

18TH ANNUAL REPORT 2012-13



ODISHA HYDRO POWER CORPORATION LIMITED

(A Gold Rated State PSU)

JANPATH, BHOINAGAR, BHUBANESWAR - 751 022

Tel.: 0674-2542922, Fax : 0674-2542102, Gram : HYDROPOWER

Web site : www.ohpcltd.com, Email : ohpc.co@gmail.com / md@ohpcltd.com

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 & operate coal mines allocated jointly in favour of OHPC and other public sector undertakings by the Ministry of Coal, Govt of India.
- To improve productivity through effective planning and implementation of ERP system with development of robust & concurrent IT infrastructure.
- To professionalize the work force in line with the modern management / technical know how.

18th ANNUAL REPORT 2012-13

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BOARD OF DIRECTORS

P K Jena, IAS,
Chairman

Sahadev Khatua
Managing Director

C J Venugopal, IAS

Hemant Sharma, IAS

Rajesh Sharma
Director (HRD)

S K Sahu
Director (Finance)

D K Jena

Prof Devadutta Das

S C Bhadra

S K Jena

R C Tripathy

A K Mishra
CGM (El) & Director (Operation) I/C

Company Secretary
P K Mohanty

BANKERS

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

COST AUDITORS

Niran & Co
Cost Accountants

STATUTORY AUDITORS

GRC & Associates
Chartered Accountants

BRANCH AUDITORS

M/s H Naik & Co
Chartered Accountants

M/s K Panigrahi & Associates
Chartered Accountants

M/s Mishra, Badhai & Associates
Chartered Accountants

Tripathy & Co
Chartered Accountants

M/s G Ram & Co
Chartered Accountants

Bhawani Sankar Mohapatra & Co
Chartered Accountants

CHAIRMAN'S SPEECH

Dear Shareholders,

At the outset, I extend a warm welcome to all of you for attending the 18th Annual General Meeting of the company. I am pleased to present the 18th Annual report of your company for the Financial Year 2012-13.

Your company has achieved an aggregate turnover of ₹ 445.58 crores including income from other sources as against 460.40 crores for the previous year 2011-12. Gross profit before depreciation is ₹ 195.63 crores as against ₹ 235.71 crores for the previous year 2011-12. The depreciation for the year is ₹ 124.10 crores. The company has earned a net profit of ₹ 47.13 crores.

The installed power generating capacity in the country as on 31st March, 2013 was about 1,99,627 MW excluding the captive generating capacity of 19,509 MW connected to the Grid. The share of hydro power however remained at 38,990 MW (19.5%). Power generation in the financial year 2011-12 was about 876 billion units out of which hydro power constituted 130 billion units (15%). The installed capacity of hydro power of the Eastern Region was 3882 MW. The installed capacity of OHPC is 2062 MW, which is 53.1% hydro power generating capacity of the Eastern Region. The total generation during the year is 4242.273 MU as against 4971.906 MU of the previous year. The power stations achieved an overall plant availability factor (PAF) of 83.37% for the year against OERC target of 83.35%. In the years to come OHPC hopes that Hydro Electricity Generation manifolds its role and resolves States Agricultural, Industrial and house hold power requirement to a large extent.

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 ₹ 14,14,02,087/- for the FY 2012-13.

Your company has been signing Memorandum of Understanding (MoU) with Deptt. of Energy, Govt. of Odisha for every year from 2011-12 onwards. Based on the performance made by your company during the year 2011-12, PE Deptt, GoO has evaluated the performance of the company against MOU as “Excellent”.

To successfully streamline and constantly sustain the annual demand for power and growth, OHPC has taken some effective initiatives. Your company has adopted renovation, modernization & up rating (R, M&U) of the old units of various power stations located at the different units.

Odisha Thermal Power Corporation Ltd (OTPC) has been incorporated in JV mode with Odisha Mining Corporation Ltd to develop a coal based Thermal Power project with capacity of 3x800 MW using super critical technology. The project implementation work is under progress. Similarly Green Energy Development Corporation of Odisha Ltd (GEDCOL) has been incorporated as a wholly owned subsidiary of your company

on 18.04.2013 in pursuance to the notification no.2296 dtd 15.03.2013 of Deptt. of Energy, Govt. of Odisha to promote investment in renewable energy projects and various green energy sources and to develop and execute special renewable projects on commercial and/or demonstration basis. GEDCOL has been declared as nodal agency for development of on-grid solar energy projects in the State of Odisha by DoE, GoO on 22.08.2013. A Financial Advisory services agreement has been executed between GEDCOL and International Finance Corporation (IFC) on 02.09.2013 for development of roof-top on grid power project at Cuttack & Bhubaneswar with installed capacity of 5MW.

It has been another year of excellent performance for your company. It is making progress on all its activities and has been appreciated by many. OHPC has been conferred with the Excellency award by Institute of Economic Studies, New Delhi on 18.12.2013.

Your company continues to take up community development centers in its areas of operation. The hospitals, school, colleges run by your company cater free out-patient treatment, free education to the general public/ students.

Your company continues its emphasis on occupational health and safety to all the employees working in its power station by making all-out efforts to prevent all type of accident.

During the year, medical checkup were carried out and medicines provided at the companies Health Checkup Camps organized at the Corporate Office and Unit level to the general public. The company is also running the schools for children education.

Employees' relation in your company continued to be marked with industrial harmony and mutual trust.

I express my sincere thanks and gratitude to all my colleagues on the Board for their valuable advice and guidance in managing the affairs of the Corporation.

I am thank full for the whole hearted support received from various departments of Central and State Governments, Public Sector Undertakings, Bankers, Financial Institutions and other agencies.

I acknowledge the hard work and dedicated efforts putting by the employees at all levels that have made your company to maintain as the Gold Rated PSU from the period of its inceptions.

Place: Bhubaneswar
Date:28.09.2013

P K Jena, IAS
Chairman

DIRECTORS' REPORT

To
The Members,
Odisha Hydro Power Corporation Ltd.,
Bhubaneswar.

Your Directors have great pleasure in presenting the 18th Annual Report of your company together with the Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL HIGHLIGHTS

SI No.	PARTICULARS	₹ in Crores	
		2012-13	2011-12
a)	Revenue from Operations	353.12	358.68
b)	Other Income	92.46	101.72
c)	Total Revenue (a + b)	445.58	460.40
d)	Operational & other expenses (including prior year adjustments & exceptional items)	249.95	224.69
e)	Profit before Depreciation & Amortization, Finance cost & Tax (c-d)	195.63	235.71
f)	Profit after Depreciation & amortization	124.10	123.10
g)	Profit after Depreciation & amortization & finance cost & Tax (e-f)	71.53	112.61
h)	Finance Cost	12.61	17.01
i)	Profit after Depreciation & amortization & finance cost before tax (g-h)	58.92	95.60
j)	Tax	11.79	19.30
k)	Profit after tax (i - j)	47.13	76.30
l)	Surplus of profit & loss brought forward including reversal of dividend	531.92	478.17
m)	Balance available for appropriations	579.05	554.47
n)	Less- Appropriations:		
o)	Proposed Dividend	14.14	-
p)	Tax on Proposed Dividend	2.29	-
q)	Balance carried forward {m - (o + p)} (forming part of Note 3- Reserve & Surplus)	562.62	554.47

2. REVIEW OF OPERATION

Gross Revenue (including income from other sources) during the year under review is ₹ 445.58 crores as against ₹ 460.40 crores in the previous year 2011-12. The Company earned profit before tax of ₹ 58.92 crores for the Financial Year 2012-13 as against ₹ 95.60 crores for the last year. The profit after tax for the year 2012-13 is ₹ 47.13 crores. The Corresponding expenditure during 2012-13 & 2011-12 are ₹ 386.66 crores & ₹ 364.80 crores respectively.

During the year, the power stations of your Company generated 4242.273 MU of electricity as against generation of 4971.906 MU in the last year.

3. MACHKUND JOINT PROJECT

Machkund is a joint Project of the Govt of Odisha and the Govt of Andhra Pradesh. The management of Odisha share in the Project was transferred to OHPC on 01.04.1997. The 30% share in the O&M costs and the cost of power drawn beyond the 30% share are collected from GRIDCO and remitted to APGENCO. And, therefore the annual accounts of OHPC do not reflect the financial results of this joint Project.

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 ₹ 14,14,02,087/- for the FY 2012-13.

5. TARIFF STRUCTURE

The tariff of OHPC power stations is based on CERC (Terms and conditions of Tariff) Regulations, 2009 along with the corrective measures of the State Govt.

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

- (i) The effect of up-valuation of old hydro power stations (₹ 766.20 crores) on the tariff has been kept in abeyance.
- (ii) Interest on debt servicing of the State Govt is kept in abeyance.
- (iii) Return on Equity (RoE) is not allowed in respect of the assets of old power stations transferred to OHPC on 01.04.1996.
- (iv) Depreciation is calculated at pre-1992 norms of GoI. However, it covers principal repayments due for payment during the year.

OHPC provides the cheapest power and meets the peak load requirement of the State Grid. There has been very nominal increase in the hydro tariff fixed by OERC during last 13 (thirteen) years. Such a regulated tariff regime has put severe restrictions on OHPC to improve on its financial position, which can show considerable improvement once its tariff is liberised from the above said restrictions.



Handing over of the Cheque to the Hon'ble Chief Minister, Odisha towards contribution of OHPC to Chief Minister's Relief Fund (Cyclone-2013)



Plantation of sapling by Managing Director on World Environment Day-2013 in Training Centre, OHPC Ltd.

6. 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. Tender has been invited and technical bid evaluation is under process for DPR preparation for Pumped Storage Scheme at UIHEP. In order to develop Coal block allotted to your company through government dispensation route by Ministry of coal, Govt. of India on sharing basis, a JV company has been incorporated. The information on Subsidiary and JV companies along with details of partners of joint ventures along with present status is given below :

Name of the Company	JV Partner(s) / Subsidiary	Details with present status
OTPC (Odisha Thermal Power Corporation Ltd)	Odisha Mining Corporation Ltd (OMC).	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 800 MW capacities at Kamakhyanagar in the District Dhenkanal. The land acquisition process, work relating to Forest Diversion proposal & environmental clearances etc is under progress.
BWCCL (Baitarni West Coal Company Ltd)	Kerala State Electricity Board (KSEB), Gujarat Power Corporation Ltd (GPCL)	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. A JV Company namely Baitarni West Coal Company Ltd has been incorporated by the three allocatees in April, 2008. The Ministry of Coal had de-allocated the coal block on 10.12.2012 in favour of the three allottees. The Hon'ble High Court of Orissa has passed an order not to allocate the coal block to any third party without leave of the Hon'ble Court.
GEDCOL (Green Energy Development Corporation of Odisha Ltd)	Wholly Owned Subsidiary of OHPC	In pursuance to the notification no.2296 dtd 15.03.2013 issued by Deptt. of Energy, Govt. of Odisha, GEDCOL has been incorporated on 18.04.2013 to promote investment in renewable energy projects and various green energy sources and to develop and execute special renewable projects on commercial and/ or demonstration basis. GEDCOL has been declared as nodal agency for development of on-grid solar energy

projects in the State of Odisha by DoE, GoO on 22.08.2013.

A Financial Advisory services agreement has been executed between GEDCOL and International Finance Corporation (IFC) on 02.09.2013 for development of roof-top on grid power project at Cuttack & Bhubaneswar with installed capacity of 5MW.

In addition, OHPC is likely to sign a Memorandum of Understanding (MoU) with NHPC to set up a JV company to explore the untapped Hydro resources of the state to generate Hydro powers.

7. RENOVATION & MODERNISATION

- (i) Renovation & Modernization of unit-I, RHEP, Rengali which was started since 25th Nov, 2009 has been commissioned in May, 2012.
- (ii) The tendering of R&M works of unit-5&6, HHEP, Burla, is under progress.
- (iii) Tendering for the R&M of Unit-3 Chiplima Power House is under process.
- (iv) The tender process for renovation & modernization of six units of BHEP, Balimela are under process.

8. HUMAN RESOURCES

(a) Man Power

Your highly motivated and competent human resource that has contributed its best to bring the company to make it as one of the gold rated PSU of the State.

The attrition rate of the OHPC executives (including Executive Trainees) during the year was very minimal. Communication meetings with unions and associations were conducted at Units and corporate level during the year.

(b) Training & Development

The Management provides continuous emphasis on manpower training and development activities. Refresher training to executives and non-executives of the power plants is being imparted at the OHPC training centre, an Institute recognized by the CEA. Employees are also sponsored for training conducted by reputed outside agencies. Seminars and workshops are being organized in-house for all categories of employees to keep them updated in the related areas.

(c) Industrial Relations

Industrial relations remained cordial and harmonious.

9. CAPITAL STRUCTURE

The authorized share capital of the Company is ₹ 1000 crores comprising one crore equity shares of ₹ 1000/- each. During the year, the capital structure of your company remained unchanged with the present paid up equity share capital of ₹ 320.80 crores.

10. RIGHT TO INFORMATION

Your company 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 Public Information Officer (PIO), an Appellate Authority and APIO at all units and Corporate Office of OHPC.

11. INFORMATION TECHNOLOGY AND COMMUNICATION

Your company has implemented Videoconferencing (VC) facility; which is widely used for deliberations among all the units. In order to improve upon efficiency and bringing transparency, OHPC tender website www.ohpctender.com is being regularly used for publishing all open tenders on the internet. Online intranet portal has been developed for the use of the employees of the company pertaining to Rules, policies, regulations, circulars, office orders, inventory reports etc. The retired employees can download the employee benefit forms from the official website of the company. E- Procurement works with value of more than ₹ 10 Lakhs will be started shortly. Office Automation package has been developed for movement of official files.

