33.2 Transactions with related parties :

Details related to parties referred to in (1) (a) above.	**2017-18**	**2016-17**
Sitting Fees and Director Exps. to all Directors	Rs.1,82,000	Rs.1,43,675

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(All amount in ₹)

Entity with significant influence over the Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
OHPC Ltd.				
31st March 2018	NIL	NIL	NIL	17,90,67,228
31st March 2017	NIL	NIL	NIL	32,48,19,417

34. 50% of the salary of three 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.

35. 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.

36. Figures have been rounded off to the nearest rupees wherever considered necessary.

37. Previous years 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 & on behalf of
Subrata Das & Co.
Chartered Accountants

For & on behalf of the Board of Directors
Green Energy Development Corporation of Odisha Ltd.

Subrata Das Partner Membership No. 054189	**P. K Mohanty** Company Secretary & CFO	**S.K. Tripathy** Director DIN-07915634	**Hemant Sharma, IAS** CMD DIN-01296263

Place: Bhubaneswar
Date : 01.08.2018

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying Consolidated IND AS financial statements of Odisha Hydro Power Corporation Limited (hereinafter referred to as "the Company") and its subsidiary, associates and jointly controlled entities (together referred to as "the Group")which comprises of the Consolidated Balance Sheet as at March 31, 2018, the 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 a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated IND AS Financial Statements") .

Management's Responsibility for the Consolidated IND AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated IND AS Financial Statement 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 changes in equity of the Group including its subsidiary, associates and jointly controlled entities 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 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; 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 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 the Consolidated IND AS financial statements by the Group Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated IND AS financial statements based on our audit. In conducting 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 conducted our audit of the Consolidated IND AS financial statements 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 judgment, 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 report referred to in sub paragraph (a) of the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated IND AS financial statements.

BASIS OF QUALIFIED OPINION:

NON-CURRENT ASSETS: Rs. 246587.61 lakhs

1. Refer Note No. 3:-CAPITAL WORK-IN-PROGRESS: Rs. 14445.35 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 &loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.2334.24lakhs.

	Particulars of Projects/Assets	Units/Corporate Office	Amount(lakhs)
(i).	Land ,Building, Roads, Bridges, Water Supply installation, Plant& Machinery Construction and other Fixed Assets (excluding movable assets).	Potteru (UKHEP)	2285.30
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28.78
(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20.16
		Total (lakhs)	**2334.24**

2. Refer Note No.9:- INVENTORIES:- Rs.4375.78lakhs

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.

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 without any financial figures. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

c. The Company operate old software in Units for accounting of stores issues, consumption and closing stock of stores and spares and the same are not reconciled with Accounts in most of the units. Its impact over Inventories as well as statement of profit & loss for the year is not ascertainable.

FINANCIAL ASSETS

3. Refer Note no.5:-TRADE RECEIVABLES(NON CURRENT): Rs.2445.42lakhs

Refer Note No.48(D):

a. It includes a sum of Rs.1127 lakhs receivable from GRIDCO Ltd which is disputed and pending reconciliation. Energy sold to GRIDCO is reconciled both in quantity and value till 2016-17 and non-reconciliation of sales of energy for the financial year 2017-18 and consequential adjustment required on such dispute and reconciliation of above, "Trade Receivable" from GRIDCO Ltd and it's 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 a credit balance of Rs.111270.38 lakhs against a debit balance of Rs. 11245.22 lakhs shown in company's account as on 31.03.2018.

b. Refer Note No.48(C):- Sale of energy of 16.521451 MU to CSPDCL @ INR 1.9481 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.155.85lakhs 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 andagainno 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.155.85lakhs.

4. Refer Note No. 14: CLAIM RECEIVABLE: Rs.581.22 lakhs

It includes a total sum of Rs.345.77lakhs comprising of Electricity Duty of Rs.5.26lakhs for the period from Feb 15 to March 15, Water Cess of Rs.326.73lakhs for the period from September 14 to March 15 and SLDC Charges for the month of March 15 amounting to Rs.13.78lakhsrecoverable 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.345.77lakhs

5. Refer Note No. 15:- OTHER CURRENT ASSETS: Rs.9142.51 lakhs

(a) ADVANCE TO OTHERS:- Rs.251.79 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(lakhs)	Remarks
UIHEP, Mukhiguda	36.01	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	78.01	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20.06	RWSS division, Talcher
Corporate office, Bhubaneswar	1.98	E.E OPTCL
	136.06	

On account of such non adjustment, Advances to others under Current Assets as well as Profit for the year is overstated by Rs.136.06lakhs.

(b) ADVANCE TO STAFF: Rs.206.26lakhs

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.

Name of the units	Heads of Account	Debit(lakhs)	Credit(lakhs)
(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**	

FINANCIAL LIBILITIES :

6. Refer Note No. 24: TRADE PAYABLES: Rs.7013.99 lakhs

SUNDRY CREDITORS FOR WORKS:- Rs.1378.57 lakhs

It includes the following balances 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 (lakhs)
BHEP, Balimela	36.22

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

CURRENT LIABILITIES :

7. Refer Note No: 25 OTHERS : Rs.73972.90 lakhs

(a) EMPLOYEES - LIABILITIES: Rs.4822.24 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 (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.44.54lakhs and profit for the year is understated is by similar amount.

(b) RETENTION MONEY/ WITHHELD ACCOUNT : Rs.2735.23 lakhs

In respect of Green Energy Development Corporation of Odisha Limited (GEDCOL), Subsidiary company as reported by the other auditor, an amount of Rs.1784.05 lakhs under the sub-head "Withheld Amount" is deducted from the bill of the Contractor, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs.1784.05 lakhs and net profit and shareholders' funds would have been increased by Rs.1784.05 lakhs.

8. Refer Note No: 26 : ADVANCE AGAINST SALE OF SCRAP Rs.58.61 lakhs

OTHER CURRENT LIBILITIES Rs.58.61 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.

9. 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.

10. OLD BALANCES WRITE OFF/ WRITE BACK

(a) Refer Note No: 29 OTHER INCOME : Rs. 16562.94 lakhs

PROVISION WRITTEN BACK Rs. 771.51 lakhs

Details of Decapitalisation & Write Back **(Rs in lakhs)**

Name of the Units	Provision written back	PPE Reduced-Plant & Machinery Decapitalized (net)	PPE Reduced-Plant & Machinery Decapitalized (net)	Total
CHEP, Chipilima	243.12	5.49 (Gross Block 37.00 lakhs -Accumulated Depreciation 31.51 lakhs)	-	248.61
HHEP, Burla	54.38	6.04	-	60.42
UIHEP	474.00	-	85.58	559.59
Total	**771.51**	**11.53**	**85.58**	**868.62**
		97.11		

The provision written back and Profit and Loss Account during the year is understated to the extent of Rs.97.11lakhs. Further the gross block (PPE -Plant & Machinery) is understated to the extent of Rs.187.88lakhs and Depreciation Reserve is understated by Rs.90.77lakhs. Accordingly, the written down value is understated by Rs.97.11lakhs.

(b) Refer Note No: 30 REPAIR & MAINTENANCE EXPENSES: Rs.5840.64 lakhs

REPAIR & MAINTENANCE TO PLANT & MACHINERY Rs.1160.51 lakhs

The provision written back under other income is understated to the tune of Rs.22.52lakhs and the Repair & Maintenance to Plant & Machinery under repair & maintenance expenses head is also understated to the tune of Rs.22.52lakhs.However, there is no net impact on Profit & Loss Account.

(c) Further provision written back is understated to the extent of Rs.88.57 lakhs as the same is reduced from respective expense head. Thus expenses are understated to the tune of Rs.88.57lakhs. However, there is no net impact on Profit & Loss Account.

Details of Capitalisation & Write off

(d) Old outstanding debit balances amounting to Rs.422.65lakhs is added to Gross Block of PPE under plant & machinery during the year. Consequently, PPE (WDV) is overstated to that extent and profit is overstated by Rs 420.88 lakhs after considering depreciation of Rs.1.77lakhs these items during the year.

(e) Further, Rs.126.82 lakhs is increased from respective expense heads in Profit & Loss Account. Thus, the expenses are overstated to the tune of Rs.126.82 lakhs and write off account is understated to the same extent. However, there is no impact on Profit & Loss Account.

11. Ind AS -16-PPE

Refer Note No: 2-PPE - Rs.100515.72 lakhs

Land Rs 11826.60 lakhs

In respect of Odisha Hydro Power Corporation Limited;

a. Out of 4.780 Acres of lease hold land held by Corporate Office, only 1.60 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.1431.71lakhs after adjusting the value of Rs.954 lakhs is Rs. 477.71 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

In respect of Odisha Thermal Power Corporation Limited (OTPCL)

a. OTPCL has given an advance for Land acquisition of Rs.18451.05 lakhs in F.Y. 2013-14 and Rs.1034.09 lakhs in F.Y. 2014-15 to Collector, Dhenkanal. However, the land could not be fully acquired upto previous year 2017-18. As reported by the other auditor, Tahasildar-cum-LAO, Kamakhyanagar has paid Rs.11844.23 lakhs as compensation to land losers for acquisition of their land. Balance of Rs.7640.91 lakhs is still pending as advance with Collector, Dhenkanal. Further, the other auditor reported that the only source of income during this pre-operative stage is interest income, the organization could have earned a healthy interest by utilizing this advance money as fixed deposit for a long five years. Further the release of funds could have been made on requirement basis to avoid loss of interest income.

b. As reported by the auditor, IND AS reference has not been provided in few cases in the Notes to the IND AS financial statement as prepared by the Management. The content of some points as Plant and Equipment (IND AS -16), Provisions, Contingent Liabilities and Contingent Assets (IND AS-37) are less instead of narrative. As a result it looks an ordinary reporting.

12. IND AS - 12 - INCOME TAX :

Refer Note No - 21: DEFERRED TAX Rs. 14284.09 lakhs

In respect of OHPC

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.

13. Ind AS-18- Revenue Recognition

Recognition of certain income disclosed under Policy 1.8.1 is on realisation basis which is not in conformity with Ind As-18.The effect of the same is unascertainable.

14. GST

The company has not created any liability and payment in respect of GSTon certain incomes, except sale of tender Paper, sale of scrap, required to be charged in respect of various other income.The effect of the same on financial statements is unascertainable.The company is in process of taking opinion in this respect from experts.

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 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.8106 lakhs for FY 2017-18. Further, GRIDCO has paid interest to the tune of Rs.3041 lakhs for the year and defaulted in payment of interest to the tune of Rs1911 lakhs as on 31.03.2018. The company has recognised only interest Rs.3041 lakhs during the year on realisation basis which is not in conformity with Ind As-18. 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 affect of the same on financial statements is unascertainable.

17. As reported by the other auditor of Odisha Coal & Power Limited (OCPL),

(a) The Company has allotted following equity shares against conversion of inter corporate loans.

Date of issue	No. of shares issued	Total value of shares (lakhs)	Issued to	Remarks
26.07.2017	4900000 of Rs. 10/- each	Rs. 4900 lakhs	OHPC Ltd	Shares allotted against conversion of Inter Corporate loan.

The above allotment of shares against inter corporate loans are not in accordance to the provisions of Sec 62(3) of the Companies Act, 2013 as the terms of issue of such loan does not contain an option to convert into shares before raising of such loan and approval by the Company in general meeting with a special resolution.

(b) The right to use the Forest Land has been diverted to OCPL by the MoEF after cancelling the "right to use" RoR of existing allottees. 34 no of such existing allottees where RoR has been cancelled have filed cases before Hon'ble High Court of Odisha. The final outcome and /or quantification of compensation, if any, have not been known as on date.

18. Refer Note No:-4-: NON CURRENT ASSETS Rs.246587.61 lakhs

INVESTMENTS Rs. 28470.52 lakhs

The financials of Baitarni West Coal Company Limited, a joint venture Company has not been audited. The other financial liabilities amounting to Rs. 1307.89 lakhs has been shown as payable to three promoting joint venture companies. The share of OHPC amounts to Rs. 435.96 lakhs (being 33 1/3rd share) is reported as payable to OHPC. However no such amount of receivable is shown in OHPC standalone financials. It appears that the share of profit of OHPC has been understated in the consolidated financial statements before tax amounting to Rs. Rs.435.96 lakhs and similarly the value of investment is understated in consolidated financial statements to same extent.

19. Ref. Note No:-44:COMMITTMENT & CONTINGENT LIABILITIES

Estimated amount of contracts remaining to be executed on capital account (net of advances and LCs opened)

UIHEP, Mukhiguda & HHEP Burla has been stated at Rs.63706.25lakhs. It does not include amount relating to the parties to whom capital advances are paid by different units as well as corporate office shown under advances to suppliers and Advance to contractors. In absence of details produced, amount to be disclosed could not be ascertained.

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 2,3(a), 3(b),8,9,11(c),12, 13,14,15,16 and 19 of our report on the consolidated IND AS financial statements of the Group for the year ended on 31st March 2018. We further state that without considering the impact of items stated in preceding paras, the effect of which on financials could not be determined. Had the observations made by us in point No 1 to 19 been considered in the consolidated IND AS financial statements, profit before Tax for the year would have been Rs.11071.32 lakhs as against the reported figure of Rs.13020.23 lakhs in the Statement of Profit and Loss. Further, Total Assets reported and in balance sheet as on 31st March'2018 would have been Rs.379419.98 lakhs as against the reported figure of Rs.383233.70 lakhs, Total Liabilities would have been Rs.217746.96 lakhs as against the reported figure of Rs.219611.77 lakhs and Equity including other equity would have been would have been Rs.161673.02 lakhs as against the reported figure of Rs.163621.93 lakhs as under:

Effects of Qualifications (INR in lakhs)

Ref. in point no. covered in our above observation	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
	Non-Current Assets						
1	Capital work-in- progress	3	14,445.35	(2,334.24)	-	12,111.11	(2,334.24)
	Financial Assets						
3 (c)	Trade Receivable	5	2,445.42	(155.85)	-	2,289.58	(155.85)
	Current Assets						
4	Claim Receivables	14	581.22	(345.77)	-	235.45	(345.77)
5 (a)	Advance to Others	15 (a) (iii)	251.79	(136.06)	-	115.73	(136.06)
	Current Financial Liabilities						
6	Trade Payables	24	1378.57	-	(36.22)	1342.35	36.22
7 (a)	Employee Liabilities	25 (b)	4,822.24	-	(44.54)	4,777.70	44.54
7 (b)	Retention Money/ withheld account	25(h)	2735.23		(1784.05)	951.18	1784.05
	Write-off / Write Back		-	-	-	-	-
10 (a)	PPE	2	1,00,515.72	97.12	-	100,612.84	97.12
10 (d)	PPE	2	1,00,612.84	(420.88)	-	100,191.96	(420.88)
11(a)	PPE (Land)	2	11,826.60	(1,431.71)	-	10,394.89	(954.00)
11(b)	Non-Current assets	8	1.16	477.71	-	478.87	-
18	Investment	4	28470.52	435.96		28906.48	435.96
	TOTAL		**2,68,086.66**	**(3,813.72)**	**(1864.81)**	**2,62,408.14**	**(1,948.91)**

Qualified Opinion

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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2018, and its Profit/Loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

The financial statements of 1 (One) subsidiary M/s Green Energy Development Corporation of Odisha Limited, whose financial statements reflect total assets Rs 28264.71 Lakhs and total net assets Rs 5812.52 Lakhs as at 31st March, 2018, total revenues as 2263.08 Lakhs , net profit of Rs271.65 lakhs and net cash inflow of Rs 1230.70 Lakhs for the year ended on that date is considered in the statement based on financial statements audited by other auditor.

The consolidated Ind AS financial statements include share of net loss of Rs316.37 lakhs for the year ended 31st March, 2018, in respect of the 1 (One) jointly controlled entity based on un-audited financial statements furnished to us by the management and 2 (Two)jointly controlled entities, whose financial statements have been audited by other auditors as per below:

Joint Ventures				₹ in lakhs
Name of the Company	Group % of Holding	Group share in Net Profit/ (loss) for the year ended 31st March, 2018	Group share in Net Other Comprehensive Income/(loss) for the year ended 31st March, 2018	Group share of Total Profit/ (loss)
Jointly Controlled Unit				
Odisha Thermal Power Corporation Ltd-Audited	50%	28.46	0	28.46
Odisha Coal and Power Ltd--Audited	49%	(150)	0	(150)
Baitarni West Coal Company Ltd-un-audited	33%	(22.54)	0	(22.54)

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below in respect of the above matters and also based on our reliance on the work done by other auditors.

Report on Other Legal and Regulatory Requirements

1. 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, is not applicable on Consolidated financial statements as referred in proviso to paragraph 2 of the Order.
2. 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 Group Companies 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 Consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, except for the possible effects of 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 A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Group 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 Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements Refer Note no.42 to the Consolidatedfinancial statements.

   ii) The Group 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 has been no amount is required to be transferred, to the Investor Education and Protection Fund by the Group.

FOR ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO. 315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11TH SEPTEMBER'2018

ANNEXURE "A"

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")

We have audited the internal financial controls over financial reporting of **ODISHA HYDRO POWER CORPORATION LIMITED** ("the Company")and its subsidiary, associates and jointly controlled entities (together referred to as "the Group")as of March 31, 2018 in conjunction with our audit of the consolidated 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 companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company/Group 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, 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 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 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 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, 2018:

(a) The Group/company did not have an appropriate internal control system to ensure that correct or adequate provisions are made pending receipt of bills/utilisation 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 timely non-adjustment of advances.

(b) The Group/company did not have an adequate internal control system to obtain yearend balance confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors/Advance 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 into 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 MIS 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 a 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 objectives of the control criteria, the Group/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, 2018, 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 tests applied in our audit of the March 31, 2018 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

FOR ABP & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN NO. 315104E

CA. KAMAL KUMAR CHANDUKA
PARTNER
ICAI M. NO. 058790

Place : Bhubaneswar
Date : 11TH SEPTEMBER, 2018

Signing of MoU for Financial Year 2018-19 between OHPC & Dept. of Energy

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 2018.

The preparation of Consolidated Financial Statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2018 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 11 September 2018.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) read with section 129(4) of the Act of the Consolidated Financial Statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Green Energy Development Corporation of Odisha Limited, Odisha Thermal Power Corporation Limited and Odisha Coal and Power Limited but did not conduct a supplementary audit on the financial statement of Baitarani West Coal Company 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. 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.