OHPC has also taken initiative to implement an Enterprise Resource Planning (ERP) package covering maximum possible processes across the organization.

Efforts are being made to take care of RTI, Assembly questions Management, legal system etc. through IT implementation.

12. VIGILANCE

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

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

13. PR INITIATIVES

Achievements of your company were duly highlighted through print and electronic media to project OHPC as a leading State PSU of the State. OHPC participated in



Seminar at Corporate Office during observance of Vigilance Awareness Week, 2013.

exhibitions organized by different agencies at different level. OHPC also participated in sports activities under the aegis of Power Sports of the State from time to time.

OHPC had organized a two days International Seminar on Hydro Power and Sustainable development on 21.02.2013 and 22.02.2013 in Bhubaneswar; which was a first of its kind in the state of Odisha. Experts from Austria, Singapore, Mexico, Russia, UK, Bhutan & India attended the Seminar.

14. 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 for every year from 2011-12 onwards. Based on the performance made by your company during the year 2011-12, PE Deptt, GoO has evaluated the performance of the company against MOU as "Excellent" for the Year 2011-12.



Health Checkup Camp at K.S M.E School, Upper Kolab

15. AWARDS AND RECOGNITION

OHPC has been conferred with the Excellency award by Institute of Economic Studies, New Delhi on 18.12.2012.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

OHPC is quite sensible in taking up CSR initiatives & integrating them in its business processes. It has a range of CSR activities aimed at the development & welfare of the local population around its power stations mostly located in remote areas of the State. It offers education facilities by running and extending financial assistance to a number of schools, providing financial assistance to local colleges and sanctioning scholarships to meritorious students. It provides health care by maintaining project hospitals, engaging doctors & para medical staffs and supplying medicines & testing equipments. It provides funds to the local administration for various development works & for the promotion of art & culture. It supports a number of community activities, endorses events, sports & organizes training & awareness programmes. It contributes substantially to the relief funds during natural disasters.

17. GOLD RATED PSU

Based on categorization parameters, the State Govt in Public Enterprises Department have categorized OHPC under Gold rated PSU and delegated powers in select areas to the Board of Directors based on the assigned category.

18. 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 management system comprising of quality, environment and occupation health-cum-safety was launched successfully across the entire organization in the current year 2012-13 leading to award of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 to the Corporation.

19. RESERVATION FOR SC/ST/SEBC

Your company follows the provisions of ORV Act, 1975 and Rules framed there under relating to reservation of post for SC/ST/SEBC in service as per the directives issued from time to time for recruitment and promotion of employees. During the Departmental Promotion Committee meeting of the Non - Executives and Executives up to the rank of E-3, invitation is made to SC/ST Deptt. and their representatives are remained present during the DPC meeting.



Signing of MoU for the year 2013-14 between OHPC Ltd. & Department of Energy

20. CHANGES IN THE BOARD OF DIRECTORS

The following changes have taken place in the Board of Directors since the last report.

Appointments :

Shri Hemant Sharma, IAS has been appointed as Director, OHPC w.e.f. 02.08.2013

Cessation :

Shri D K Singh, IAS ceased to be Director of the Company w.e.f, 02.08.2013.

The Board of Directors places on record its deep appreciation of the valuable services rendered/advice and guidance provided by Shri D.K. Singh, IAS during his tenure as Director of the company.

21. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, Your Directors confirm that :

- (i) In the preparation of the annual accounts for the Financial Year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors had prepared the Annual Accounts on a going concern basis.

22. AUDIT COMMITTEE

As on 31st March, 2013, the composition of Audit Committee consists of Sh S C Bhadra, Independent Director as Chairman along with one independent Director Sh S K Jena & Sh D K Jena as Govt. nominee and Director (Operation) as the other Members.

Six meetings of the Audit Committee were held during the year 2012-13 for review of the accounts, report of the auditors, cost audit report and internal audit observations.

23. AUDITORS

M/s. GRC & Associates, Chartered Accountants, Bhubaneswar was appointed as the Statutory Auditors of the Company and 6 (six) Chartered Accountant firms were appointed as Branch Auditors for the hydro power stations by the C&AG for the year 2012-13.

24. AUDITORS' REPORTS

The Report of the Statutory Auditors and comments of the C&AG on the accounts of the Company for the year 2012-13 and the replies of the Management to the report / comments of the Auditors are enclosed to this report.

25. COST AUDIT

Pursuant to the Central Government directions to audit "Cost Accounting records" as maintained by the company, M/s Niran & Co, Cost Accountants, Bhubaneswar have been appointed as the Cost Auditors of the Company for the year 2012-13 to conduct the audit of cost accounting records of all the Units with the approval of Ministry of Corporate Affairs.

26. PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

NIL

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) Rules, 1998 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo (Annexure-I) is attached to this report.

28. CORPORATE GOVERNANCE

OHPC ensures compliance of the Corporate Governance Manual issued by the State Govt, Department of Public Enterprises and maintains transparency in all its business transactions. A report on the Corporate Governance (Annexure-II) is also attached to this report.

29. ACKNOWLEDGEMENTS

The Board of Directors acknowledges with deep appreciation the co-operation and guidance received from the Govt of India in particular the Ministry of Power, Govt of Odisha in particular Deptt. of Energy, Finance, PE and SC & ST Deptt, CEA, GRIDCO, OPTCL, SLDC, ERPC, POSOCO, PGCIL, PFC, CERC, OERC, Bankers and other associated organizations. The Board expresses their 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 for their valued 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 continuance of mutual support and co-operation in future as well.



Distribution of Mat & Umbrella among the villagers of Patiguda, Talgud, Kuriguma, Mukhigada & Mahipani by UIHEP Ladies Welfare Society.

FOR AND ON BEHALF OF THE BOARD

Bhubaneswar
Date : 28.09.2013

P K JENA, IAS
CHAIRMAN



Hon'ble Chief Minister, Odisha S.J. Naveen Patnaik lighting the Lamp during the inauguration of International Seminar.



International Seminar on Hydro Power & Sustainable Development organised by OHPC held on 21st & 22nd February, 2013 at Bhubaneswar.



Hon'ble Chief Minister Sj. Naveen Patnaik
addressing the International Seminar.



Hon'ble Minister, Energy Shri Arun Kumar Sahu,
addressing the gathering in the inaugural session of International Seminar.



Shri P K Jena, IAS, Commissioner-cum-Secretary, Department of Energy & Chairman OHPC delivering welcome address in the International Seminar.



Er. Sahadev Khatua, Managing Director, OHPC giving the Vote of Thanks in the International Seminar.

ANNEXURE-I TO DIRECTORS' REPORT

PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST MARCH, 2013.

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; which are scrutinized by OHPC.

(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.

B. TECHNOLOGY ABSORPTION

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2012-13

		(Rs. in lakhs)	
		2012-13	2011-12
(a)	Earnings in Foreign Currency	Nil	Nil
(b)	Foreign Exchange Outgo :		
	(i) Value of imports calculated on CIF basis for capital good and spare parts.	Nil	Nil
	(ii) Expenditure in foreign currency for foreign visits.	Nil	Nil
	(iii) Expenditure incurred in foreign Currency for Payments of Consultants	19.32	Nil

ANNEXURE-II TO THE DIRECTORS' REPORT

Corporate Governance

As a Government Company and good corporate entity, the company is committed to sound corporate practices based on professionalism and accountability paving the way to building to achieve sustainable long term growth and profitability. A brief report on Corporate Governance which is given below:

A. Company's philosophy on code of Corporate Governance.

Corporate Governance is the system by which companies are directed and managed. It elucidated the processes for setting up and achieving the objectives of the organization, maximizing performance and optimizing risk. Good corporate governance practices enable organizations to create value, improve accountability and develop internal controls to safeguard the integrity of their business processes.

The company is a non listed Government company. The provisions of Corporate Governance as per listing agreement do not apply to the company. However as per the Corporate Governance Manual issued by the Government of Odisha in Department of Public Enterprises for the State PSUs, your company has implemented the provisions of the Corporate Governance Manual in order to improve the functioning of the company. In addition, your company also follows the Corporate Governance Voluntary Guidelines-2009 issued by the Ministry of Corporate Affairs, Government of India.

B. Board of Directors

(i) Composition and category of Directors.

OHPC is a Government company as per the entire paid-up share capital of the company is held by the Government of Odisha.

The Board of Directors, appointed by the Governor of Odisha, has an appropriate mix of executives represented by Functional Directors and Non-Executive Directors represented by Government nominees and Independent Directors to maintain the Independence of the Board and to separate the Board functions of Management and Control.

(ii) Independent Director's compensation and disclosures.

OHPC being Gold rated State PSU, the Board of Directors in its meeting held on 18.01.2012, decided to pay the following sitting fees to the Independent Directors.

Sl. No	Meeting	Amount (In ₹)
(i)	Board meeting	8000/- per day
(ii)	Committee meeting	8000/- per day

(iii) Meetings:

5(five) Board meetings were held during the year on 24.04.2012, 27.06.2012, 27.08.2012, 12.11.2012, 26.03.2013.

The meetings of the Board are normally held at the registered office of the company and are scheduled well in advance. Notices of each meeting were given in writing to each Director by the Company Secretary in consultation with Chairman and Managing Director. In case of urgency resolutions are passed by circulation.

Senior Management Personnel remained present at the Board meetings when called for to provide additional inputs on the items considered by the Board at its meetings. The Board agenda is circulated to the Directors in advance.

It has always been the Companies Policy and practice that apart from matters requiring the Boards approval by statute, all major decisions of the company as a whole are regularly placed before the Board.

(iv) General body meetings

The venue, date and time when the 3(three) Annual General Meetings of the company held are given below :

Financial year	Venue	Date	Time
2009-10	Registered Office	25.09.2010	3.45 PM
2010-11	Registered Office	20.09.2011	4.30 PM
2011-12	Registered Office	29.09.2012	3.30 PM

(c) Committees of the Board of Directors

The Board has constituted the following committees:

1. Audit Committee
2. Human Resources Committee
3. Technical Committee

1. Audit Committee:

The committee comprises 4(four) Directors, 3(three) of whom including the Chairman of the Committee are Independent Directors. Sh. S.C. Bhadra (Chairman of the Committee w.e.f. 06.08.2010), Sh. D.K. Jena (w.e.f 28.09.2012), Sh. S.K. Jena (w.e.f. 28.09.2012) and Director (Operation), OHPC are the members of the Committee as on 31.03.2013. The Company Secretary acts as the Secretary to the committee.

The Managing Director and Director (Finance) are invitees in all the meetings of the Committee. The Statutory Auditors and Cost Auditors of the Company are also invited to the Audit Committee meetings.

2. Human Resources Committee

The Human Resources Committee comprises the Managing Director (Chairman of the Committee), Director (HRD), Director (Finance) and 3(three) Independent Directors namely Sh. S.C. Bhadra, Sh. S.K. Jena and Sh. R.C. Tripathy.

3. Technical Committee of Board.

The Committee of Directors on technical matters has been constituted having 2 (two) Functional Directors and 2(two) Independent Directors in the aforesaid committee on case to case basis.

**Comments of the Comptroller and Auditor General of India
under section 619(4) of the Companies Act, 1956 on the accounts of
Odisha Hydro Power Corporation Limited for the year ended 31st March 2013.**

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31st March, 2013 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 06 August 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers 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 matters under section 619 (4) of the Companies Act, 1956 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
01	<p>Comments on profitability: Statement of Profit & Loss Expenses Repair and Maintenance Expenses (Note No.24): ₹ 44.10 crs, R & M to Dam maintenance - ₹ 20.83 crs.</p> <p>The above has been understated by ₹ 7.98 crore due to non-provision of differential dam maintenance charge claimed by DOWR for the period 1996-97 to 2012-13. This has resulted in overstatement of Reserves and surplus to the same amount.</p>	<p>OHPC has provided ₹ 26.64 Crs. towards repair maintenance of Balimela Dam Project in the books of accounts from 1996-97 to 2012-13 against the proposed figure of ₹ 16.23 Crs stated by audit. Out of ₹ 26.64 Crs, the proportionate share of ₹ 15.86 Crs relating to Balimela has been adjusted against dues payable to OHPC (₹ 75 Crs) by DoWR on account of transfer scheme. The balance amount of ₹ 10.78 Crs (₹ 26.64 - ₹ 15.86) payable to DoWR is shown</p>

		under provision for Dam maintenance (₹ 8.25 Crs) and under Others payable (₹ 2.53 Crs). Thus there is no overstatement of Reserves and Surplus.
02	Other Income (Note 23): ₹ 92.46 crore	
	The above is understated by ₹ 50.85 crore (₹ 22.76 crore for 2011-12 and ₹ 28.09 crore for 2012-13) due to non-accounting of the interest up to 31st March 2013 as receivable on the outstanding energy bills. This has resulted in corresponding understatement of trade receivables and Reserve and Surplus by the same amount.	<p>In Indian Power Sector the Delayed Payment Surcharge (DPS) and interest in lieu of the same is accounted for on cash basis as the power Sector is under regulatory regime.</p> <p>The Annual Revenue Requirement (ARR) of OHPC approved by the regulatory commission (OERC) is without considering the DPS/ Interest in lieu of DPS for 2012-13 on which the Energy Charges & the Capacity Charges have been derived. Once the interest payment is received by OHPC, the same shall be deducted from the future ARR and accordingly the tariff of OHPC shall be determined. Further execution of securitization agreement with GRIDCO is under process. Therefore DPS/ Interest on the receivables has not been considered in the accounts as per AS-9 since there is uncertainty in collection of said DPS/ Interest.</p>
03	The above is understated by ₹ 0.81 crore due to non-booking of energy charges bill raised on the Department of Water Resources (DOWR) related to Upper Indravati Hydro Electric Project (UIHEP) (₹ 0.60 crore), on BSNL (₹ 0.20 crore) and on SBI for (₹ 0.01 crore) for 2012 13. This has resulted in understatement of trade receivable and profit by ₹ 0.81 crore each.	The revenue on account of electricity charges billed on W.R Department and BSNL are recognized on cash basis consistently as disclosed in the accounts vide Para 6.9 of Note -1.
04	Prior Year Adjustments (Note 28) Prior Period Expenses (net) ₹ 0.02 crore	
	The above is understated by ₹ 21.28 crore due to non-provision of the liability based on	State Govt. notification with regard to the method of calculation and payment of

actuarial valuation towards differential pension payable to 231 employees transferred from Govt. and subsequently absorbed in the Company. This has also resulted in understatement of non-current Liabilities and profit from continuing operation by the same amount.

differential pension liability is yet to be issued. However, based on the minutes of discussion dated 16.08.2010 in the DOE, OHPC had claimed the differential liability amounting to ₹ 21.28 crs. in the Annual Revenue Requirement for the year 2011-12 to have a in principle approval of OERC.

The OERC in its tariff order dated 18.03.2011 agreed in principle to pass the differential liability. But unless and until the State Govt. notifies the proposal, OHPC is unable to make the provision in its book of account. Further the yearly liabilities on account of the differential pension shall be accounted for in the accounts and simultaneously claimed in the tariff after the State Govt. notification is issued along with the modalities of implementation.

However this liability to be discharged over a number of years in future and is disclosed under contingent liabilities in Note- 41.

B
Comments on Financial Position :
Balance Sheet
Equity & Liabilities
Non-current Liabilities
Long-term Provisions (Note 6) :
₹ 115.89crore

05 The above is understated by ₹ 2.09crore due to non- provision of liability towards peripheral development upto 2012-13. This has resulted in understatement of prior year adjustments expenses (net) ₹ 1.64 crore and profit for the year by ₹ 0.45 crore and overstatement of profit from continuing operation by ₹ 2.09 crore.

The Board approved the policy for sanction of funds for peripheral development of the Hydro generating units vide item No.74/6(d) of the 74th meeting of the Board held on 22.02.2006, according to which 1% of the profit of the preceding year is earmarked as the ceiling for peripheral development works in a year.

The policy guideline prescribes the modalities for sanctioning funds for the peripheral development works.

It may be mentioned that no provision is made in the accounts towards any peripheral development works. Only on receipt of the proposals from the district administration, prior

		<p>approval of the Board is taken before the sanction and release of funds in favour of the district administration. Further, it may be mentioned that provision of liability towards peripheral development in the accounts without actual expenditure may not be allowed by Income tax authorities which may create taxation problem in futures years.</p> <p>So as an accounting practice consistently followed, when the funds are released, it is kept under advance. On receipt of the utilization certificates, the same is booked to expenditure.</p>
06	Other Current Liabilities (Note 9) : ₹ 133.55 crore	
	<p>The above is understated by ₹ 4.90 crore due to non-provision towards license fee payable to Department of Water Resources (DOWR) Government of Odisha. This has resulted in understatement of receivables from GRIDCO by the same amount.</p>	<p>As per notification No.1571 dated 01.10.2010 issued by Revenue and Disaster Management Department, there is no requirement of signing of any agreement between OHPC and DoWR.</p> <p>Accordingly, based on the clause No.2 (ii) of the schedule-11 of the above mentioned notification, OHPC has been paying water cess to DoWR for water used for Hydro Power Generation. Therefore the Drawl of water and allocation of water which ever is higher is not applicable to OHPC.</p> <p>Thus there is no understatement of receivable from GRIDCO towards license fee payable to DoWR.</p>
C	Comments on Disclosures	
07	<p>The company has neither accounted for nor disclosed the compensation amounting to ₹ 81.37crore for the period 2004-05 to 2012-13 towards generation loss receivable from the Industrial units in the state for utilization of water from Reservoirs as per High Court direction (March 2012)</p>	<p>Although the direction of Hon'ble Odisha High Court provides OHPC to raise the bill towards compensation for loss of energy on account of Industrial water consumption from the reservoirs, OHPC is yet to be authorized by Govt. of Odisha.</p> <p>After issue of execution Notification by the DoWR, the supplementary agreement to the main agreement between DoWR and the Industries shall be executed by the OHPC and</p>

		<p>the industry concerned separately.</p> <p>Further the OHPC in principle decided to account for the transaction on cash basis consistently as the Income on cash basis so derived shall be passed on to the state consumers through the ARR of OHPC.</p> <p>Thus there would be no impact on the profitability of OHPC.</p>
08	Pursuant to Court Order, the BOD of the Company had decided (20 September 2011) to extend pensionary benefit to non-pensionary category employees with effect from 01 April 1996 subject to approval of the State Government and that of OERC for passing on the implication in tariff. Pending approval of the state Government and OERC the monetary implication of ₹ 68.00 crore (around 4 crore per annum) upto March 2013 under the scheme should have been disclosed.	<p>The Board of Directors in the meeting held on 20th Sept'2011 has in principle approved the Uniform Pension Scheme. Government approval for the same was received from DOE on 11.07.2012 & accordingly notification was published on 06.09.2012 seeking options from the employees to come over to OHPC Pension Scheme. As per the scheme, an employee opting to Uniform Pension Scheme will continue to be covered under RPFC till the date of retirement. Some of the employees have submitted their option to come over to OHPC uniform pension scheme and some employees are yet to submit their option. So the date for submission of option is again extended up to 31st Oct.2013. The liability for provision towards pension of those employees will arise only when</p> <ol style="list-style-type: none"> Their option is accepted by the management. They refund all the employer's share of EPF along with accrued interest at the time of retirement to OHPC. In the above context, it may be noted that OHPC has already made pension provision for two retired employees as they have fulfilled the above criteria. So the provision for pension of remaining employees (covered under EPF scheme) shall be made as and when they fulfill the above criteria. <p>Hence, the disclosure is not required.</p>
09	Pursuant to letter (May-2012) of Power System Operation Corporation Limited	The issues of System Operation Charges (SOC) & Market Operation Charges (MOC) have been

(POSOCO), the company has not been considered as the user of Eastern region Load Dispatch Center (ERLDC) System for supply of power from Hirakud Power Station to Chhatisgarh State Power Distribution Corporation Limited and accordingly POSOCO stopped w.e.f. 01.04.2012 billing the company towards System Operation Charges (SOC) and Market Operation Charges (MOC). As there is no specific orders or waiver of SOC and MOC charges relating to the earlier period, company should have disclosed the liability of ₹ 1.42 crore for the period 2009-10 to 2011-12 (December 2011) as demanded.

resolved by ERLDC and OHPC is not liable to bear such charges as it is not the user of the power dispatched through the inter state grid.

Accordingly, from April 2012 POSOCO stopped billing to HPCS on account of SOC / MOC. Since HPS is not considered as the user of ERLDC system as communicated in the letter No. 636-354 dt.01.05.2012 of POSOCO. Earlier bills to HPS, Burla towards SOC / MOC for the financial year 2009-10 & 2010-11 have no bearing on OHPC as the name of HPS, Burla is deleted from the user list of ERLDC. Therefore the claim of ₹ 1.42 crore by POSOCO is not payable by OHPC. So this amount is neither provided in accounts nor disclosed.

10 Contingent Liabilities (Note-41)

The above is understated by ₹ 3828.33 crore being the amount due for payment towards water tax for drawal of water by the Company during 1996-97 to 2010-11 (up to October 2010) in respect of Rengali, Burla and Upper Kolab Hydro Electric Project (UKHEP), Barniput Dam Division. Since the Government has not exempted the water tax payable by the Company till date, the same should have been disclosed under Contingent Liabilities.

Prior to formation of OHPC the Hydro generating stations were operated by Department of Energy and OSEB where no Water Cess / tax were imposed by Govt.

After formation of OHPC, DoWR served demand notice to OHPC for payment of license fee towards volumetric use of water for generation of power.

In the meantime to review the power sector Reform in Odisha, Govt. of Odisha had constituted a Committee of Independent Experts vide notification dated 30.05.2001. The Expert Committee suggested some corrective measures to turn around the power sector which inter alia includes exemption of water cess / tax on Hydro generation. Accordingly Govt. of Odisha took the approval of Cabinet and notified vide Clause XIV of Notification No. 1068 dtd. 29.01.2003. The said clause specified that "Govt. would exempt water cess on the volume of water used by OHPC by generation of electricity".

Based on such notification Hon'ble OERC did not consider the water cess/tax as imposed by DoWR in the Annual Revenue Requirement of

OHPC and hence the tariff of OHPC for sale of power to Gridco is computed without considering the water cess/tax is an element of cost upto 30.09.2010.

Thus, the water cess/tax claimed by DoWR to OHPC is not payable upto 30.09.2010.

However, the water cess @ one paise per Kwh is payable w.e.f. 01.10.2010 based on notification No. OHPC/HQ/FW/AC-. 1571 dated 1.10.2010, this cost has been clearly considered by OHPC in the books of accounts. Hence, disclosure under contingent liability is not required.

For and on Behalf of
the Comptroller and Auditor General of India

For and on behalf of Board

Place: Bhubaneswar
Date: 26.09.2013

Sd/-
(S.S. Dadhe)
Principal Accountant General

P K JENA, IAS
CHAIRMAN



Technical Session under the Chairmanship of Sh S K Sahu, Director (Finance) on “Development of Small Hydro and Financing” during the International Seminar.

G R C & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To
The Members,
Odisha Hydro Power Corporation Limited,
Bhubaneswar.

Report on the Financial Statements

We have audited the accompanying financial statements of Odisha Hydro Power Corporation Limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information in which the financial statements of the units audited by the unit Auditors are incorporated.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit & relying on the Auditors' Report of Unit Auditors. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 financial statements. We believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Further to our comments in Annexure-1 referred to below and subject to our separate comments in Annexure - II, in our opinion and to the best of our information and according to the explanations given to us, the foresaid 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure -1, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have 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 Loss, and the Cash Flow Statement dealt with by this Report is in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement comply with the Accounting Standards referred to in section 211(3C) of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For G R C & Associates
Chartered Accountants

CA. P. M. Dash
Partner
M. No. 069682

Bhubaneswar
The 6th day of August, 2013

ANNEXURE-I TO AUDITOR'S REPORT

Referred to paragraph 1 of our report of even date

- I. In respect of its fixed assets
- a) The unit has maintained proper records showing full particulars including quantitative details and situation of fixed Assets as per unit auditor's report. However, the fixed asset register has not been maintained properly and not up-to-date at corporate office to show the quantitative details and situation of fixed asset.
 - b) As explained to us, and the information collected from the branch auditors report the fixed assets have been physically verified by the management during the year & frequency of physical verification is reasonable having regards to the size of the Company and in our opinion and according to the information and explanations provided to us, no material discrepancies were noticed on such verification.
 - c) Fixed assets dispensed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- II. In respect of its inventories
- a) No inventories at corporate level. As per unit auditors' report, the management at unit level at regular intervals during the year has physically verified inventories.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company has maintained proper records of inventories. As explained to us, the material discrepancies noticed by the stock auditor are dealt within the accounts.
- III. In respect of loans, secured or unsecured, the company has neither granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
- Hence the provision of clauses (b),(c),(d),(e),(f),(g) of the order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of power and services.
- V. In respect of transactions covered under Section 301 of the companies Act, 1956.
- a. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into in

the register maintained under Section 301 of the Companies Act, 1956.

- b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.

VI. In our opinion, as per information and explanation given to us, the Company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of the companies act, 1956 and the rules framed there under.

VII. In our opinion, as per information and explanations given to us and after review of Internal Audit Report, the internal Audit system of the company need to be strengthened to commensurate with its size and nature of its business. The area covered by the internal Auditor need to be expanded to overcome the errors in accounting system.

VIII. As per information and explanation given to us and according to the unit Auditors Report, maintenance of cost records has been prescribed by the Central Government under section 209 (1)(d) of the Companies Act 1956 and such accounts and records have been made and maintained but in case of Upper Kolab, Balimela and Upper Indravati are under preparation.

- IX. (a) As per information and explanation given to us and based on the Unit Auditors Report, the Corporation has been regular in depositing undisputed Statutory dues including Employee's Provident Fund, Investor Education and Protection Fund, Wealth Tax, Service Tax, Income Tax, Custom Duties, Cesses, Sales tax and other statutory dues applicable to it during the year with appropriate authorities.
- (b) As per information and explanation given to us and based on the Unit Auditors Report, there are no undisputed amounts payables in respect of Income Tax, Sales Tax, wealth Tax, Service Tax, Custom Duty and Cess outstanding at the end of the Financial Year, except in cases of UIHEP Mukhiguda.

Name of Unit	Nature of Dues	Disputed Amount	Forum where disputed is Pending
UIHEP, Mukhiguda	Sales Tax	Rs.20, 90,646.00	High Court, Odisha
UIHEP, Mukhiguda	EPF	Rs.9,84,220.00	High Court, Odisha

X. The Company does not have accumulated losses as at 31.3.2013. And has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.

XI. As per information and explanation given to us and based on the Unit Auditors' Report, the company has not defaulted in repayment of dues to financial institutions and banks.