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

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar
Date : 26.11.2018

AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2017-18

OHPC

ODISHA HYDRO POWER CORPORATION LIMITED

JANPATH, BHOI NAGAR, BHUBANESWAR

Odisha Hydro Power Corporation Limited

Consolidated Balance Sheet as at 31st March 2018

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

(INR IN LAKHS)

	Particulars	Notes No.	For the year ending 31 March 2018 Ind AS	For the year ending 31 March 2017 Ind AS
	ASSETS :			
(1)	**Non-current Assets**			
(a)	Property, plant & equipment	2	1,00,515.72	1,05,399.52
(b)	Capital work-in-progress	3	14,445.35	6,912.54
(c)	Financial Assets			
	(i) Investments	4	28,470.52	23,714.38
	(ii) Trade receivables	5	2,445.42	-
	(iii) Loans	6	48.25	85.97
	(iv) Others	7	1,00,661.19	61,900.00
(d)	Other non - current assets	8	1.16	5,240.38
			2,46,587.61	**2,03,252.79**
(2)	**Current Assets**			
(a)	Inventories	9	4,375.79	4,228.02
(b)	Financial Assets			
	(i) Trade receivables	10	11,994.73	14,054.95
	(ii) Cash & cash equivalents	11	11,735.38	1,20,991.65
	(iii) Bank balance other than (ii) above	12	94,297.83	4,639.00
	(iv) Loans	13	247.68	5,333.25
	(v) Others	14	4,852.18	5,123.71
(c)	Other current assets	15	9,142.51	15,242.36
			1,36,646.09	**1,69,612.94**
	TOTAL ASSETS		**3,83,233.70**	**3,72,865.73**
	EQUITY AND LIABILITIES :			
	Equity			
(a)	Equity share capital	16	71,265.07	69,365.07
(b)	Other equity	17	92,356.86	89,285.40
			1,63,621.93	**1,58,650.47**
	Liabilities			
(1)	**Non-current Liabilities :**			
(a)	Financial Liabilities			
	(i) Borrowings	18	1,01,674.90	1,09,220.90
	(ii) Others	19	6.53	10.03
(b)	Provisions	20	5,958.83	3,339.76
(c)	Deferred tax liabilities (Net)	21	14,284.08	16,681.01
	Other Non Current Liability	22	9,690.00	8,690.00
			1,31,614.35	**1,37,941.70**
(2)	**Current Liabilities**			
(a)	**Financial Liabilities**			
	(i) Borrowings	23	1,430.00	1,430.00
	(ii) Trade payables	24	7,013.99	6,103.39
	(iii) Others	25	73,972.90	58,096.17
(b)	Other current liabilities	26	58.61	74.64
(c)	Provisions	27	5,521.92	10,569.37
			87,997.42	**76,273.56**
	TOTAL EQUITY AND LIABILITIES		**3,83,233.70**	**3,72,865.73**

Significant Accounting Policy & Accompaning notes forming part of the financial statements In terms of our report of even date attached

For ABP & ASSOCIATES
Chartered Accountants

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place: Bhubaneswar
Date : 11.09.2018

Odisha Hydro Power Corporation Limited

Consolidated Statement of Profit and Loss for the year ending 31.03.2018

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

(INR IN LAKHS)

	Particulars	Notes	For the year ending 31 March 2018 Ind AS	For the year ending 31 March 2017 Ind AS
I	Revenue from operations	28	48,400.51	44,732.02
II	Other income	29	16,562.94	16,780.52
III	**Total Revenue (I+II)**		**64,963.45**	**61,512.53**
IV	**Expenses :**			
	Repair & maintenance expenses	30	5,840.64	4,514.02
	Operation expenses	31	1,298.81	971.86
	Employee benefits expense	32	26,549.34	12,979.95
	Administrative & general expenses	33	1,777.04	1,573.52
	Finance costs	34	7,613.50	8,090.65
	Depreciation and amortization expense	35	8,074.66	12,120.29
	Total Expenses (IV)		**51,154.00**	**40,250.28**
V	Profit before share of profit / (loss) from equity accounted investees exceptional items & tax (III-IV)		**13,809.45**	**21,262.25**
VI	Share of profit / (loss) of equity accounted investees (net of taxes)		**(143.86)**	**(86.03)**
VII	Profit before exceptional Items		**13,665.59**	**21,176.22**
VIII	Exceptional items	36	**645.36**	**21.48**
IX	Profit before tax (VII-VIII)		**13,020.23**	**21,154.74**
X	Tax expense:			
	(a) Current tax		3,479.57	7,139.51
	(b) Deferred tax		(464.09)	722.26
	Total Tax		**3,015.48**	**7,861.78**
	Profit for the year (IX -X)		**10,004.75**	**13,292.96**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss		(5,584.96)	(5,848.01)
	Income tax relating to items that will not be reclassified to profit or loss		1,932.84	2,023.88
	Total comprehensive income for the period		**6,352.64**	**9,468.83**
	Earnings per equity share			
	[Face Value of INR 1000 /- each			
	(Previous value of INR 1000 /- each)]			
	Basic and Diluted	40	142.50	207.41

Significant Accounting Policy & Accompaning notes forming part of the financial statements In terms of our report of even date attached

For ABP & ASSOCIATES
Chartered Accountants

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place: Bhubaneswar
Date : 11.09.2018

Odisha Hydro Power Corporation Limited

Consolidated Statement of Cash Flow Cash Flow for the Financial Year ended 31st March 2018

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

(INR IN LAKHS)

Particulars	For the year ending 31 March 2018 Ind AS	For the year ending 31 March 2017 Ind AS
Cash flow from operating activities		
Profit for the year	13,020.23	21,154.74
Adjustments for :		
Depreciation & amortization	8,074.66	12,120.29
Finance costs	7,613.50	8,090.65
Finance income	(12,658.19)	(15,027.85)
Loss on sale of property, plant and equipment	(0.78)	2.72
Share of profit/ (loss) of equit accounted investees(net of taxes)	143.86	86.03
Operating cash flows before working capital changes	**16,193.29**	**26,426.57**
Changes in operating assets and liabilities		
Inventories	(147.77)	(235.02)
Trade receivables	(385.20)	(3,363.59)
Other non-current assets	(38,761.19)	-
Other assets	10,733.17	1,453.52
Trade payables	910.60	(778.65)
Other liabilities	8,316.75	(10,556.19)
Provisions - Non Current	2,619.08	(1,932.52)
Net cash provided by operating activities before taxes	**1,570.79**	**13,465.42**
Income tax Adjustment	373.42	
Income taxes paid	(10,619.09)	(7,275.48)
Net cash provided by operating activities	**(9,048.30)**	**6,563.37**
Cash flow from investing activities		
Purchase of property, plant and equipment	(10,821.07)	(3,565.73)
Proceeds from sale of property, plant and equipment	98.18	206.52
Investment in bank deposits	(89,658.83)	(1,539.00)
Investment in shares, debentures and other securities	(4,900.00)	(11,797.55)
Finance income received	13,073.96	14,147.67
Net cash generated / (used) in investing activities	**(92,207.76)**	**(2,548.09)**
Cash flow from financing activities		
Increase in share capital	1,900.00	5,500.00
Proceeds from short term borrowings	-	(2,172.15)
Receipt of grant in aid from Govt.of Odisha	1,000.00	6,690.00
Dividend paid including DDT	(3,281.17)	(3,152.07)

Repayment of long term loan	(7,546.00)	(1,523.00)
Finance cost paid	(73.04)	(364.28)
Net cash generated/(used) in financing activities	(8,000.21)	4,978.50
Net increase / (decrease) in cash and cash equivalents	(1,09,256.27)	8,993.77
Cash and cash equivalents at the beginning of the period	1,20,991.65	1,11,997.88
Cash and cash equivalents at the end of the period (Note 11)	11,735.38	1,20,991.65

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 with original maturity of less than three months. The details of Cash & Cash equivalents as per Note 10 of the Balance Sheet is as under:

	31st March 2018	**31st March 2017**
Cash and cash equivalents	11,735.38	1,20,991.65
Cash and Cash equivalents comprises of the following:		
Balance with Bank	10,573.55	1,10,684.00
Other Bank Balance	1,158.61	10,292.76
Cash on hand	2.91	2.22
Postal Orders & Stamps	0.31	0.17
Remittance in transit		12.50

Significant Accounting Policy & Accompaning notes forming part of the financial statements In terms of our report of even date attached

For ABP & ASSOCIATES
Chartered Accountants

CA K K Chanduka	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place: Bhubaneswar
Date : 11.09.2018

Odisha Hydro Power Corporation Limited

Consolidated Statement of changes in equity as at 31st March 2018

(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 2017	Equity shares issued during the year	Closing Balance as at 31st March 2018
Equity Share	69,365.07	1,900.00	71,265.07

b Other equity

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 1 April 2017	10,000.00	13,214.00	73,628.34	(7,556.95)	**89,285.40**
Changes in accounting policy/prior period errors	-		-	-	-
Restated balance at the beginning of the reporting period	10,000.00	13,214.00	73,628.34	(7,556.95)	**89,285.40**
Total Comprehensive Income for the year			10,004.75	(3,652.12)	**6,352.64**
Dividends			(3,281.17)	-	**(3,281.17)**
Transfer to retained earnings	-	-		-	-
Any other change (to be specified):			-		-
Balance at 31st March 2018	**10,000.00**	**13,214.00**	**80,351.92**	**(11,209.06)**	**92,356.86**

As per the Order No. 3060 dtd. 31.03.2015 & subsequent DoE Notification No. 5843 dtd. 03.07.2015 a sum of INR 100 crores has been shown under the head capital reserve under the head capital reserve towards dam share'

Significant Accounting Policy & Accompaning notes forming part of the financial statements In terms of our report of even date attached

For ABP & ASSOCIATES
Chartered Accountants

CA K K Chanduka
Partner
ICAI M.No. 058790
Place: Bhubaneswar
Date : 11.09.2018

P K Mohanty
Company Secretary

Pravakar Mohanty
Director (Finance) & CFO
DIN: 01756900

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 2018

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., Machakund 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 it's 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.

Significant Accounting Policies

1.1 **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, 2018. 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, 2018.

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-18	Shareholding as on 31-Mar-17
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	9,800.00
Baitarni West Coal Company Limited (BWCCL) 33.33%	India	1,000.00	1,000.00
Odisha Thermal Power Corporation Limited (OTPCL) 50%	India	13,420.47	13,420.47

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 decemal) 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 securitisation.

(x) Revenue from Rooftop is recognized as per contractual terms. Revenue from fee received as Nodal Agency is recognized upon receipt of cash.

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 In case of GEDCOL : Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Monetary grants received from the Government for creation of assets for Power Stations and others are recognised as deferred income and amortised over the useful life of the related assets.

1.8.4 **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 Orissa 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.

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) In case 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.

vi) Assets costing INR.5,000/- or less individually are depreciated fully in the year in which they are put to use.

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

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 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".