- XII. As explained to us and as per the Unit Auditors' Reports the Company has not granted any loans and advance on the basis of security by way of Pledge of shares, debentures and other securities.
- XIII. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xii) of the Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to the Company.
- XIV. As explained to us and as per the Unit Auditors' Report the company is not dealing or trading in shares; securities. Debentures & other investment'.
- XV. As explained to us the company has given guarantee for Rs.25 Crores in favour of Baitarani West Coal Company Ltd. by pledging fixed deposit in Oriental Bank of Commerce, Bhubaneswar. The terms & conditions thereof are not prejudicial to the interest of the company.
- XVI. As explained to us the company has not raised term loans during the year, therefore, clause 4 (xvi) of the companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the company.
- XVII. According to the information and explanations given to us the funds raised on sub-term basis have not been used for long-term investments and vice versa.
- XVIII. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies' act 1956.
- XIX. As the company has not issued any debentures during the year, clause 4(xix) of the companies (Auditors report) (Amendment) Order, 2004 is not applicable to the company.
- XX. As the company has not raised any money by way of public issue during the year, clause 4(xx) of the companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the company.
- XXI. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year , that causes the financial statements to be materially misstated.

For G R C & Associates
Chartered Accountants

Bhubaneswar
The 6th day of August 2013

CA. P. M. Dash
Partner
M. No. 069682

G R C & ASSOCIATES

CHARTERED ACCOUNTANTS

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REFERRED TO IN PARAGRAPH 4 AND FORMING PART OF AUDITOR'S REPORT OF EVEN DATE

	Observations of the Statutory Auditors	Replies of the Management
1	<p>NON CURRENT LIABILITIES</p> <p>a. Interest payable on loan from Government of Orissa is understated & Accumulated Profit is overstated to the tune of ` 243.95 crore due to non provision of interest payable on Govt of Orissa Loan - 2(A) UIHEP of ` 497.86 crore @ 7% p.a, since 2006-07 to 2012-13.</p>	<p>The State Govt in the DoE letter dtd 21.03.2011 to the OERC has allowed moratorium on debt servicing to the State Govt till 2012-13. The Hon'ble Commission has not allowed interest on State Govt. loan as a pass through in the revenue requirement of OHPC for the years 2001-02 to 2012-13 and so also the interest on the state Govt. loan relating to UIHEP from 2006-07 to 2012-13.</p> <p>Inclusion of the interest on the Govt. loan for UIHEP as an expenditure in the accounts of OHPC without corresponding revenue passed on through tariff by the Regulatory Authority OERC does not conform to the matching concept of accounting principles. As such, the said interest has not been considered in the accounts.</p> <p>The same has been disclosed in the accounts under contingent liability as Note No.41 (x).</p>
	<p>b. The company has not ascertained deferred Tax Liability / deferred Tax Assets during the year and no provision has been made for deferred Tax Liability / deferred Tax Assets in accordance with AS-22 (Accounting for Taxation) issued by the Institute of Chartered Accounts of India.</p>	<p>As per income tax return filed, the company has a carry forward un-absorbed depreciation of ` 115.25 Crores till the assessment year 2012-13. The tariff for sale of energy to GRIDCO fixed by the OERC is based on the corrective measures. Further,</p>

- C. Other Long Term Liabilities includes of ₹ 15.21 crore as detailed below is unmoved since long & also subject to reconciliations & confirmations and the impact of which arising out of such reconciliation has not been ascertained.

Name of the Unit	Head of Account	Amount (₹ in Crores)
BHEP	Creditor for Raw materials	₹ 0.12
	Other Payable	₹ 4.61
HHEP	Liabilities to Employees	₹ 0.78
	Other Payable	₹ 3.76
	Retention Money	₹ 0.29
	Sundry Creditor Raw Materials	₹ 0.30
UIHEP	Retention Money	₹ 3.12
	Creditor for Raw materials	₹ 0.24
CHEP	Sundry Creditor Raw Materials	₹ 1.99
Total		₹ 15.21

substantial expenditure on the repairs & maintenance of the old hydro power projects has been estimated which is a charge against revenue. There is no certainty of a good monsoon in the forth coming future years. In view of the above, there would be no accounting profit in the next few years. Therefore, no deferred tax under AS-22 has been shown in the accounts for the year 2012-13.

Detailed analysis and reconciliation of the liabilities outstanding since long are under process through in-house/ professional agencies and shall be accounted for after such liabilities are identified.

2 CURRENT LIABILITIES

- a. Short Term Provision is understated & profit & loss account is understated to the extent of non provision of liabilities on account of pension fund & leave encashment fund (figures not ascertained) relating to 44 nos deputed employees.

As a matter of accounting principle followed by OHPC, the pension and leave salary contribution in respect of deputationist are accounted for consistently on cash basis i.e. in the

- b. Other Current Liabilities includes of ₹ 11.96 Crore as detailed below is unmoved since long & also subject to reconciliations & confirmations and the impact of which arising out of such reconciliation has not been ascertained.

Name of the Unit	Head of Account	Amount (₹in Crores)
UIHEP	Liability to others	₹ 8.87
	Provision for others	₹ 3.09
Total		₹ 11.96

year of payment based on the demands raised by AG, Odisha. The same has been disclosed in accounting policy vide Para-8.4 of Note No-1 as well as in Note No.-36.

UIHEP, Mukhiguda has already appointed a firm of Chartered Accountants vide order No.386 dtd.04.05.2013 for analysis and reconciliation of the current liabilities outstanding since long. The same shall be accounted for after reconciliation.

3 FIXED ASSETS

- a. The Company has not ascertained the provision required to be made on account of impairment of fixed assets as per Accounting Standard - 28 issued by ICAI.
- b. Capital Work in progress relating to Potteru Electrical Division of UKHEP is overstated & Profit & Loss Account is overstated to the tune of ₹ 15.85 Crore due to over capitalization of expenditure during construction as the project is closed since long & it has been decided to sale out the project.

OHPC have appointed professional firms for physical verification of Fixed Assets and certification regarding impairment of assets. OHPC have received the physical verification report as well as certificate except RHEP, Rengali that there was no impairment of Assets.

The project is yet to start commercial operation. As such, all the expenditure incurred during the pre-generation period is booked to C.W.I.P. The matter was referred to department of Energy Govt. of Odisha for cabinet approval to dispose of the project. After receipt of approval, necessary accounting entries shall be passed.

4 SUNDRY DEBTORS

- a. Sundry Debtors on account of receivable from CSPDCL is overstated & Profit & loss account is

The outstanding energy dues against CSPDCL comprises the differential

overstated to the tune of ₹ 1.92 crore due to non provision against bad & doubtful debts as the same has not been accepted by the CSPDCL.

b. Sundry Debtors on account of receivable from GRIDCO is overstated & Profit & loss account is overstated to the tune of ₹ 11.93 crore due to non provision against bad & doubtful debts as the same has not been accepted by the GRIDCO even if final reconciliation has been completed till the financial year 2010-11.

c. Current year receivable from GRIDCO & current year income towards sale of power is subject to reconciliation.

amount between the audited cost of generation of HHEP for the years 2008-09 to 2012-13 and the unit cost of generation for the year 2007-08 based on which bills are being cleared by CSPDCL. OHPC has been taking up with CSPDCL for payment of the outstanding dues. All debtors are unsecured but considered good. Moreover, the debtor being a State Govt organization there is no possibility of bad debt.

Debtor reconciliation between GRIDCO & OHPC up to 2010-11 has been completed except ₹ 11.93 crs. which is under analysis and reconciliation. Further, reconciliation of debtors for the year 2011-12 and 2012-13 are in the final stage of completion, the effect of which will be accounted for in the next accounting year.

Steps have been taken for reconciliation of current years receivable and income.

5 INVENTORIES

Inventory is overstated & profit & loss account is overstated to the tune of ₹ 14.23 Crore on account of non provision for non moving & unusable stores & spares lying since long.

Details analysis of the non-moving and unusable stores & spares shall be taken up after the 2nd phase e-auction is completed.

6 LONG TERM LOANS AND ADVANCES

Long term advances is overstated & profit & loss account is overstated to the tune of ₹ 9.10 crore on account non provisions of doubtful advances unmoved since long.

Reconciliation of details of the loans and advances outstanding since long is under process and shall be appropriately accounted for after due reconciliation.

7 SHORT TERM LOANS & ADVANCES

TDS & Advance Income tax is overstated to the tune of ₹ 12.66 crore due to non adjustment impact of demand /

Reconciliation of TDS and Advances Income Tax outstanding is under

refund based on Income tax Return & assessment orders of earlier years.

process and shall be appropriately accounted for after due reconciliation.

8 INTERNAL CONTROL SYSTEM

In our opinion and according to the information and explanations given to us, internal control procedure needs to be strengthen with the size of the company and nature of its business with regard to expenditures, inventories, Investment and other current assets.

Noted.



Release of Souvenir during the International Seminar.

Free Health Checkup Camp at Jamukoli Village, Jatni organised by OHPC Corporate Office Ladies Welfare Society.



UNIT WISE AUDITOR'S COMMENT

(A) HIRAKUD HYDRO ELECTRIC PROJECT-BURLA :		
1	Balance Confirmation Certificate Balance Confirmation Certificate not received for Advance to Suppliers, Advance to others, Sundry Debtors, sundry Creditors. In the absence of such balance confirmation we are unable to opine whether the values of Current Assets, Loans and advances have the values as stated in the Balance Sheet, if realized in the ordinary course of business.	Letters for balance confirmation have already been sent to the concerned supplier / creditors.
2	Stores Accounting The Unit has not maintained any Price Stores ledger (PSL) for determination of Issue price and closing inventory.	A Software for PSL has already been made operational which is under updation.
3	Opening outstanding Balances There are certain old opening balances which are lying since the erstwhile OSEB period as well as during the time of merger of divisions are not reconciled. As explained to us steps are being taken for reconciliation.	Out of the 40nos. of accounts heads showing old outstanding balance, 27 nos. of heads of accounts have been reconcile & sent to corporate office for write-off / write-back. Balance Heads of account are under reconciliation and shall be sent to Corporate office for necessary approval.
4	Non Provision for old and unusable Stores & Spares. As per the Stock Audit report for the year 2012-13, Non-provision for Non moving and old unusable stores and spares valuing ₹ 177.54 lakhs lying from 1950 to 2013, has resulted in overstatement of inventory and understatement of provision by ₹ 177.54 lakhs. Till date no reconciliation of the same has been done by the unit.	A committee has been formed at the unit level and is under process of identifying the obsolete items of stores and once this process is completed, appropriate accounting treatment shall be made in the A/cs.
5	Total Impact of individual qualifications on the Statement of Profit & Loss and Balance Sheet for the year 2012-13 is that the Profit for the year has been overstated by ₹ 177.54 lakhs and Current Assets have been overstated by ₹ 177.54 lakhs.	The actual & correct amount can be arrived only after identification & valuation of obsolete materials as all the non-moving items can not be termed as obsolete due to criticality & importance of the material.

(B) RENGALI HYDRO ELECTRIC PROJECT

1	Electricity charges of ₹ 1,35,30,823/- receivable from Executive Engineer, Rengali Dam Project has not been recognised as income in the Profit & Loss A/C of the Year under audit.	<p>The Dam Division, Rengali Dam Project under W.R. Deptt. has neither paid any Electricity dues till date nor, communicated with regard to acceptance of such payment liability though RHEP is raising the bills regularly. In view of the uncertainty in ultimate collection, the revenue from sale of power to Dam Division is not recognised as per AS-9. However, OHPC shall take up the matter with DOWR for resolving the issue & the same will be accounted for as & when agreed by W.R. deptt. The fact has been disclosed in the Note-28 of accounts of 2012-13.</p> <p>The above issue was discussed in detail in the Audit Committee meeting on 26-06-13 in presence of Statutory Auditor/ Branch Auditors, who had accepted the clarification given by the Chairman, Audit Committee and accordingly, the accounts have been prepared.</p>
2	No provision has been made in the Profit & Loss A/c towards damaged stock of ₹ 9,52,382/- pointed out by stock audit.	<p>Damaged stock of ₹ 9,52,382/- as pointed out by the stock Audit for 12-13 is to be survey reported by the unit level committee for its correctness & to obtain necessary approval of competent authority for write off sanction, if any.</p>
3	As a result of non-accounting of amounts mentioned at 1 & 2 above, the net profit is under stated by ₹ 1,25,78,441/- (net) with corresponding under-statement of Cur. Assets.	<p>However RHEP has identified all the unserviceable/ damaged items lying in the Project as on 16-04-13 for taking further necessary action in this regard.</p>
4	Amount receivable under Trade receivables, short term loans and advance and amount payable under current liabilities as on 31-03-2013 have not been confirmed by the parties.	<p>i) Trade Receivable (i.e. Sundry debtors for sale of Power) for ₹ 23,78,22,295/- to being dealt at C.O.</p> <p>ii) Short terms loans & adv. ₹ 1,67,24,204/-: Details as under :</p>

		<p>a. Prepaid exp. 9,19,389/-</p> <p>b. Adv. To suppliers (BHEL Only) : ₹ 69,86,390/- (Out of this ₹ 57 lakhs was paid during 12-13 for Renovation of Unit-II)</p> <p>c. Adv. To others ₹ 36,89,247/- (All Govt Deptt / PSUs i.e. paid to RWSS during 12-13 on deposit basis ₹ 15,65,200/-, to CESU ₹ 9,867/-, to OPTCL through C.O. during Mar,13 ₹ 21,14,180/-)</p> <p>d. Adv. To staff: ₹ 51,29,178/-</p> <p>iii) Current Liability: ₹ (-)1,20,30,61,933/- Details as under.</p> <p>a) Trade payables (i.e. Sundry creditors for supply of mat.): ₹ 48,48,248/-</p> <p>b) Other current liabilities (i.e. Inter unit closing balance among different units of OHPC): ₹ (-) 1,29,39,34,186/-</p> <p>c) Short term provisions: ₹ 8,60,24,005/-.</p> <p>On analysis of above, it can be concluded here that advance to outsiders is only to the Govt deptt/ Govt. PSUs and about 90% has been paid during 12-13. So far as Trade Payables are concerned the same has been paid during Apr,13.</p> <p>However, action is being taken for getting confirmation from the concerned parties.</p>
5	A Scrap Register indicating quantitative details has not been mentioned.	<p>MECON Limited carried out valuation & fixation of reserve price of scrap & surplus materials & submitted their report during April'2004. In the year 2011-12 & 2012-13 the said scrap</p>

items as identified by Mecon are being disposed off through e-auction by MSTC limited against which proper records have been maintained.

As such no further scrap items have been survey reported by the Unit up to 31-03-2013 for which no scrap register indicating quantitative details has been maintained as on 31-03-13.

However, on 16-04-13, the unit has identified certain items as unserviceable / scrap which are yet to be recommended by the Unit level committee for write off sanction by competent authority as per OHPC DOP. Once the same is sanctioned, scrap generated will be recorded in the appropriate register as pointed out by the Audit.

(C) UIHEP (KHATIGUDA)

1 Ledger scrutiny.

A scrutiny of ledgers reveals

i. Negative Ledgers

Pay roll deduction EPF, IT Bhubaneswar, IT Jeypore Sales Tax, Nabarnpur, Royalty Tahasildar Tentulikhunti, Royalty Tahasildar Tampur, royalty Tahasildar Jaipatna, Advance to contractors, PW(O), P(O), MJ (O), AV (O), PH(O), CDP(O), GA(O)

ii. Accounts pending reconciliation since long.

For supply of materials, For works, SD from contractors/suppliers, SD from employees, Other Security deposits, Retention money, Payroll deduction, Prof. Tax, Wages payable, Salary Payble, Leave Encashment, IT Bhawanipatna, IT Jeypore (TDS and Others), Sales Tax, Bhawanipatna, Sales Tax, Nabarangpur, Sales Tax deduction, Outstanding Liabilities, Royalty Tahasildar Tentulikhunti, Royalty Tahasildar T Rampur, Royalty Tahasildar, Jaipatna, Royalty payable , Others payable, Festival Advance, Imprest Advance, GIS Advance to Suppliers, Advance to contractors, Advance to others, deposit with others.

OHPC has already appointed a firm of Chartered Accountants to prepare the sub-ledger from 1996-97 to 2012-13 in order to arrive individual balance to reconcile with general ledger balance. The work will be completed during 2013-14.

2 Others

- i. Receivables / Payables are subject to confirmation and reconciliation.
- ii. As per Energy Department notification No.5200 dated 01.04.1996. Schedule ARule 4(2), Para (iii) (5) (d) the guest Houses and Erectors Hostel form part of immovable properties of UIHEP. But the guest house at Khatiguda is under the control of Water Resources Department since the inception of the Corporation. The building was constructed in the year 1985-86 and developed during the course of time till 1994-95 at a cost of Rs.63.82 Lakhs up to March 1996. Therefore it is proposed to estimate the Fair rental value of the guest House from 01.04.1996 to till date and make a reserve as rent receivable from Water Resources department.

OHPC has already appointed a firm of Chartered Accountants to prepare the sub-ledger from 1996-97 to 2012-13 in order to arrive individual balance to reconcile with General ledger balance. Confirmation of balance will be obtained after preparation of sub-ledger and reconciliation during 2013-14.

OHPC has not taken physical possession of the Guest house at Khatiguda. The maintenance of the Guest house is being done by the Chief Engineer, Upper Indravati irrigation Project, Khatiguda. The matter is being taken with DOWR for resolving the issue.

(D) UIHEP - MUKHIGUDA

1 Ledger Scrutiny.

A scrutiny of ledgers reveals

i. Negative Ledgers

OHPC PF Trust, OHPC Gratuity, Contractor payable, Advance to suppliers, Advance to Contractors.

ii. Accounts pending reconciliation since long.

Suppliers payable, Contractor payable, sundry creditor for others, S.D. from contractors / suppliers, EMD from contractors, S.D. from employees other security deposit, retention money, payroll deduction EPF, Payroll deduction GPF, LIC, HB advance , Bank loans, others, professional tax, IT salary, salary payable, TA payable, Others payable, GPF Trust, Terminal liability, leave encashment, sale tax deduction, outstanding liability, royalty.

(i & ii) OHPC has already appointed a firm of Chartered Accountants to prepare the sub-ledger from 1996-97 to 2012-13 in order to arrive at individual balance to reconcile with General ledger balance. The work will be completed during 2013-14.

2 Others

- i. Receivables / Payables are subject to confirmation and reconciliation.
- ii. The Unit has not raised any bills towards rent, electricity and water charges in respect of unauthorized occupation of 527 Nos. of quarters at Mukhiguda. In the absence of meter reading and relevant records its effect on accounts is not ascertainable.

OHPC has already appointed a firm of Chartered Accountants to prepare the sub-ledger from 1996-97 to 2012-13 in order to arrive at individual balance to reconcile with general ledger balance. Confirmation of balance will be obtained after preparation of sub-ledger and reconciliation during 2013-14.

The lists of 527 Nos of unauthorized quarters are enclosed. The name of the unauthorized persons, type of quarter & location are mentioned in the list. It may be observed that 69 quarters in Sector-I, 357 quarters in sector-II and 101 quarters in Sector-III have been unauthorizedly occupied. The facts have been intimated to the District administration for eviction as it involves law & order situation. The Power & Water Supply to the said quarters have been disconnected since long.

(E) 1. UPPER KOLAB HYDRO ELECTRIC PROJECT

1 a) Dam Maintenance Cost

During the year 2012-13, amount charged as dam maintenance of ₹ 4,29,86,076/- (against provision ₹ 4,21,96,903/- for 2011-12) has been made for dam maintenance. Out of previous year provision ₹ 72,71,631 was reversed as prior period expenditure after getting the actual bill No. information exists, whether expenditure pertaining to any specific grants received by the U.K.H.W. Division like Deposit Works, Grants from 12th Finance Commission, Food for Works or expenditure on Critical Works, Exp. incurred for irrigation purpose are considered in the above Provision. Further, It is not clear whether any nature of Capital expenditure has been charged to the Account. In Past, Such kind of deductions is made by U.K.H.W Division. Format of Producing the Figure

Due to non-availability of original bill, Rs.4,21,96,903/- was provided in F.Y.-2011-12. On receipt of actual bill of 2011-12 for ₹ 3,49,25,272/- in the F.Y.-2012-13 differential amounts of ₹ 72,71,631/- has been reversed from Provision and credited to Prior Year Income and taken in F.Y.-2012-13 accounts.

by U.K.H.W. Division to the auditee unit has been changed since 96-97. The revenue Income towards sale of Water from the out stream are not considered in the statement which is to be decided at appropriate level. Hence, in the aforesaid circumstances, we disclaim the authenticity of the expenditure pertaining to this Year's along with the Bill Produced by the U.K.H.W. Division for the year 2012-13 & 2011-12 and further we state that the figure may please be analyzed & suitable amendment, if required, may please be made.

- b. Corporate office shares of income or expenses were not yet received by the unit and also no provision has made for that year.
- c. Advance to Contractors, Advance to Supplier & remain unadjusted since long.

- d. Sundry debtors for sale of Power, Sundry Creditors for supply of materials, Advance to Suppliers for materials are subject to confirmation and the amount of debtor and creditor are outstanding for a long period so no step taken for provision. Advance to contractor of F.A. Office ` 18,29,290/- yet not adjusted for a long period.

e. **Stores**

Non Provision for old and unusable / unserviceable stores and spares has resulted in overstatement of inventory and understatement of provisions.

Further to this, We have the following comment regarding Stores.

1. Scientific Storage system is not followed for Inventory. Classification of Stores items like Fast moving, Slow-moving, Maximum Level, Minimum Level & RE-Order level are not followed.
2. ABC Analysis of Stores items are not made.
3. Site Stores not in used are kept at site for years together, which is not a good practice.

Advance to Suppliers & contractors are being regularly adjusted on receipt of materials and some of the advances have already been adjusted in F.Y.-2013-14.

Confirmation letters have been sent to suppliers, contractors by the unit for direct confirmation to the auditors.

Action is in process for adjustment of ₹ 18,29,290/- in F.Y.-2013-14.

Action is being taken to reduce site stores.

4. Proper Bin Card System is not followed.
5. It is noticed that whenever a particular part of a machine gets out of order they get a new spare part from the Central Stores and fit it to the machine whereas the damaged one gets into the rack of Site Store without returning the old one to Central store in the same vehicle carrying the new one resulting the damaged one gets into the rack of site stores.
6. Work sites are created for execution of work & not to bring materials from Central Store to run Parallel Store without using them.

f. **Fixed Asset Register**

Off late One Fixed Register has been maintained, which has not yet been updated. Considering the materiality of the items, the same are not maintained properly giving the date of the acquisition & the name of the supplied, Asset Code number etc.

- g. As the Assets are not coded, it is difficult to identify the items.
- h. Transformation Loss, Auxiliary consumption loss, Capacity charge loss, Forced outage/Breakdown loss have remained above the norms as fixed by the Central Electricity Authority.
- i. As per the previous record of OHPC it has total 37.20 hact having value ₹ 18.60 lakh where as as per this year information A.S.O. cum Additional Tahasildar,

Noted for further improvement.

The variation is mainly due to age of the machines, voltage level characteristics, metering class and efficiency of CTs, PTs, and generator transformers etc.. Further, as the generator transformers are very old (life period expired or approaching to expire), the efficiency have been reduced which leads to increase of transformation loss.

Action is being taken for replacement of 0.2 class CTs, PTs and energy meters both on the HV and LV side of the generator transformer. After this, the exact loss can be ascertained.

The area of land transferred as per the transfer scheme was an estimate one. After actual verification and issue of

Jeypore issued permanent land record for 90.79 Acres of land in the name of OHPC, UPPER KOLAB, BARINIPUT. It has also filed another mutation case for more 50 Acres of land which is in the process of finalization of title deed. The total area is more than the previous record disclosed.

permanent records, the quantum of land has increased. However, the value of the land as shown in the accounts remain unchanged.

(E-II) POTTERU SMALL HYDRO ELECTRIC PROJECT

- a. Advance to suppliers, Advance to contractors, deposit with Others are being carried forward since long.
- b. Work-in-progress contains items which have remained in work in progress for an unduly long period. The company has not ascertained the market value of these assets. Provision for loss, if any, due to reduction in market value has not been made.

Action has been taken for adjustment of the advances.

The project is yet to be commissioned. On receipt of state Govt. approval for disposal the project, necessary valuations of the project shall be made.

For G R C & ASSOCIATES
CHARTERED ACCOUNTANTS

For and on behalf of Board

Sd/-
CA P.M. DASH
PARTNER
MEMBERSHIP NO-069682

Place : Bhubaneswar
Date : 06.08.2013

P K JENA, IAS
CHAIRMAN

ODISHA HYDRO POWER CORPORATION LIMITED, BHUBANESWAR

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	In Rupees	
		As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	3,208,007,000	3,208,007,000
(b) Reserves and surplus	3	6,816,157,746	6,243,102,128
(c) Money received against share warrants			
Sub-total [(a)+(b)+(c)]		10,024,164,746	9,451,109,128
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowings	4	17,924,686,413	18,069,567,118
(b) Deferred tax liabilities (Net) provisions			
(c) Other Long term liabilities	5	227,078,465	246,116,219
(d) Long-term provisions	6	1,158,877,931	968,582,962
Sub-total [(a)+(b)+(c)+(d)]		19,310,642,809	19,284,266,299
(4) Current liabilities			
(a) Short-term borrowings	7	-	150,000,000
(b) Trade payables	8	20,377,255	12,756,438
(c) Other current liabilities	9	1,335,493,727	1,041,000,549
(d) Short-term provisions	10	738,275,416	851,404,970
Sub-total [(a)+(b)+(c)+(d)]		2,094,146,398	2,055,161,957
GRAND TOTAL		31,428,953,953	30,790,537,384
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	14,714,512,399	15,579,793,508
(ii) Intangible assets	12	-	-
(iii) Capital work-in-progress	13	584,300,393	627,463,425
(iv) Intangible assets under development			
Sub-total [(i)+(ii)+(iii)+(iv)]		15,298,812,792	16,207,256,933
(b) Non-current investments	14	219,447,000	169,447,000
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	15	86,730,728	84,082,416
(e) Other non-current assets	16	4,411,522,030	3,365,587,695
Sub-total [(a)+(b)+(c)+(d)+(e)]		4,717,699,758	3,619,117,111
(2) Current assets			
(a) Current investments			
(b) Inventories	17	425,960,595	573,452,797
(c) Trade receivables	18	1,921,250,556	1,058,425,577
(d) Cash and cash equivalents	19	8,447,784,748	8,607,864,621
(e) Short-term loans and advances	20	388,120,631	397,796,525
(f) Other current assets	21	229,324,874	326,623,819
Sub-total [(a)+(b)+(c)+(d)+(e)+(f)]		11,412,441,404	10,964,163,340
GRAND TOTAL		31,428,953,953	30,790,537,384