1.8.5 **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.

1.8.6 **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 charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

1.8.7 **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.

1.8.8 **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.

1.8.9 **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.

1.8.10 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 and

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 expected 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) 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) Initial measurement

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.

1.8.11 **Investments**

Investments in subsidiaries, associates and joint ventures are measured at cost in accordance with Ind AS 27.

1.8.12 **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.

1.8.13 **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.

1.8.14 **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.

1.8.15 **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").

1.8.16 **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.

1.8.17 **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.

1.8.18 **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 Orissa 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 occuracne or non-occurance 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.

1.8.19 **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.

1.8.20 **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 recognised 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.

1.8.21 **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.

1.8.22 **Earnings per Share (EPS)**

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

1.8.23 **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'.

1.8.24 **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 1,000/- 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 propoer verification and booked to concerned expenditure in the year of refund.

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

Figures have been rounded off to the nearest rupee.

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Consolidated Financial statement for the year ended 31st March 2018

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

2 Property. Plant & equipment

(INR IN LAKHS)

Sl. No.	Description	DEPRECIATION									NET BLOCK	
		As at 01.04.17	Addition	Transfer/ Adj	As at 31.03 .18	Upto 01.04.17	For the Year	Adjustment	Deletion	Up to 31.03 .18	As at 31.03 .18	As at 31.03.17
1	Land	11,922.19	1.61		11,923.79	63.96	33.23	-	-	97.19	11,826.60	11,858.22
2	Power House Civil Work	14,639.09	63.19	-	14,702.28	2,649.65	1,328.43	-		3,978.07	10,724.21	11,989.45
3	Power House Electric Mechanical Work	74,703.65	2,922.15	(188.13)	77,437.68	20,295.58	4,986.90	-	90.77	25,191.72	52,245.96	54,408.07
4	Civil Building/ Township	14,165.94	106.21	-	14,272.15	2,070.43	1,042.14	-	-	3,112.57	11,159.58	12,095.51
5	Vehicles	168.87	95.14	-	264.01	32.12	15.80	0.01	-	47.92	216.09	136.75
6	Furniture & Fixtures	117.91	12.13	-	130.03	15.71	9.94	-	-	25.65	104.38	102.19
7	Office Equipment	328.36	17.17	(0.03)	345.50	73.92	38.93	-	-	112.85	232.66	254.44
8	Misc. Assets	188.50	6.79		195.29	38.13	19.05	-	-	57.19	138.10	150.37
9	Electric Installation	309.11	18.67	-	327.78	40.99	25.82			66.81	260.97	268.12
10	Water Supply Installation	407.69	41.91		449.60	68.97	32.59	-	-	101.56	348.04	338.72
11	Solar Power Plant	14,328.32			14,328.32	542.46	540.90			1,083.37	13,244.96	13,785.86
12	Training Course Equipment	14.48	3.31		17.79	2.67	0.94			3.61	14.18	11.81
	Total	**1,31,294.11**	**3,288.26**	**(188.16)**	**1,34,394.22**	**25,894.60**	**8,074.66**	**0.01**	**90.77**	**33,878.50**	**1,00,515.72**	**1,05,399.52**

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. 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.

(iv) As per the decision taken in 144th Board of Directors meeting held on 11.01.2018, assets amounting to INR 248.61 lakhs relating to CHEP, Chiplima, INR 60.42 Lakhs relating to HHEP, Burla, INR 453.90 lakhs relating to UIHEP (Mukhiguda), INR 105.69 lakhs relating to UIHEP (Khatiguda) has been written back and assets amounting to INR 2.04 lakhs relating to CHEP, Chiplima, INR 184.77 lakhs relating to UIHEP (Mukhiguda), INR 235.84 lakhs relating to UIHEP (Khatiguda) have been written off during the current financial year.

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March 2018

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

(INR IN LAKHS)

Note	Particulars	For the year ending 31 March 2018 Ind AS	For the year ending 31 March 2017 Ind AS
3	**Capital work-in-progress**		
(a)	Land	3.03	3.03
(b)	Building	1,065.95	870.26
(c)	Road, Bridge, Culvert & Other Civil Works	133.26	230.48
(d)	Water Supply Installation	1.10	1.10
(e)	Plant & Machinery (Construction)	1,148.03	1,148.03
(f)	Plant & Machinery (Generation)	7,274.40	2,904.13
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	392.36	392.36
(h)	Substation Equipments	62.45	64.06
(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	16.85
(p)	Sindol Project	28.78	28.78
(q)	Office Building	2,016.35	1,016.35
(r)	Staff Quarters	3.81	3.81
(s)	ERP	34.25	197.94
(t)	Capital Advance	1,970.62	16.90
	Gedcol Cwip	258.59	
		14,445.35	**6,912.54**
	Non-Current Financial Asset		
4	**Non Current Investments**		
	Investments in Equity Instruments;		
	In Joint Ventures		
(a)	**Odisha Thermal Power Corporation**	13,100.64	13,072.18
	(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**	971.58	994.13
	(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**	14,398.30	9,648.08
	(A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC) 14,70,00,000 shares of INR 10/- each		
		28,470.52	**23,714.38**
(a)	**Aggregate amount of quoted investments and market value thereof;**		
	(b) Aggregate amount of unquoted investments;	**28470.52**	**23,714.38**
	(c) Aggregate amount of impairment in value of investments.		

5	**TRADE RECEIVEABLES - FINANCIAL ASSET**		
	Unsecured , considered good		
	Sundry Debtor for Sale of Power	2,445.42	
	Sundry Debtor for Others	6.96	
	Less : Provision for doubtful trade receivables > 1 Years	(6.96)	
		2,445.42	-
6	**Loans**		
(a)	**Security Deposits**		
	Unsecured , considered good	48.25	85.97
		48.25	**85.97**
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)	33,014.54	
	(iii) Held as marigin money in Fixed Deposit	5,746.65	
		1,00,661.19	**61,900.00**
	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.		
	(b) Fixed deposit of INR 57,46,65,488/- with HDFC, Jharpada and Sahid 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 HHEP, Burla & CHEP Chiplima.		
8	**Other non - current assets**		
(a)	**Capital advances**		
	Unsecured, considered good	-	
(b)	**Advances other than capital advances**	-	
	Unsecured, considered good	-	
	Advance to Supplier	1.16	30.52
	Advance to Contractor	-	
	Advance to Others	-	
	Advance to Staff	-	
	Plan Assets (employees)	-	5,209.86
		1.16	**5,240.38**
9	**Inventories**		
	(valued at cost)		
(a)	Stores and spares	4,618.65	4,460.60
(b)	Loose Tools	3.07	8.78
(c)	Inventory in transit	-	-
	-stores & spares	-	0.37
	Less : Provision for loss of inventory	(245.94)	(241.72)
		4,375.78	**4,228.02**
	Current Financial Asset		
10	**Trade receivable**		
(a)	Outstanding for a period exceeding six months from due date of payment		
	Unsecured , considered good	2,292.80	6.96
	Unsecured, considered doubtful	-	
	Less : Provision for doubtful trade receivables > 6 months	-	
		2,292.80	6.96
(b)	Outstanding for a period less than six months from due date of payment		
	Unsecured , considered good	9,701.93	14,047.99

	Less : Provision for doubtful trade receivables < 6 months	-	
		9,701.93	14,047.99
		11,994.73	**14,054.95**
11	**Cash and cash equivalents**		
(a)	Balances with banks		
	(i) Balance with Bank in deposit accounts	10,573.55	1,10,684.00
	(ii) Other Bank Balance	1,158.61	10,292.76
(b)	Cash on hand	2.91	2.22
(c)	Others	-	
	Postal Orders & Stamps	0.31	0.17
	Remittance in transit	-	12.50
		11,735.38	**1,20,991.65**
	(i) Balance with banks for the following purposes		
	Terminal liabilities	**15,000.00**	6,200.00
	Loan repayments	**3,023.00**	3,023.00
	JV & new project	**47,013.40**	53,461.00
	RMU & new project	**60,000.00**	48,000.00
	Arrear Salary	**4,500.00**	
		1,29,536.40	**1,10,684.00**
12	**Bank balance other than cash and cash equivalents**		
	(i) Balance with Bank in deposit accounts (3 Month to 12 months)	82,576.25	
	(ii) Held as margin money in Fixed Deposit	11,721.57	4,639.00
		94,297.83	**4,639.00**
	(OHPC has pledged (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 BWCCL 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 76,98,95,878/- with HDFC, Jharpada and Sahid 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 HHEP, Burla and CHEP, Chiplima.)		
13	**Loans**		
(a)	Security Deposits		
	Unsecured, considered good	-	
	Deposit with Others	247.68	233.25
(b)	**Loans to related parties**		
	Unsecured, considered good		
	OCPL (49% Joint Venture Company)		5,100.00
	(receivable with interest @ FD rate in the month of Drawl +1%)		
		247.68	**5,333.25**
14	**Others**		
	Claims Receivables	581.22	559.07
	Receivable from GRIDCO on Machhakund	426.81	1,346.59
	Dam Share Receivable from W.R.Department on accounts of Indravati	1,062.72	24.30
	Interest Accrued but not due on bank deposit	2,776.56	2,333.37
	Interest Receivable from others	1.21	860.17
	Other Receive from Staff	3.66	0.21
		4,852.18	**5,123.71**