Accompanying notes forming part of the financial statements

In terms of our report attached

For G R C & Associates,

Chartered Accountants

P M Dash

Partner

M.No.069682

Place : Bhubaneswar

Date : 06.08.2013

P K Pradhan

DGM (F & A)

P K Mohanty

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2013

		In Rupees	
Particulars	Note No	Year ended 31.03.2013	Year ended 31.03.2012
I Revenue from operations	22	3,531,198,162	3,586,844,601
II Other income	23	924,628,421	1,017,228,703
III Total Revenue (I + II)		4,455,826,583	4,604,073,304
IV Expenses :			
Repair & Maintenance expenses	24	441,015,067	306,896,642
Operational expenses	25	88,761,040	75,847,055
Employee benefits expenses	26	1,794,470,164	1,447,242,924
Administrative & General expenses	27	172,127,299	191,727,447
Finance costs	29	126,094,104	170,084,198
Depreciation and amortization expense	11	1,241,000,682	1,230,990,998
Selling & Distribution expenses	30	-	-
Total expenses		3,863,468,356	3,422,789,264
V Profit before prior year adjustments (III-IV)		592,358,227	1,181,284,040
VI Prior year adjustments	28	17,794	219,607,573
VII Profit before exceptional and extraordinary items and tax (V-VI)		592,340,433	961,676,467
VIII Exceptional items	31	3,107,990	5,626,394
IX Profit before extraordinary items and tax (VII - VIII)		589,232,443	956,050,073
X Extraordinary Items			
XI Profit before tax (IX-X)		589,232,443	956,050,073
XII Tax expense:			
(1) Current tax		117,892,154	192,969,993
(2) Deferred tax			-
XIII Profit (Loss) for the period from continuing operations (XI - XII)		471,340,289	763,080,080
XIV Profit (Loss) for the period (XIII)		471,340,289	763,080,080
Earnings per equity share :			
(1) Basic		147	238
(2) Diluted			

Accompanying notes forming part of the financial statements

In terms of our report attached

For G R C & Associates,

Chartered Accountants

P M Dash

Partner

M.No.069682

P K Pradhan

DGM (F & A)

P K Mohanty

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

Place : Bhubaneswar

Date : 06.08.2013

ODISHA HYDRO POWER CORPORATION LIMITED, BHUBANESWAR

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2013

		(In Rupees)	
PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012	
1. Cash flows from operating activities :			
Net profit before taxation and extraordinary items and tax	589,232,443	956,050,074	
Adjustment for :			
Depreciation & amortisation	1,241,000,682	1,230,990,998	
(Profit) / Loss on Sale of Assets	(622,818)	(61,296,195)	
Write off of Assets	-	22,651,795	
Provision for Income tax	(117,892,154)	(192,969,993)	
Interest income	(850,312,020)	(841,447,905)	
Finance Cost	126,094,104	170,084,198	
Operating profit before working capital changes	987,500,238	1,284,062,972	
Adjustment for (Increase)/Decrease in operating assets			
Decrease in inventories	147,492,202	(39,693,028)	
Decrease in Other Current Assets	2,291,654	(19,834,187)	
Increase in Other Non-Current Assets	(1,045,934,335)	4,173,773	
Decrease in Short -term loan & advance	9,675,894	(11,514,326)	
Increase in trade receivables	(862,824,979)	(1,058,425,577)	
Increase in Long-term loans & advances	(8,855,831)	9,894,069	
Total	(1,758,155,395)	(1,115,399,276)	
Adjustment for Increase/(Decrease) in operating Liabilities			
Increase in Trade Payable	7,620,817	(70,743,547)	
Decrease in Short -term borrowings	(150,000,000)	150,000,000	
Increase in Other Current Liabilities	295,408,204	76,839,221	
Decrease in Other Long term Liabilities	(19,037,754)	(66,191,284)	
Decrease in Short-term Provision	(113,129,554)	266,127,710	
Increase in Long-term Provision	190,294,969	343,679,808	
Total	211,156,682	699,711,908	
Cash generated from operations	(559,498,475)	868,375,603	
Net Cash flow before extraordinary item	(559,498,475)	868,375,603	
Extraordinary Items	-	-	
Net cash flow operating activities		(559,498,475)	868,375,603
2. Cash flows from investing activities :			
Capital Expenditure on fixed assets including capital advances	(325,726,203)	(450,089,839)	
Interest received	945,319,311	793,379,932	
Long term investment in JVs	(50,000,000)	(10,000,000)	
Net cash flow investing activities		569,593,107	333,290,093
3. Cash flow from financing activities :			
Stock Reserve Account(UIHEP,Mukhiguda)	-	(8,535,019)	
Repayment of long term borrowings (PFC)	(144,880,705)	(87,746,397)	
Dividend Paid & Proposed Dividend	87,521,937	(423,087,008)	
4. Tax on Dividend	14,193,392	(68,635,290)	
5. Finance Cost	(127,009,130)	(173,918,762)	
Net cash used in financing activities	(170,174,506)	(761,922,476)	
6. Net increase in cash and cash equivalents (1+2+3)	(160,079,874)	439,743,220	
Cash and cash equivalent at beginning of the Year	8,607,864,622	8,168,121,402	
Cash and cash equivalent at end of the Year *	8,447,784,748	8,607,864,622	
*Comprises			
(a) Cash on Hand	253,530	320,683	
(b) Balances with Banks			
(i) In current accounts	109,361,515	138,197,922	
(ii) In Deposits	8,158,608	19,341,980	
(iii) In Earmarked accounts	8,330,000,000	8,450,000,000	
(c) Postal order & Stamp	11,095	4,037	

In terms of our report attached

For G R C & Associates,

Chartered Accountants

P M Dash

Partner

M.No.069682

P K Pradhan

DGM (F & A)

P K Mohanty

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

Place : Bhubaneswar / Date : 06.08.2013

ODISHA HYDRO POWER CORPORATION LTD

Note - 1

Accounting policies and Notes on Accounts forming part of the accounts :

A. SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING :

- 1.1 The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles, the provisions of Companies Act, 1956 and the mandatory accounting standards.
- 1.2 The Company follows Mercantile System of Accounting and recognizes significant items of income and expenditure on accrual basis except those with significant uncertainties.
- 1.3 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.

2. FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS :

- 2.1 Fixed assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of freight, duties and taxes wherever applicable. Fixed assets, which were transferred by Government of Odisha on 01.04.1996 under transfer scheme, are stated at transfer price.
- 2.2 Financing cost directly identifiable to a particular asset is added to the cost of such asset. Financing cost other than the above and direct revenue expenditure incurred during construction period on new projects is treated as expenditure during construction and is allocated to relevant fixed assets at the time of capitalization.
- 2.3 The grants-in-aid received against capital expenditure of projects are adjusted at the time of capitalization of assets on completion of respective projects.

3. INVESTMENTS :

Investments are stated at cost and are on "held to maturity basis".

4. INVENTORIES :

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

5. FOREIGN EXCHANGE TRANSACTIONS :

- 5.1 Transactions involving foreign currency are settled and accounted for at the exchange rates prevailing

on the date of the transactions.

- 5.2 Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year.
- 5.3 The Foreign Exchange fluctuation loss / gain in respect of the foreign currency loan relating to Projects after capitalization is debited / credited to Profit & Loss account.

6. RECOGNITION OF REVENUE :

- 6.1 Revenue is recognized on the basis of the bills raised on GRIDCO in accordance with Orissa Electricity Regulatory Commission's tariff order. In case of energy sales to CSPDCL, bills are raised on the unit cost of generation of HHEP.
- 6.2 Interest on delayed payment of energy bills by GRIDCO is accounted for on the basis of actual realization.
- 6.3 The value of waste and scrap is accounted for on actual realization basis.
- 6.4 Receipts of insurance claims and interest on house building loan to employees are accounted for on cash basis.
- 6.5 The ownership of the dam and appurtenant works of Upper Indravati Hydro Electric Project remains with OHPC. Pending acceptance, share of the Department of Water Resources, towards 50% Operation and Maintenance cost of the dam has not been recognized as revenue as per AS-9.
- 6.6 As consistently followed, since inception of the corporation, cash discounts received from PFC on timely repayment of loan is considered as deduction from finance cost and accounted for on cash basis.
- 6.7 Interest on short-term deposits & loans is accounted for on accrual basis.
- 6.8 Electricity Duty & Water Cess reimbursed from GRIDCO is accounted for on accrual basis.
- 6.9 Electricity charges billed on W.R department are recognized on cash basis consistently.

7. DEPRECIATION :

- 7.1 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 is provided on straight line method as per the rates prescribed under schedule XIV of the Companies Act, 1956.
- 7.2 The Companies Act, 1956 does not provide any specific rate of depreciation for Dam & associated civil structures. In respect of civil structures, only two rates of depreciation have been prescribed i.e 1.63% for the non factory buildings and 3.34% for the factory buildings. Considering the nature, propensity of wear and tear, the depreciation rate specified for the factory buildings is considered appropriate for the dam. Accordingly, depreciation @ 3.34% has been taken for the block of assets of the dam of UIHEP.
- 7.3 Depreciation is provided on prorata basis in the year in which the assets become available for use.
- 7.4 Assets costing Rs. 5000/- or less individually are depreciated fully in the year in which they are put to use.

8. RETIREMENT BENEFITS :

- 8.1 Liability towards Pension and Leave Encashment as at the end of the year is provided on the basis of actuarial valuation in accordance with AS-15 issued by the Institute of Chartered Accountants of India.
- 8.2 For meeting the service gratuity liability, the Corporation has taken a group gratuity insurance policy with LIC of India. Gratuity provision is made on the basis of actuarial valuation made by LIC of India.
- 8.3. The pension and service gratuity liabilities of ex-Hirakud Dam Project employees are accounted for on cash basis.
- 8.4. The pension & leave salary contribution in respect of deputationists are accounted for consistently in the year of payment on the basis of demand notice raised by A.G & other PSUs.

9. ALLOCATION OF CORPORATE OFFICE INCOME :

Corporate Office income over expenditure is allocated among the generating units on the basis of sales turn over ratio.

10. BORROWING COST :

Borrowing costs that are attributable to the acquisition, construction / renovation, modernization and uprating of fixed assets upto the date of commercial operation are capitalized as part of cost of such assets. Other borrowing costs are recognized as an expense in the period during which they are incurred.

11. MISCELLANEOUS :

- 11.1 Liabilities for Goods in transit / capital works executed but not certified are not provided for, pending inspection & acceptance by the Corporation.
- 11.2 Prior Period Expenses / income of items of Rs 20000/- and below are charged to respective heads of account.
- 11.3 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.



Group Photo of OHPC Family during the closing ceremony of the International Seminar.

Note - 2

SHARE CAPITAL	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
Authorised Capital :		
1,00,00,000 Equity Shares of Rs.1000/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and paid-up :		
32,08,007 Equity Shares of Rs.1000/- each fully paid-up.	3,208,007,000	3,208,007,000
Total Share Capital	3,208,007,000	3,208,007,000

- a) During current year as well as previous year, neither any new shares have been issued nor have any shares been bought back.
- b) Govt. of Odisha holds 3208007 numbers of equity shares of the company.

Note - 3

RESERVES & SURPLUS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
Opening Balance (a)	190,00,000	190,00,000
Addition during the year	-	-
Deduction during the year	-	-
Closing balance (A)	190,00,000	190,00,000
Dam Sharing Reserve		
Opening Balance (b)	1,00,00,00,000	1,00,00,00,000
Addition during the year	-	-
Deduction during the year	-	-
Closing balance (B)	1,00,00,00,000	1,00,00,00,000
Stock Reserve Account (UIHEP, Mukhiguda)		
Opening Balance	-	8,535,019
Addition during the year	-	17,319,092
Deduction during the year	-	25,854,111
Closing balance (C)	-	-
Surplus		
Opening Balance	5,053,102,128	4,781,744,345
Add: Reversal of Dividend Rs.228924024/- and Dividend Tax Rs.37132346 (c)	266,056,370	
Balance	5,319,158,498	
Balance of Statement of Profit & Loss	471,340,289	763,080,081
Less:		
a) Dividend Paid	-	(194,162,984)
b) proposed dividend	(141,402,087)	(228,924,024)
c) Tax on dividend	(22,938,954)	(68,635,290)
d) Closing balance	5,626,157,746	5,053,102,128
e) Total of Reserves & Surplus [(A)+(B)+(C)+(D)]	6,816,157,746	6,243,102,128

- a) The Govt. of India, MoF, Deptt. of Expenditure had released a grant of Rs.19 Crores for RM & U of unit 3 & 4 Burla under APDP scheme to GOO. The GOO has released the said amount to OHPC as investment in share capital. As the said amount was to be passed on to OHPC in the same form as sanctioned by GOI, the State Govt. has been moved to treat Rs.19 Crore as grant instead of share capital. Pending receipt of confirmation of the State Govt., the amount has been shown in the Balance Sheet as capital reserve.
- b) 50% of the estimated project cost towards Dam and Appurtenant works i.e. Rs.232.14 Cr. was allocated to power and the balance 50% i.e. Rs.232.14 Cr. to Dept.of Water Resources. Out of this, DOWR had contributed Rs.132.14 Cr. as on the date of transfer of UIHEP to OHPC (01.04.1996) which was treated as an interest free loan to OHPC. The balance amount of Rs.100 Crs was to be paid by DOWR to OHPC. Out of this Rs.100 Crs., an amount of Rs. 25.00 crores was received from DOWR in 1998-99 and balance amount of Rs.75.00 Crores has been adjusted as per letter No. 3520/24.03.03 of Chief Engineer, W.R. Deptt., Odisha during 2007-08 against the provisions made towards Dam Maintenance charges payable to DOWR GoO.
- c) Proposed dividend @ 30% post tax profit plus dividend tax provided during the financial year 2011-12 has been reversed during the financial year 2012-13 due to non-declaration of dividend for the said year as per the decision taken by the share holders in their meeting dtd.26.03.2013.