15	**Other current assets**		
	Capital Advanes		
	Unsecured, considered good		1,476.20
	Advances other than capital advances		
(a)	Other Advances		
	(i) Advance to supplier	40.23	1,780.38
	(ii) Advance to contractors	6.26	483.76
	(iii) Advance to other	251.79	164.24
	(iv) Advance to staff	206.26	257.98
(b)	Other Advances		
	(i) Advance income tax (TDS)	5,024.95	5,390.19
	(ii) Advance income tax	3,435.10	5,547.84
	(iii) Advance sales tax	-	0.05
	(iv) Advance income tax (TCS)	1.13	0.21
	Others		
	(i) OHPC rehabilitation assistance trust fund	0.10	0.10
	(ii) Pre-paid expenses	109.71	134.79
	(iii) Other misc. asset	0.30	0.62
	(iv) Other receivable from staff	-	0.40
	(v) OHPC gratuity fund	66.67	5.60
		9,142.51	**15,242.36**
16	**Equity share capital**		
(a)	**Authorized share capital**		
	Equity shares of INR 1000/- each (Nos)	200.00	100.00
	Equity shares of INR 1000/- each (INR)	2,00,000.00	1,00,000.00
(b)	**Issued, subscribed and fully paid up**		
	Equity shares of INR 1000/- each (Nos)	71.27	6.97
	Equity shares of INR 1000/- each (INR)	71,265.07	69,365.07
		71,265.07	**69,365.07**
(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	69.37	63.87
	Issued during the year in Nos	1.90	5.50
	Outstanding at the end of the year in Nos	**71.27**	**69.37**
	Equity shares		
	At the beginning of the year in INR	69,365.07	63,865.07
	Issued during the year in INR	1,900.00	5,500.00
	Outstanding at the end of the year in INR	**71,265.07**	**69,365.07**
(d)	**Shares held by each share holder holding more than 5 % shares**		
	Governor of Odisha represented by DoE (Nos)		**69.37**
	% 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
	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	(7,556.95)	(3,732.82)
	Add: During the year	(5,584.96)	(5,848.01)
	Less: Deferred tax (OCI)	1,932.84	2,023.88
	Closing balance	**(11,209.06)**	**(7,556.95)**
(ii)	Retained earnings		
(a)	Surplus at the beginning of the year	86,842.34	76,701.46
	Add : Profit for the year	10,004.75	13,292.96
	Less : Transfer to general reserve	-	-
	Less : Dividend paid	(2,726.19)	(2,618.92)
	Less : Tax on Dividend	(554.99)	(533.15)
	Less : Deferred tax liabilities not charged in previous years	-	-
	Prior year Income/ Expenses	-	-
		93,565.92	**86,842.34**
	Total	**92,356.86**	**89,285.40**
	Non - Current : Financial Liabilities		
18	**Borrowings**		
	Term loans		
	From other parties - unsecured		
	Indian rupee loan from Government of Odisha		
	UIHEP- TL (1)	25,054.90	31,100.90
	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 INR 821.47 Crs. is divided into two parts i.e. INR 298.85 Crs. as equity included in Note-15 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 241.84 Crs. till 31.03.2018 & balance loan amount of INR 250.549 Crs is shown as above and balance loan amount of INR 30.23 Crs is shown in note 24.a .		
	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'l 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)		1,500.00
		1,01,674.90	**1,09,220.90**

19	**Others**		
	Security Deposits from contractors/ suppliers	6.53	10.03
		6.53	**10.03**
20	**Provisions**		
	(a) Provision for leave salary	5,958.83	3,339.27
	(b) Others	-	0.49
		5,958.83	**3,339.76**
21	**Deferred tax liabilities (Net)**		
	Deferred tax liabilities		
	Deferred tax liabilities / (assets) at the beginning of the year	16,681.02	13,382.07
	Deferred tax liabilities / (assets) during the year on account of temporary difference	(2,396.93)	3,298.94
	Deferred tax liabilities / assets at the end of the year	**14,284.09**	**16,681.01**
22	**Other Non Curreent Liability**		
	Grant In Aid	9,690.00	8,690.00
		9,690.00	**8,690.00**
23	**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**		
	Sundry creditors for supply of materials	5,329.92	4,616.14
	Sundry creditors for works	1,378.57	1,428.26
	Sundry creditors for others	305.49	58.98
		7,013.99	**6,103.38**
	Current : Financial Liabilities		
25	**Others**		
(a)	Current maturities of long term debt	3,023.00	-
(b)	Employees liabilities	4,822.24	692.55
(c)	OHPC PF trust	(29.68)	78.26
(d)	Liability to others	6,022.13	2,895.70
(e)	Security deposit from contractors / suppliers	419.62	555.53
(f)	EMD from contractors / suppliers	82.56	195.02
(g)	Other security deposit	309.57	20.85
(h)	Retention money / withheld a/c	2,735.23	2,989.35
(i)	Payable to APGENCO on Machhakunda a/c	402.90	1,723.29
(j)	Payable to Machhakund	0.20	0.20
(k)	Security deposit from employees	3.90	6.68
(l)	Interest payable on UIHEP Govt. loan	40,091.02	37,913.95
(m)	Interest on State Government loan (old projects)	16,090.20	10,726.80
(n)	Deposit From Others		298.00
		73,972.90	**58,096.17**

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	1,094.20	1,636.51
	Cost of Power beyond 30% share	74.13	102.61
		1,168.34	**1,739.12**

OHPC received an amount of INR 21,16,87,345/- in 2017-18 from GRIDCO including arrear dues of APGENCO for 2016-17 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to INR 4,02,90,366/- as on 31.03.2018. 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	58.61	74.64
		58.61	**74.64**
27	**Provisions**		
(a)	Provision for employee benefits		
	(i) Provision for arrear salary	4,361.27	-
	(ii) Provision for bonus	8.30	10.89
	(iii) Provision for leave encashment	749.76	2,940.38
(b)	Other Provisions	-	-
	(i) Provision for income tax	-	7,139.51
	(ii) Provision for others	387.00	468.43
	(iii) Provision for loss of asset	10.15	10.15
	(iv) Provision for CSR	5.44	
		5,521.92	**10,569.37**

ODISHA HYDRO POWER CORPORATION LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March 2018

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

(INR IN LAKHS)

Note	Particulars	For the year ending 31 March 2018 Ind AS	For the year ending 31 March 2017 Ind AS
28	**Revenue from operations**		
	Revenue from		
	On Sale of Electricity	48,265.64	44,599.79
	Total (A)	**48,265.64**	**44,599.79**
	Other Operating Revenue	134.87	132.23
	Total (B)	**134.87**	**132.23**
		48,400.51	**44,732.02**
29	**Other income**		
	Interest on Employees advances	0.10	0.12
	Interest on Bank Deposits	9,343.10	9,619.84
	Interest on others	273.73	455.89
	Interest in lieu of DPS from GRIDCO	3,041.27	4,952.00
	Sale of tender paper	34.26	25.83
	House rent recovery	32.19	22.43
	Vehicle charges recovery	3.98	4.16
	Electricity charges recovery - Employees	1.08	2.75
	Electricity charges recovery - Contractors	1.63	2.64
	Guest house charges recovery	2.67	2.73
	Sale of scrap	2.57	0.27
	Other miscellaneous receipt	1,332.35	48.44
	Recovery from Penalties	56.35	11.76
	Receipt from RTI	0.04	0.04
	Insurance Claim Received	0.31	2.79
	Forfeiture of EMD/SD	49.58	28.21
	Dam Share from DOWR	1,038.42	966.18
	Recovery of foreign exchange fluctuation loss	565.00	371.00
	Profit On sale of Inventory	-	1.03
	Provisions written back	771.51	262.41
	Profit On sale of Asset	0.81	
	Processing Fees	12.00	
		16,562.94	**16,780.52**
30	**Repair & maintenance expenses**		
	R&M to Plant and Machinery	1,160.51	1,334.65
	R&M to Building	424.09	494.51
	R&M to Civil Works	358.96	449.07
	R&M to Hydraulic Works	107.17	291.20
	R&M to Line Cables Networks	22.37	22.67
	R&M to Vehicles	8.93	35.03
	R&M to Furniture & Fixture	0.70	0.65
	R&M to Office Equipments	19.98	10.39

	R&M to Electrical Installation	29.27	64.52
	R&M to Water Supply Installation	52.95	41.69
	R&M to Misc. Assets	-	0.23
	R&M to Substation Equipment	68.64	47.61
	R&M to Dam Maintenance	3,587.07	1,721.81
		5,840.64	**4,514.02**
31	**Operation expenses**		
	Power and fuel	235.23	91.63
	Insurance charges	163.40	106.73
	Oil, Lubricant & Consumables	120.43	125.70
	Transportation charges	0.65	0.13
	Hire charges of vehicles/machineries	148.36	145.46
	Refreshment(Operation)	1.80	2.39
	Other Operation expenses	1.14	38.48
	Watch & Ward of Power House	472.11	461.35
	Annual Maintenance cost	155.70	
		1,298.81	**971.86**
32	**Employee benefits expense**		
	Salaries & Allowances	7,586.53	5,051.44
	Wages & Allowances	6,408.95	4,692.01
	Overtime	12.30	9.84
	Bonus	6.02	23.81
	Payment to Apprentices & Trainees	74.87	84.40
	Contribution to PF and other Funds	10,098.39	1,427.71
	Employees welfare expenses	780.32	780.14
	Other employee benefit expenses	1,581.95	910.60
		26,549.34	**12,979.95**
33	**Administrative & General expenses**		
	Rent	75.04	70.96
	Rates and taxes	8.92	10.54
	Fees & subscriptions	10.39	8.60
	Insurance charges	10.70	6.07
	Communication expenses	93.06	79.88
	Traveling & conveyance expenses	233.86	216.70
	Printing & stationery	41.04	55.45
	Bank charges	0.46	0.75
	Electricity & water charges	169.15	158.33
	Legal expenses	19.72	21.92
	Professional & consultancy charges	36.81	36.66
	Audit fees & expenses	42.36	30.96
	Advertisement & Publicity	52.73	37.91
	Training, Seminar & Conference	80.35	83.87
	Office upkeep & Maintenance	24.64	22.56
	Watch & ward charges	252.78	204.52
	Repair & Maintenance others	-	0.53
	Recruitment expenses	0.79	16.07

	Meeting expenses	19.04	20.38
	Transit house expenses	9.26	11.33
	Electrical Accessories	-	1.26
	Loss of Assets	0.03	2.72
	Survey & Inspection Exp. for Pump Storage Project	-	135.87
	Loss on Inventories	4.23	(3.43)
	Corporate Social Responsibility Expenses	282.26	32.00
	Other Administrative & General expenses	302.44	311.08
	Provision for bad debt	6.96	
		1,777.04	**1,573.52**
34	**Finance costs**		
	Interest on Bank Loan & Others		98.17
	Interest on PFC loan	-	75.12
	Interest on Gov. loan	2,177.06	2,388.67
	Interest on Gov. loan - Old power house	5,363.40	5,363.40
	Guarantee commission	-	7.03
	Foreign exchange fluctuation loss	-	34.83
	Interest on Term Loan (REC Ltd)	71.04	123.41
	Interest on OD Accounts	2.00	
		7,613.50	**8,090.65**
35	**Depreciation and amortization expense**		
	Depreciation of tangible assets	8,074.66	12,120.29
		8,074.66	**12,120.29**
36	**Exceptional items**		
	Voluntary separation scheme payment	645.36	21.48
		645.36	**21.48**
	Other comprehensive income	(5,584.96)	(5,848)
		(5,584.96)	**(5,848.01)**
37	**Payments to auditor**		
	Statutory audit fees	4.66	4.40
	Statutory audit expenses	2.51	1.53
	Other audit fees	25.01	16.24
	Other audit expenses	10.18	8.80
		42.36	**30.96**

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 Ltd.