OHPC Signs MoU with IOCL for supply of Industrial Lubricants.

Note - 4

LONG-TERMBORROWINGS		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
A. Bonds [unsecured]			
i. Interest Free Convertible Bond-1 (Govt. of Odisha)			
This bond is Convertible into equity at the option of State Govt.	3,831,000,000	3,831,000,000	
ii. Interest Free Convertible Bond-2 (Govt. of Odisha)			
This bond is Convertible to Debentures after Govt. approval.	3,831,000,000	3,831,000,000	
Sub-total (A)	7,662,000,000	7,662,000,000	
B. Term Loans from others [unsecured]			
Power Finance Corporation Loan	490,646,413	635,527,118	
a) This loan is guaranteed by Govt. of Odisha.			
b) (i) The loan availed by HHEP, Burla for R M & U of Unit (3&4) is repaid quarterly on 15th of January, April, July & October.			
(ii) The foreign currency loan availed by BHEP, Balimela for extension project (unit 7 & 8.) is repaid half-yearly on 15th of June & December.			
c) There is no default in repayment of above loan during the year. A sum of Rs.587584/- is received from PFC as cash discount for prompt payment is shown as deduction from finance cost.			
Sub-total (B)	490,646,413	635,527,118	
C. Other Loans [Unsecured]			
i. Govt. of Odisha Loan-2(A)-UIHEP	8,214,690,000	8,214,690,000	
a) This loan is comprised of principal loan of Rs 497.86 Cr plus interest @ 13% p.a for 5 years with effect from 01.04.1996. No interest was charged with effect from 01.04.2001 as per DOE notification dtd 29.01.2003. Further pending final decision of the Govt, interest @ 7% on the loan of Rs 497.86 Cr from 2006-07 till 2012-13 amounting to Rs 243.95 Cr is shown as contingent liability in Note 41 (X).			
b) This loan is partly convertible into equity & loan after Govt approval.			
ii. Govt. of Odisha Loan-2(B)-UIHEP	1,321,400,000	1,321,400,000	
This is interest free perpetual loan			
iii. Govt. of Odisha Loan-3-POTTERU 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 dtd.21.03.2011	235,950,000	235,950,000	
Sub-total (C)	9,772,040,000	9,772,040,000	
Total of Long-term Borrowings (A+B+C)	17,924,686,413	18,069,567,118	

Note - 5

LONG-TERM BORROWINGS		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
Trade payables			
i.	Sundry Creditors for supply of materials	26,855,686	26,672,885
ii.	Sundry Creditors for works	3,990,123	4,196,580
iii.	Sundry Creditors for others	14,301	69,487
	Sub-total	30,860,110	30,938,952
Others			
i.	Security deposit from contractors / suppliers	10,645,502	9,089,053
ii.	EMD from contractors / suppliers	3,901,953	3,501,159
iii.	Security deposit from employees	613,674	608,296
iv.	Other security deposits	2,145,426	2,243,382
v.	Retention money / withheld a/c	56,034,855	49,962,534
vi.	Liability to employees	9,095,903	5,787,165
vii.	Liability to others	113,781,043	143,985,678
	Sub-total	196,218,355	215,177,267
	Total of Other Long-term Liabilities	227,078,465	246,116,219

Trade payables are subject to confirmation. Pending such confirmation the balance as per books have been taken into account.

Note - 6

LONG-TERM PROVISIONS		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
i.	Provision for employee benefits		
A.	Other provisions		
i)	Provision for Dam maintenance (a)	1,151,952,299	967,244,622
ii)	Provision for Others	6,925,632	1,338,340
	Total of Long-term Provisions	1,158,877,931	968,582,962

(a) This includes a sum of Rs 18,47,07,677/- towards Dam maintenance for the current year based on the bills raised by Department of Water Resources (DOWR).

Note - 7

SHORT-TERM BORROWINGS		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
	Short - term borrowings from banks	0	150,000,000
	Sub-total	0	150,000,000

Note - 8

TRADE PAYABLES	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Sundry Creditors for supply of materials	9,153,519	4,358,206
ii) Sundry Creditors for works	11,083,030	8,349,713
iii) Sundry Creditors for others	140,706	48,519
Total of Trade payables	20,377,255	12,756,438

Sundry Creditor balances are subject to confirmation. Pending such confirmation, the balance as per books have been taken into account.

Note - 9

OTHER CURRENT LIABILITIES	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Current maturities of loan from Power Finance Corporation	164,855,360	164,855,360
ii) Interest accrued but not due on PFC loan	11,147,963	12,062,989
iii) Employees liabilities	783,735,295	524,947,337
iv) OHPC PF Trust	5,309,549	19,978,094
v) Liability to others	150,043,885	146,552,285
vi) Security deposit from contractors / suppliers	36,345,889	27,927,388
vii) EMD from contractors / suppliers	10,793,824	7,867,770
viii) Security deposit from employees	9,484	9,044
ix) Other security deposit	11,000	5,157,042
x) Retention money / withheld a/c	16,475,238	53,665,629
xi) Advance against sale of scrap	26,571,165	20,686,799
xii) Payable to APGENCO on Machhakunda a/c	130,118,280	57,214,017
xiii) Payable to Machhakund	76,796	76,796
Total of Other Current Liabilities	1,335,493,727	1,041,000,549

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 a provisional bill of Rs8,58,52,029/- on OHPC for the year 2012-13, which comprises of :

30% share of O & M cost	7,86,10,021
Cost of Power beyond 30% share	72,42,008
TOTAL	<u>8,58,52,029</u>

OHPC received an amount of Rs 8,22,50,536/- in 2012-13 from GRIDCO including arrear dues of APGENCO for 2011-12 towards cost of power & O&M charges. OHPC has remitted an amount of Rs.1,50,07,362/- to APGENCO. An amount of Rs 13,01,18,280/- has been shown against payable to APGENCO on Machhakund A/c. As the Odisha share of assets and liabilities have not been quantified and transferred to OHPC, the receipts and payments on account of Manchakund project are not shown in the profit and loss account of OHPC.

Note - 10

SHORT-TERM PROVISIONS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
A. Provision for employee benefits		
i) Provision for bonus	274,217	150,332
ii) Liability for leave encashment of employees	397,601,614	346,566,414
Sub-Total (A)	397,875,831	346,716,746
B. Other provisions		
i) Provision for Income-tax	117,892,154	192,969,993
ii) Provision for proposed dividend	141,402,087	228,924,024
iii) Provision for dividend Tax	22,938,954	37,132,346
iv) Provision for Others	58,166,390	45,661,861
Sub-total (B)	340,399,585	504,688,224
Total of Short-term Provisions (A+B)	738,275,416	851,404,970



Celebration of Independence Day at Corporate Office.

Note - 11**FIXED ASSET & DEPRECIATION AS ON 31.03.2013**

Figure in Rs.

Sl. No	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		Balance as on 1.4.2012	Addition	Deletion during the year	Total as on 31.03.2013	Balance as on 1.4.2012	Addition	Deletion during the year	Total as on 31.03.2013	W.D.V as on 31.03.2013	W.D.V as on 1.04.12
		1	2	3	4	5	6	7	8	9	10
1	Land (A)	1,094,959,787	-	-	1,094,959,787	37,367	1,704,867	-	1,742,234	1,093,217,553	1,094,922,420
2	Power House Civil Works	4,019,592,125	92,104	279,942	4,019,404,287	2,163,408,950	134,180,703	265,946	2,297,323,707	1,722,080,580	1,856,183,175
3	Power House Electric Mechanical Work	22,622,159,141	330,485,469	-	22,952,644,610	11,715,654,205	1,009,059,889	399,909	12,724,314,185	10,228,330,425	10,906,504,936
4	Civil Building/Township	2,904,398,980	26,380,628	-	2,930,779,608	1,293,750,150	86,218,790	(2)	1,379,968,942	1,550,810,666	1,610,648,830
5	Vehicles	61,777,351	932,405	3,308,250	59,401,506	51,987,388	1,657,290	3,410,454	50,234,224	9,167,282	9,789,963
6	Furniture & Fixture	11,820,996	3,238,438	-	15,059,434	6,700,484	679,105	42,338	7,337,251	7,722,183	5,120,512
7	Office Equipment	46,371,718	6,852,557	1,111,374	52,112,901	25,877,178	2,289,437	248,039	27,918,576	24,194,325	20,494,540
8	Misc.Assets	44,021,116	453,851	-	44,474,967	21,331,135	1,599,622	1,846	22,928,911	21,546,056	22,689,981
9	Electrical Installation	81,359,261	1,783,675	-	83,142,936	70,651,427	1,389,647	-	72,041,074	11,101,862	10,707,834
10	Water Supply Instalation	57,762,038	5,831,483	-	63,593,521	16,244,305	1,907,477	-	18,151,782	45,441,739	41,517,733
11	Training Centre Equipment	6,613,248	-	-	6,613,248	5,399,666	313,855	-	5,713,521	899,727	1,213,582
	GRAND TOTAL	30,950,835,761	376,050,610	4,699,566	31,322,186,805	15,371,042,255	1,241,000,682	4,368,530	16,607,674,407	14,714,512,399	15,579,793,506
	Previous year Figure	30,761,056,180	272,555,329	(82,775,749)	30,950,835,760	14,195,299,873	1,230,990,993	(55,248,614)	15,371,042,252	15,579,793,508	16,565,756,307

- 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. In case of UIHER, land consists of transfer value of land and reservoir from State Govt. as on 01.04.1996 and subsequent additions at cost after 01.04.1996 to the date of Balance Sheet. In case of Balimela HER, leasehold lands are still in the name of OSEB. The title deeds of all the lands are yet to be registered in favour of the Company. The company is in the process of identifying leasehold and freehold land separately.
- (ii) An amount of Rs.17,04,867/- 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.
- (iii) The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.
- (iv) The value of fixed assets including 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) Assets amounting to Rs.75,20,322/- burnt in fire during 2012-13 of HHEP, Burla shall be removed from Gross Block in the year of final settlement with Insurance Companies and no depreciation has been charged during the year under audit.

Note - 12

TANGIBLE ASSETS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
Total	0	0



Distribution of Blankets at
Upper Kolab

Training Programme on
“Prohibition of Sexual
Harassment for women at work
place” on 29th August 2013 at
OHPC Training Centre.



OHPC Athletes during 5th Inter
Power Athletics Meet-2013.

Note - 13

CAPITAL WORK-IN-PROGRESS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Land (Development of 7 & 8th Unit of Extension Project)	303,111	303,111
ii) Building	58,678,277	58,497,842
iii) Road, Bridge, Culvert & Other Civil Works	12,322,456	11,174,485
iv) Water Supply Installation	2,074,804	109,804
v) Plant & Machinery (Contraction)	115,619,005	115,619,005
vi) Plant & Machinery (Generation)	182,486,022	240,869,586
vii) Hydr. Works, Dams, Tunnels & Pen Stock	46,267,662	41,473,542
viii) Substation Equipments	6,245,021	6,432,286
ix) Transmission Lines	386,978	397,226
x) Vehicles	663,140	663,140
xi) Furniture & Fixture	137,685	137,685
xii) Office Equipments	443,751	443,751
xiii) Electrical Installations	200,689	200,689
xiv) Miscellaneous assets	14,326	14,326
xv) Expenditure During Construction	151,126,947	145,802,103
xvi) Amount transferred from EDC during year	7,330,519	5,324,844
xvii) Other Civil Works	0	0
Total Work In Progress	584,300,393	627,463,425

Note - 14

NON-CURRENT INVESTMENTS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Odisha Thermal Power Corporation Limited 119447 shares (6944+shares for previous year) of Rs. 1000/- each.	119,447,000	69,447,000
ii) Baitarni West Coal Company Limited (BWCCCL). 100000 shares of Rs.1000/- each	100,000,000	100,000,000
Total of Non-Current Investments	219,447,000	169,447,000

Note - 15

LONG-TERM LOANS AND ADVANCES	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
(A) Capital Advance		
Advance for Capital Expenditure & Capital advance paid for extension project of unit 7 & 8 Balimela & Potteru small HEP	4,097,008	10,304,528
(B) Security Deposit	30,135,868	26,569,513
Deposit with others		
Other Loans & Advance		
i) Advance to supplier	38,823,321	37,088,633
ii) Advance to contractor	(4,302,930)	(7,114,679)
iii) Advance to others	17,822,384	16,885,453
iv) Advance to staff	155,076	348,968
Total of Long-Term Loans and Advances	86,730,728	84,082,416

(a) Advance to supplier, contractor & others are subject to confirmation. Pending such confirmation, the balance as per books have been taken into Accounts.

(b) All long term loans & advances is unsecured but considered good

Note - 16

OTHER NON-CURRENT ASSETS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
(A) Long-term Trade Receivable	4,408,138,925	3,355,643,344
Sundry Debtor for sale of Power		
(B) Others		
i) Sundry Debtor for others	2,026,072	2,019,852
ii) Claims receivable	1,218,529	7,785,995
iii) Other Misc. assets	138,504	138,504
Total of Other Non-Current Assets	4,411,522,030	3,365,587,695

Note - 17

CURRENT ASSETS - INVENTORIES	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Stores & Spares	442,689,032	592,252,762
ii) Less Provision for fire, theft & shortage (Note -33)	22,045,988	19,826,329
Sub total	420,643,044	572,426,433
i) Loose tools	1,026,364	1,026,364
ii) Inventory in transit	4,291,187	0
Total of Inventories	425,960,595	573,452,797

During the year, only indigenous spares has been consumed. The percentage of consumption of imported spares to total consumption is nil.