Summarised Balance Sheet (INR IN LAKHS)

Note	Particulars	31 March 2018	31 March 2017
	Current Assets		
	Cash and cash equivalents	3,723.06	3,766.30
	Other assets	235.81	207.17
	Total current assets	3,958.87	3,973.47
	Total non-current assets	22,275.85	22,201.17
	Total assets (A)	**26,234.72**	**26,174.63**
	Current liabilities		
	Financial liabilities (excluding trade payables)		
	Other liabilities	33.44	30.28
	Total current liabilities	33.44	30.28
	Non-current liabilities		
	Financial liabilities (excluding trade payables)		
	Other liabilities		
	Total non-current liabilities	-	-
	Total liabilities (B)	**33.44**	**30.28**
	Net Assets (A-B)	**26,201.28**	**26,144.35**
	Group's share of net assets (50%)	13,100.64	13,072.18
	Carrying amount of interest in OTPC	**13,100.64**	**13,072.18**
		-	-

Summarised Statement of Profit & Loss

	31st March 2018
Revenue	
Interest income	267.36
Depreciation & amortization	3.85
Interest expense	
Income tax expense	7.56
Profit	56.93
Other comprehensive income	
Total comprehensive income	**56.93**
Group's share of Profit (50%)	28.46
Group's share of OCI (50%)	
Group's share of total comprehensive income (50%)	**28.46**

(b) Baitarni West Coal Company Limited

Summarised Balance Sheet

	31st March 2018	31st March 2017
Current Assets		
Cash and cash equivalents	4,023.43	842.02
Other assets	219.03	84.23
Total current assets	**4,242.46**	**926.25**
Total non-current assets	5.48	2,078.77
Total assets (A)	**4,247.94**	**3,005.02**
Current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	10.24	9.34
Total current liabilities	**10.24**	**9.34**
Non-current liabilities		
Financial liabilities (excluding trade payables)	1,307.89	-
Other liabilities	15.06	13.30
Total non-current liabilities	1,322.95	13.30
Total liabilities (B)	**1,333.19**	**22.65**
Net Assets (A-B)	**2,914.75**	**2,982.38**
Group's share of net assets (33.33%)	971.58	994.13
Carrying amount of interest in BWCCL	**971.58**	**994.13**
	0.00	-

(INR IN LAKHS)

Summarised Statement of Profit & Loss

	31st March 2018
Revenue	-
Interest income	189.67
Depreciation & amortization	1.16
Interest expense	0.05
Income tax expense	-
Profit	(67.50)
Other comprehensive income	
Total comprehensive income	(67.50)
Group's share of Profit (33.33%)	(22.50)
Group's share of OCI (33.33%)	-
Group's share of total comprehensive income (33.33%)	(22.50)

(c) **Odisha Coal & Power Limited**

Summarised Balance Sheet

	31st March 2018	31st March 2017
Current Assets		
Cash and cash equivalents	514.40	917.39
Other assets	4,374.60	300.35
Total current assets	**4,889.00**	**1,217.74**
Total non-current assets	68,350.10	51,852.80
Total assets (A)	**73,239.10**	**53,070.54**
Current liabilities		
Financial liabilities (excluding trade payables)	2,113.18	32,803.91
Other liabilities	1,305.00	573.55
Total current liabilities	3,418.18	33,377.46
Non-current liabilities		
Financial liabilities (excluding trade payables)		
Other liabilities	40,436.64	3.12
Total non-current liabilities	40,436.64	3.12
Total liabilities (B)	43,854.82	33,380.58
Net Assets (A-B)	29,384.28	19,689.96
Group's share of net assets (49%)	14,398.30	9,648.08
Carrying amount of interest in OCPL	**14,398.30**	**9,648.08**
Adjusted against other interest of group in OCPL		

Summarised Statement of Profit & Loss

	31st March 2018
Revenue	-
Interest income	4.31
Depreciation & amortization	0.00
Interest expense	-
Income tax expense	289.82
Profit	(305.68)
Other comprehensive income	-
Total comprehensive income	(305.68)
Group's share of Profit (49%)	(149.78)
Group's share of OCI (49%)	-
Group's share of total comprehensive income (49%)	(149.78)

39 Income tax expense

i) Income tax recognised in profit or loss

(INR IN LAKHS)

Note	Particulars	31 March 2018	31 March 2017
a)	**Current tax expense**		
	Current year	3,479.57	7,139.51
	Deferred tax expense		
	Origination and reversal of temporary differences	**(464.09)**	**722.26**
	Reduction in tax rate		
	Total income tax expense	**3,015.48**	**7,861.78**
	ii) Income tax recognised in OCI		
		31st March 2018	**31st March 2017**
	Remeasurements of defined benefit plans	(1,932.84)	(2,023.88)
	Total income tax expense relating to OCI items	**(1,932.84)**	**(2,023.88)**
b)	**Reconciliation of tax expense and accounting profit**		
		31st March 2018	**31st March 2017**
	Accounting profit before tax from continuing operations	**13,020.23**	**21,154.74**
	Accounting profit before tax from discontinued operations		-
	Accounting profit before tax	**13,020.23**	**21,154.74**
	Tax using the Company's domestic tax rate	34.608%	34.608%
	Adjustments in respect of current income tax of previous years	4,506.04	7,321.23
	Utilisation of previously unrecognised tax losses		
	Exceptional item not considered for tax purpose		-
	Income not considered for tax purpose		86.03
	Expense not allowed for tax purpose	276.82	2.72
	Carried forward tax losses utilised		
	Other temporary differences	(3,240.52)	(306.42)
	At the effective income tax rate of 34.608% (31 March 2017: 34.608%)	**(1,025.68)**	**(75.33)**
	Difference in tax rate for subsidiary	0.80	106.39
	Income tax reported in the statement of profit and loss	3,479.57	7,139.51
	Income tax attributed to discontinued operations		
	Total	3,479.57	7,139.51
c)	**Amounts recognised directly in equity**		
		31st March 2018	**31st March 2017**
	Current tax	-	-
	Deferred tax	-	-
	Total	-	-

d) Deferred tax assets and liabilities

Deferred tax relates to the following:

	31st March 2018	31st March 2017
Fixed Asset	(138.55)	(1,243.22)
Leave	(129.16)	(144.51)
On actuarial gain and losses - employee expense	(1,932.84)	-
On prior period adjustments reversal	(196.38)	-
Other items giving rise to temporary differences	-	86.12
Total	**(2,396.93)**	**(1,301.62)**

e) Reconciliation of deferred tax assets / liabilities

	31st March 2018	31st March 2017
Opening balance	16,681.01	17,982.63
Deferred tax recognized for the first time		-
Tax income/expense during the period recognised in profit or loss	(2,396.93)	(1,301.62)
Tax income/expense during the period recognised in profit or loss from discontinued operations		-
Closing balance	**14,284.08**	**16,681.01**

40 Earnings Per Share:

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

Particulars	**31st March 2018**	**31st March 2017**
Opening Balance (A)	69.37	63.87
Weighted average number of equity shares issued during the year (B)	0.84	0.23
Weighted average number of equity shares outstanding for the year (A+B)	**70.21**	**64.09**
Profit for the year attributable to equity shareholders	**10,004.75**	**13,292.96**
EPS in INR	142.50	207.41

41. 1. Financial instruments

A. Accounting classification and fair values

(INR IN LAKHS)

	Carrying amount				Fair value			
31 March 2018 INR	**FVTPL**	**FVTOCI**	**Amortized 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: Loans	-	-	48.25	48.25	-	-	-	48.25
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	-	-	1,00,661.19	1,00,661.19	-	-	-	1,00,661.19
Other Current Financial Asset	-	-	4,852.18	4,852.18	-	-	-	4,852.18
	-	-	2,23,837.23	2,23,837.23	-	-	-	2,23,837.23
Financial liabilities								
Long term borrowings	-	-	1,01,674.90	1,01,674.90	-	-		1,01,674.90
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
	-	**-**	**1,84,098.32**	**1,84,098.32**	**-**	**-**	**-**	**1,84,098.32**

	Carrying amount				Fair value			
31 March 2018 INR	**FVTPL**	**FVTOCI**	**Amortized Cost***	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	1,20,991.65	1,20,991.65	-	-	-	1,20,991.65
Bank balance other than above	-	-	4,639.00	4,639.00	-	-	-	4,639.00
Non- current Financial Asset: Loans	-	-	85.97	85.97	-	-		85.97
Current Financial Assets: Loans	-	-	5,333.25	5,333.25	-	-		5,333.25
Trade and other receivables	-	-	14,054.95	14,054.95	-	-		14,054.95
Other Non Current Financial Asset	-	-	61,900.00	61,900.00	-	-		61,900.00
Other Current Financial Asset	-	-	5,123.71	5,123.71	-	-		5,123.71
	-	-	2,12,128.53	2,12,128.53	-	-	-	2,12,128.53
Financial liabilities								
Long term borrowings	-	-	1,09,220.90	1,09,220.90	-	-	-	1,09,220.90
Short term borrowings	-	-	1,430.00	1,430.00	-	-	-	1,430.00
Trade and other payables	-	-	6,103.39	6,103.39	-	-	-	6,103.39
Other Non-Current financial liabilities	-	-	10.03	10.03	-	-	-	10.03
Other Current financial liabilities	-	-	58,096.17	58,096.17	-	-	-	58,096.17
	-	-	1,74,860.48	1,74,860.48	-	-	-	1,74,860.48

** 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)

(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 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 behavior 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:

(INR IN LAKHS)

	31 March 2018	31 March 2017
Trade and other receivables	14,440.15	14,054.95
Investments	28,470.52	23,714.38
Cash and cash equivalents	11,735.38	1,20,991.65

Ageing analysis (Trade Receivables)

	31 March 2018	31 March 2017
Upto 3 months	9,308.72	10,371.28
3-6 months	393.21	2,979.37
More than 6 months	4,738.23	704.30
	14,440.15	**14,054.95**

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)

(INR IN LAKHS)

	31 March 2018	31 March 2017
At fixed rate	11,200.00	9,700.00

Maturities of financial liabilities

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

(INR IN LAKHS)

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	1,04,697.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	7,013.99			7,013.99
Other non current financial liabilities		6.53		6.53
Other current financial liabilities	73,972.90			73,972.90
	85,439.88	**12,098.53**	**89,582.90**	**1,87,121.32**
As at 31 March 2017	**Less than 1 year**	**1-5 years**	**>5 years**	**Total**
Long term borrowings	3,054.25	12,717.00	93,449.65	1,09,220.90
Short term borrowings	1,430.00			1,430.00
Trade and other payables	6,103.39			6,103.39
Other non current financial liabilities		10.03		10.03
Other current financial liabilities	58,096.17			58,096.17
	68,683.80	**12,727.03**	**93,449.65**	**1,74,860.48**

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 Orissa Electricity Regulatory Commission (OERC) through Annual Revenue Requirment (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 2018	31 March 2017
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:

(INR IN LAKHS)

	31 March 2018	31 March 2017
Fixed rate borrowings	1,04,698	1,09,221

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.

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 2018	31 March 2017
Total liabilities	2,19,611.77	2,14,215.26
Less : Cash and cash equivalent including deposit more than 12 month	(1,27,326.17)	(1,20,991.65)
Adjusted net debt	92,285.60	93,223.61
Total equity	1,63,621.93	1,58,650.47
Net debt to equity ratio	**0.56**	**0.59**

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 2018	31 March 2017
Equity Shares Final dividend for the year ended 31 March 2017 of INR 39.302 (31 March 2016 - INR 37.755) per fully paid shares	2,726.19	2,618.92
DDT on final dividend	554.99	533.15

Dividends not recognized at the end of the reporting period	**31 March 2018**	**31 March 2017**
In addition to the above, since year end the directors have recommended the payment of final dividend of INR 30.619 per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,865.35	2,726.19
DDT on proposed dividend	383.43	554.99

44 **Other Explanatory Notes to Accounts**

Commitment & Contingent Liabilities

(a) Commitment (INR IN LAKHS)

			31 March 2018	**31 March 2017**
(a)	(i)	Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda & HHEP, Burla	63706.25	63415.00
(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.	575.00	575.00
	(ii)	EPF & Sales Tax liability of UIHEP, Khatiguda	32.00	32.00
	(iii)	Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	6557.00	6557.00
	(iv)	Workman compensation pending before the Hon'ble High Court of Odisha. (CHEP)	6.00	6.00
	(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)	15.00	15.00
	(vi)	Entry Tax, appeal before the commission of commercial Taxes, Cuttack (BHEP).	1.00	1.00
	(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 INR 25 Crs. pledged for the BG of BWCCL in favour MOC, GoI.	1250.00	1250.00
	(ix)	(i) 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.	941.00	763.00
	(x)	(ii) Pending cases at High Court on account of refund of Income Tax for RM & U of Unit-I & II, HHEP, Burla.	357.00	357.00
	(xi)	Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 and 2015-16 & 2016-17 for an amount of INR 9.27 Crs. and 1261.00 Lakhs respectively.	-	2188.00
	(xii)	Corporate Guarantee for OCPL	6034.00	6034.00
		Grand Total	**79475.25**	**81194.00**

(b) Against the claim of INR 6557.00 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 Horn'ble High Court of Odisha vide W.P.(C)No.4011/2013. with Miscellaneous case No.3942 of 2013. The Horn'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 & spares partly not available due to theft, fire and shortages in both civil stores & Electrical Store Mukhiguda and Central Stores Khatiguda of Civil wing as per the stock verification report of MARP Associates., Bhubaneswar for the year ending 31.03.2018 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	17.08	-	**17.08**
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 31.03.2018 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,2018 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.

The outstanding Energy Charges of INR 27.38 lakhs of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2018 were issued on 09.04.2018 by Regd. post but confirmations were not received viz.

	INR IN LAKHS		INR IN LAKHS
E.E., Left Canal Divn.	4.43	SDO, BSNL,Nabarangpur	9.47
		SDO, BSNL,Dharamgarh	12.11
		SBI, Jaipatna	1.36
Total Receivable from DOWR:	4.43	Total Receivable from BSNL&Banks:	22.94

Out of the said outstanding, E.E. Left Canal Division has deposited INR 4.43 lakhs on 25.06.2018 and SBI Jaipatna has deposited INR 1.29 Lakhs in April, 2018.

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 2017-18 are as under:

Power stations	Actual sale of energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	1712.427	1942.38
RHEP, Rengali	738.1023	519.75
BHEP, Balimela	1447.8036	1171.17
UKHEP, Upper Kolab	657.122	823.68
HHEP, Burla	600.948	677.16
CHEP, Chiplima	214.51	485.1
Total	**5370.9129**	**5619.24**

B) As per the OERC tariff order dt. 23.03.2017, the tariff for the year 2017-18 for energy sold to GRIDCO is as follows.

Capacity charges	Name of Power Station (Paisa per Unit)	Energy charge Rate (INR in Crs.)
RHEP	59.101	30.718
UKHEP	27.872	22.958
BHEP	41.252	48.313
HHEP	72.36	48.999
UIHEP	38.748	75.263
CHEP	26.638	12.922
TOTAL		**239.173**

C) The sale of energy includes 16.521451 MU to CSPDCL @INR 1.9481 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 2016-17. 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 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, 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. 2017-18 was 27.923970 MU (Previous year 27.019627 MU).

49 During the year Electricity charges of INR 19.16 lakhs has been paid to SOUTHCO for 4 nos of Dam sites & INR 2.96 Lakhs paid to WESCO towards electricity charges for power consumed in Intake and Surge Gate up to 2/2018 by UIHEP, Mukhiguda and Electricity Charges of INR 3.63 lakhs paid to SOUTHCO by UIHEP, Khatiguda 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 Nil.

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 year end 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	Auxilliary consumption
CHEP	72.000	219.111	214.510	3.887	0.000	0.713
HHEP	275.500	614.069	600.948	9.942	0.000	3.719

RHEP	250.000	762.544	738.102	11.651	11.440	1.351
UKHEP	320.000	675.649	657.122	15.912	0.000	2.615
BHEP	510.000	1475.072	1447.804	16.439	5.093	5.737
UIHEP	600.000	1740.820	1712.427	19.450	5.888	3.055
GEDCOL	20.000	29.824	29.824	0.000	0.000	0.000
Total	2047.500	5517.089	5400.737	77.281	22.421	17.190
Previous year	1987.500	4460.220	4337.040	83.401	24.142	15.630

53 **Deposit with others**

(I) Mukhiguda

The Deposit with Others amounting INR 10.55 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.

(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	1994-95	40
28.03.1994	30	1994-98	0.03
31.03.1995	22	28.06.96	14.03
15.03.1996	12		
	104		**54.06**

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 INR44.41lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013.: (By Parent Company)

(INR In Lakhs.)

Year	2014-15	2015-16	2016-17	2017-18
Net profit before tax as per Section 198	4668.14	13862.22	14708.73	
Average profit for last 3 years	-	-	-	11,079.70
2% of average profit	-	-	-	221.59
Expenditure made during the year	-	-	-	276.82

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	276.82	-	276.82

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.5.44 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 and the same has been booked to CSR expenses as per the accounting policy. (GEDCOL)

(INR In Lakhs.)

Particulars	2014-15	2015-16	2016-17	2017-18
Net Profit Before Tax as per Section 198	77.24	55.13	684.04	
Average Profit for Last Three Years				**272.14**
2% of Average Profit				**5.44**
Expenditure made during the year				-

57 **Foreign currency transactions:**

	Particulars	2017-18 (INR in Lakhs)	2016-17 (INR In Lakhs.)
(a)	Payment made to consultants	16.18	3.42
(b)	Value of Imports calculated on CIF basis in respect of capital goods (HHEP, Burla € 21112.60 & $ 86506.60 and CHEP, Chiplima € 9659.40 & $ 70353.60)	-	775.21
	Total expenses	**NIL**	**775.21**

(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 31-03-2018	31-03-2017
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 31-03-2018	31-03-2017
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 31-03-2018	31-03-2017
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 Truest 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)

S.No	Name	Position Held
1	Sh Vishal Kumar Dev, IAS,	CMD w.e.f 26.07.2017
2	Sh Hemant Sharma, IAS,	CMD upto 25.07.2017
3	Sh Hemant Sharma, IAS,	Independent director w.e.f 26.07.2017

4	Sh Vijay Arora, IAS,	Independent Director upto 05.12.2017
5	Sh D K Jena, IAS,	Independent Director
6	Sh Pravakar Mohanty,	Director (Finance)& CFO
7	Sh S C Bhadra,	Independent Director
8	Sh R C Tripathy,	Independent Director
9	Mrs. Saveeta Mohanty,	Independent Director
10	Dr. Prabodha Kumar Mohanty,	Director (HRD) w.e.f 01.08.2017
11	Sh S.K Tripathy	Director (Operation)
12	Sh PK Lenka	Independent Director w.e.f 05.12.2017
13	Sh SP Rath	Independent Director w.e.f 23.11.2017
14	Sh Ak Parida	Independent Director w.e.f 05.12.2017
15	Sh Dronadeb Rath	Independent Director
16	Sh S. Nayak, OAS(SAG), Special Secretary, DoE, Department of Energy	Director HRD upto 31.07.2017
17	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- 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:

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 31.03.2018**	**For the Year ended 31.03.2017**
i) Short Term Employee Benefits	60.17	68.29
ii) Post-Employment Benefits	8.49	13.29
Other Transactions with KMP	**For the Year ended 31.03.2018**	**For the Year ended 31.03.2017**
Sitting Fees and other reimbursements to non-executive/Independent directors	4.12	7.30

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

Particulars	**For the Year ended 31.03.2018**	**For the Year ended 31.03.2017**
(I) Transaction with Government that has control over company (OHPC)-State Govt.		
Guarantee commission Due	0.05	7.03
Interest on Govt Loan Due	7,752.07	7,752.07
Loan Repaid	3,023.00	3,023.00
Guarantee commission Repaid	7.03	803.78
Loan Outstanding	1,03,104.90	1,06,127.90
(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)	**During the FY 2017-18**	**During the FY 2016-17**
Sale Of Goods (Electricity)	46,401.43	42,796.46
Service Received by the Company (SLDC)	142.96	151.93
Service Received by the Company (Rent)	77.13	69.43
Debtors Receivable	11,172.53	12,332.68
Debt Securitisation Receivable	1,00,661.19	61,900.00
(III) Transaction with Subsidiaries	**During the FY 2017-18**	**During the FY 2016-17**
Loan Given To GEDCOL	1,500.00	3,050.00
Loan amount Receivable from GEDCOL	4,550.00	3,050.00
Interest receivable for the year	322.97	116.84
Interest receivable as on reporting date	488.87	105.16

Fixed deposit pledged with Axis Bank towards performance Bank Guarantee on behalf of GEDCOL		600.00
Advance to others (Salary & Other Expenses paid for GEDCOL)	644.49	53.04
Receivable from GEDCOL on account of Advance to Others	752.59	108.10

(IV) Transaction with Joint Ventures

Fixed deposit pledged with Punjab and Sindh Bank towards margin money on behalf of BWCCL	2,500.00	2,500.00
Advance to others (Other Expenses paid for BWCCL)	1.71	
Receivable from BWCCL	1.71	0.05

(V) Transaction with Associates	**During the FY 2017-18**	**During the FY 2016-17**
Loan given to OCPL	2,000.00	5,100.00
Loan Repaid by OCPL	7,100.00	-
Interest receivable for the year	272.05	455.73
Fixed deposit pledged with Yes Bank towards margin money on behalf of OCPL	1,539.00	1,539.00
Corporate Guarantee	6,003.00	6,003.00
Receivable from OCPL	-	410.16

(V) Transaction with Trust created for Post employment Benefit plans of OHPC

		During the FY 2017-18	**During the FY 2016-17**
1.	**PF Trust**		
Contribution to Trusts		1,001.08	1,206.43
2.	**Gratuity Trust**		
	Contribution to Trusts	66.96	19.12
		2,846.84	
3.	**Rehabilitation Trust**		
	Contribution to Trusts	38.50	41.50
4.	**Employees Pension Trust**		
	Contribution to Trusts	5,733.06	3,405.22
	Payable to trust	1,142.83	-
	Total of transactions with above trusts	**6,839.59**	**4,672.27**

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 absorved 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. absorved in OHPC and own recruited employees, OHPC contributes matching employer contribution of 12% of Pay + GP +DA is deposited with RPFC and charged to P & L account.

(ii) Pension :

The employees of the corporation who have been permanently absorved 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 a 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 celling 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 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 + GP) 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
(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 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 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(INR IN LAKHS)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i)-(ii)
		2016-17	
Opening Balance as at 01.04.2016	**6,490.65**	**6,742.34**	**(251.69)**
Current Service Cost	273.42	-	273.42
Past Service Cost	-	-	-
Interest Expenses/ (Income)	519.25	539.39	(20.13)
Total Amount recognised in Profit or Loss	**792.67**	**539.39**	**253.29**
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	180.26		180.26

Experience (gains)/Losses	(356.85)	9.74	(366.59)
Total Amount recognised in Other Comprehensive Income	(176.59)	9.74	(186.33)
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(346.20)	(346.20)	-
Closing Balance as at 31.03.2017	**6,760.54**	**6,945.27**	**(184.73)**

(INR IN LAKHS)

Particulars	**Present Value of Obligation**	**Fair value of Plan Assets**	**Net Amount**
	(i)	**(ii)**	**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		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**

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

(INR IN LAKHS)

Particulars	**31 March 2018**	**31 March 2017**
Present Value of funded obligations	10,041.42	6,760.54

Fair value of Plan Assets	7,127.90	6,945.27
Deficit/(Surplus) of funded plans	**2,913.52**	**(184.73)**
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	**2,913.52**	**(184.73)**

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

(INR IN LAKHS)

		31 March 2018	31 March 2017
a)	**Impact of the change in discount rate**		
	Present Value of Obligation at the end of the period	10,041.42	**6,760.543**
	a) Impact due to increase of 0.50%	(233.58)	(180.30)
	b) Impact due to decrease of 0.50%	245.66	190.30
b)	**Impact of the change in salary increase**		
	Present Value of Obligation at the end of the period	**10,041**	**6760.54**
	a) Impact due to increase of 0.50%	182.39	190.30
	b) Impact due to decrease of 0.50%	(183.86)	(181.95)

(ii) **Pension:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(INR IN LAKHS)

Particulars	**Present Value of Obligation (i)**	**Fair value of Plan Assets (ii)**	**Net Amount iii=(i)-(ii)**
		2016-17	
Opening Balance as at 01.04.2016	26,713.60	34,216.57	(7,502.96)
Current Service Cost	714.17	-	714.17
Past Service Cost	-	-	-
Interest Expenses/ (Income)	2,110.37	2,703.11	(592.73)
Total Amount recognised in Profit or Loss	**2,824.55**	**2,703.11**	**121.44**
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	1,520.84	-	1,520.84
Experience (gains)/Losses	4,672.24	431.46	4,240.78

Total Amount recognised in Other Comprehensive Income	**6,193.08**	**431.46**	**5,761.62**
Contributions:-			
- Employers		3,405.22	3,405.22
- Plan participants			
Benefit payments	(5,449)	(5,449)	
Closing Balance as at 31.03.2017	**30,281.84**	**35,306.96**	**(5,025.13)**

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**

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

Particulars	**31 March 2018**	**31 March 2017**
Present Value of funded obligations	38,477.35	30,281.84
Fair value of Plan Assets	37,334.52	35,306.96
Deficit/(Surplus) of funded plans	**1,142.83**	**(5,025.13)**
Unfunded Plans	-	
Deficit/(Surplus) before asset ceiling	**1,142.83**	**(5,025.13)**

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 2018	31 March 2017
	Present Value of Obligation at the end of the period	32,214.63	30,281.84
a)	Impact due to increase of 0.50%	(2,518.81)	(1,938.25)
b)	Impact due to decrease of 0.50%	2,595.56	2,020.30

b) Impact of the change in salary increase

	Present Value of Obligation at the end of the period	**32,214.63**	**30,281.84**
a)	Impact due to increase of 0.50%	2,608.23	2,068.57
b)	Impact due to decrease of 0.50%	(2,527.55)	1,979.13

(iii) **Earned Leave :** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

Particulars	Present Value of Obligation	
	2017-18	2016-17
Opening Balance as at 01.04.2017	**6,277.24**	**5,724.30**
Current Service Cost	297.86	278.83
Past Service Cost		
Interest Expenses/ (Income)	470.79	457.94
(Gain)/loss from change in Demographic assumptions	3.43	
(Gain)/loss from change in financial assumptions	(19.89)	181.45
Experience (gains)/Losses	224.64	91.27
Total Amount recognised in Profit or Loss	**976.84**	**1,009.49**
Contributions:-		
- Employers		
- Plan participants		
Benefit payments	(545.49)	(456.54)
Closing Balance as at 31.03.2018	**6,708.59**	**6,277.24**

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 2018	31 March 2017
Present Value of Obligation at the end of the period	6,708.59	**6,277.24**

	a) Impact due to increase of 0.50%	(189.69)	(181.45)
	b) Impact due to decrease of 0.50%	200.88	192.22
b)	**Impact of the change in salary increase**		
	Present Value of Obligation at the end of the period	**6,708.59**	**6,277.24**
	a) Impact due to increase of 0.50%	200.98	192.22
	b) Impact due to decrease of 0.50%	(191.51)	(183.11)

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

(CA K K Chanduka)	**P K Mohanty**	**Pravakar Mohanty**	**Vishal Kumar Dev, IAS**
Partner	Company Secretary	Director (Finance) & CFO	CMD
ICAI M.No. 058790		DIN: 01756900	DIN: 01797521

Place : Bhubaneswar
Date : 11.09.2018

View from Valve House, Upper Indravati Power House