Note - 18

CURRENT ASSETS- TRADE RECEIVABLES	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Sundry Debtor for sale of Power (Outstanding for a period exceeding six months from the due date of payment.)	239,583,736	0
ii) Sundry Debtor for sale of Power (Outstanding for a period up to six months from the due date of payment.)	1,681,666,820	1,058,425,577
Total of Trade Receivables	1,921,250,556	1,058,425,577

(i) All debtors stated at Note -16 & 18 amounting of Rs.632.94 Crs. as on dt.31.03.2013 are considered good.

(ii) Unsecured considered doubtful - Nil

Company	Less than 6 months	More than 6 months
GRIDCO	Rs.168,07,69,301/-	Rs.462,88,91,593/-
CSPDCL	Rs.8,97,509/-	Rs.1,88,31,067/-
Total	Rs.168,16,66,819/-	Rs.464,77,22,661/-

Note - 19

CASH & CASH EQUIVALENTS	Figure in Rs.	
	As at 31.03.2013	As at 31.03.2012
i) Cash in hand	253,530	320,683
ii) Postal orders & stamps	11,095	4,037
Sub-total (A)	264,625	324,720
i) Remittance in transit	1,004,248	0
Sub-total (B)	1,004,248	0
i) Balances with banks held as margin money or security	250,000,000	250,000,000
ii) Earmarked balance with banks	8,080,000,000	8,200,000,000
iii) Other bank balance	116,515,875	157,539,901
Sub-total (C)	8,446,515,875	8,607,539,901
Total of Cash & Bank Balance (A) + (B) + (C)	8,447,784,748	8,607,864,621

i) OHPC has pledged a fixed deposit of 25 Cr. With Syndicate Bank towards its 1/3rd share of margin for facilitating the JV company BWCCCL to provide BG of Rs.75, 00, 00, 000/- in favour of Ministry of Coal, Govt. of India.

ii) Earmarked balance with banks for the following purpose.

iii) Earmarked balance with banks includes Rs. 471.60 Crs. which will mature after 365 days.

	Figure in Rs.	
	31.03.2013	31.03.2012
Terminal Liabilities	740,000,000	400,000,000
Loan Repayments	200,000,000	200,000,000
JV & new project	6,000,000,000	6,000,000,000
RMU & new projects	1,140,000,000	1,600,000,000
TOTAL	8,080,000,000	8,200,000,000

Note - 20

CURRENT ASSETS- SHORT-TERM		Figure in Rs.	
LOANS AND ADVANCES		As at 31.03.2013	As at 31.03.2012
Unsecured considered good :			
i) Prepaid Expenses		11,930,879	6,847,163
ii) Deposit with others		1,918,748	5,413,792
iii) Advance to supplier		26,766,070	18,052,788
iv) Advance to contractor		6,795,207	9,487,785
v) Advance to others		14,055,721	12,423,308
vi) Advance to staff		24,805,885	24,107,070
vii) Advance Income Tax (TDS) (Ref. note 43)		183,703,357	128,272,016
viii) Advance Income-tax (FBT)		212,610	212,610
ix) Advance Income-tax (MAT)		117,892,154	192,969,993
x) OHPC Rehabilitation Assistance Trust Fund		10,000	10,000
xi) Advance Sales Tax		30,000	0
Total of Short-Term Loans and Advances		388,120,631	397,796,525

Note - 21

CURRENT ASSETS - OTHER CURRENT ASSETS		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
i) Claims receivable		21,210,631	29,662,970
ii) Sundry Debtor for others		113	290,143
iii) Other Misc. assets		765	765
iv) Receivable from Gridco on Machhakund a/c		49,371,744	42,930,655
v) Other receivable from staff		9,626	0
vi) Interest accrued but not due on bank deposits		158,731,995	253,739,286
Total of Other Current Assets		229,324,874	326,623,819

Note - 22

REVENUE FROM OPERATIONS	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
i) Sale of Electricity	3,530,084,047	3,586,728,476
ii) Other operating revenue	1,114,115	3,116,125
Total of Revenue from operations	3,531,198,162	3,589,844,601

Other operating revenue relates to direct sale of electricity by OHPC to its employees / contractors and comprised of the following:

Electricity charges recovery - Employees : Rs. 9,51,165

Electricity charges recovery - Contractors : Rs. 1,62,950

Note - 23

OTHER INCOME	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
i) Interest on Employees advances	6,495	137,941
ii) Interest on Bank Deposits	850,261,562	831,148,645
iii) Interest on others	0	10,161,319
iv) Interest on Adv. To Suppliers / Contractors	43,963	0
v) Sale of tender papers	3,347,891	3,468,224
vi) House rent recovery	1,962,004	1,441,430
vii) Vehicle charges recovery	507,120	563,762
viii) Electricity charges recovery - Employees	1,612,287	1,280,163
ix) Electricity charges recovery - Contractors	10,134,611	35,088,716
x) Guest house charges recovery	324,512	221,853
xi) Sale of scrap	7,879,771	64,053,648
xii) Other miscellaneous receipt	4,088,943	2,951,996
xiii) Recovery from Penalties	2,243,590	1,162,800
xiv) Receipt from RTI	4,529	5,202
xv) Insurance Claim Receipts	46,792	866,700
xvi) Forfeiture of EMD/SD	338,843	12,829
xvii) Profit on sale of Assets	622,818	61,663,475
xviii) Profit on sale of Inventory	41,202,690	0
Total of Other income	924,628,421	1,014,228,703

(a) Interest of income of Rs. 85,02,61,562/- on short term deposits with the Banks which includes Rs.7,57,44,522/- as TDS.

(b) Other misc. receipt includes Rs.98,645 as crane hire charges (UIHEP) which includes Rs. 1,973 as TDS.

Note - 24

REPAIR & MAINTENANCE EXPENSES		Figure in Rs.	
		Year ended 31.03.2013	Year ended 31.03.2012
i)	R&M to Plant and Machinery	109,786,400	54,755,549
ii)	R&M to Building	38,571,224	21,929,460
iii)	R&M to Civil Works	60,370,777	26,767,432
iv)	R&M to Hydraulic Works	4,780,243	18,708,924
v)	R&M to Line Cables Networks	5,889,140	2,803,151
vi)	R&M to Vehicles	1,188,481	1,857,161
vii)	R&M to Furniture & Fixture	14,810	29,710
viii)	R&M to Office Equipments	1,993,238	1,154,311
ix)	R&M to Electrical Installation	5,159,152	2,060,856
x)	R&M to Water Supply Installation	2,380,493	2,038,999
xi)	R&M to Misc. Assets	162,351	968,154
xii)	R&M to Substation Equipment	2,826,862	3,784,848
xiii)	R & M to Dam Maintance	208,348,533	170,311,919
Total		441,471,704	307,170,474
Less Expenditure During Construction		456,637	273,832
Total of Repair & Maintenance Expenses		441,015,067	306,896,642

Note - 25

OPERATION EXPENSES		Figure in Rs.	
		Year ended 31.03.2013	Year ended 31.03.2012
i)	Power and fuel	10,098,066	9,740,164
ii)	Insurance charges Power House	12,751,866	12,848,223
iii)	Oil, Lubricant & Consumables	23,918,635	22,203,669
iv)	Transportation Charges	572,948	294,227
v)	Hire charges of vehicles/machineries	9,718,479	8,485,437
vi)	Refreshment(Operation)	301,036	164,757
vii)	Other Operation expenses	152,155	280,851
viii)	Water Cess	0	33,636
ix)	Watch & Ward of Power House	31,443,161	21,930,585
Total		88,956,346	75,981,549
Less : Expenditure During Construction		195,306	134,494
Total Operation Expenses:		88,761,040	75,847,055

Note - 26

EMPLOYEE BENEFIT EXPENSES		Figure in Rs.	
		Year ended 31.03.2013	Year ended 31.03.2012
i)	Salary & Allowances	395,786,428	371,544,876
ii)	Wages & Allowances	364,186,522	352,586,094
iii)	Over time	1,360,404	1,058,493
iv)	Bonus	163,052	598,065
v)	Payment to Apprentices & Trainees	7,717,490	6,195,557
vi)	Contribution to PF and other Funds	838,463,233	487,240,892
vii)	Employees welfare expenses	59,069,501	64,940,672
viii)	Other employee benefit expenses	131,013,573	165,046,886
	Total	1,797,760,202	1,449,211,535
	Less : Expenditure During Construction	3,290,038	1,968,611
	Total of Employee Benefit Expenses	1,794,470,164	1,447,242,924

Employee cost includes Salary and Allowances paid to the whole time Directors as given below :

	Current Year (in Rs.)	Previous Year (in Rs.)
Salaries & Allowances	5,996,130	34,69,541
Sitting Fees paid to non-Functional Directors	543,050	3,02,745

Note - 27

ADMINISTRATIVE & GENERAL EXPENSES		Figure in Rs.	
		Year ended 31.03.2013	Year ended 31.03.2012
i)	Rent	6,216,182	2,366,164
ii)	Rates and Taxes	992,277	656,135
iii)	Licence & Registration Expenses	62,835	227,647
iv)	Fees & Subscriptions	1,747,331	2,074,402
v)	Insurance Charges	442,048	555,212
vi)	Communication Expenses	3,643,437	3,188,017
vii)	Travelling & Conveyance Expenses	22,652,530	21,535,617
viii)	Printing & Stationery	4,035,198	3,268,764
ix)	Bank Charges	76,516	243,878
x)	Electricity & Water Charges	66,457,784	97,692,941
xi)	Legal Expenses	1,398,030	2,041,317
xii)	Professional & Consultancy Charges	3,104,527	8,275,180
xiii)	Audit Fees & Expenses (a)	2,718,691	2,346,756
xiv)	Advertisement & Publicity	5,001,680	4,902,156

xv) Training, Seminar & Conference	6,036,904	4,906,034
xvi) Office Upkeep & Maintenance	1,425,303	1,443,375
xvii) Watch & Ward charges	12,784,474	10,838,020
xviii) Repair & Maintenance others	247,089	93,896
xix) Recruitment Expenses	348,526	364,943
xx) Meeting Expenses	1,087,649	860,919
xxi) Transit House Expenses	769,007	260,574
xxii) Electrical Accessories	111,681	5,569
xxiii) Donations	0	5,000,000
xxiv) Loss of Asset	0	367,280
xxv) Loss on Inventories	2,219,659	1,168,597
xxvi) Corporate Social Responsibilities Expenses	3,134,144	4,363,670
xxvii) Other Administrative & General Expenses	28,802,335	15,628,291
Total	175,515,837	194,675,354
Less Expenditure During Construction	3,388,538	2,947,907
Total of Administrative & General Expenses	172,127,299	191,727,447

(a) Remuneration to Auditors.

	2012-13	2011-12
	(Rs.)	(Rs.)
Statutory Audit Fees	300,000	300,000
Statutory Audit Expenses	146,838	265,795
Other Audit Fees	1,369,196	949,996
Other Audit Expenses	902,657	830,965
Grand Total	2,718,691	2,346,756

Note - 28

PRIOR PERIOD EXPENSES / (INCOME)	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
i Repair & Maintenance	(7,831,588)	172,983,777
ii Operational Expenses	103,512	199,314
iii Employee Cost	768,908	(12,430,734)
iv Administration & General Expenses	2,796,941	66,475
v Depreciation	(575,966)	(35,663,308)
vi Income from Operation	4,699,661	94,452,049
vii Other Income	56,326	0
Prior Period Expenses (Net)	17,794	219,607,573

Note - 29

FINANCE COST	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
A. Interest cost :		
i Interest on Bank Loan	8,895,294	46,027
ii Interest on PFC Loan	62,064,654	74,440,592
iii Interest on Others	0	8,428,007
iv Cash discount (PFC interest)	(587,584)	(751,389)
Sub-total (A)	70,372,364	82,163,237
B. Other Borrowing costs :		
i) Guarantee Commission	10,812,000	10,812,000
Sub-total (B)	10,812,000	10,812,000
C. Gain or loss on foreign currency transaction / translation :		
i) Foreign Exchange Fluctuation Loss	44,909,740	77,108,961
Sub-total (C)	44,909,740	77,108,961
Total Finance Cost (A+B+C)	126,094,104	170,084,198

- (a) The State Govt has provided Govt Guarantee for availing long term loan from PFC for different projects of OHPC. Guarantee Commission @ 0.5 % on the maximum amount guaranteed are provided in accounts. However, pursuant to the Govt. of Odisha, Finance Deptt. Resolution No.23663 dtd. 04.06.2003, Guarantee Commission has been paid to the State Govt. at the rate of 0.5% on the outstanding loan amount at the beginning of the year effective from 01.04.2004.

Note - 30

SELLING & DISTRIBUTION EXPENSES	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
Rebate on sales realization	0	0
Total of Selling & Distribution Expenses	0	0

Note - 31

EXCEPTIONAL ITEMS	Figure in Rs.	
	Year ended 31.03.2013	Year ended 31.03.2012
Voluntary separation scheme payment	3,107,990	5,626,394
Total Exceptional Items	3,107,990	5,626,394

Note - 32

EXPENDITURE DURING CONSTRUCTION		Figure in Rs.	
Sl. No.	PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
1	Repair & Maintenance expenses	456,637	273,832
2	Operational Expenses	195,306	134,494
3	Employees & Other related expenses :		
	Salary & Allowances	1,865,681	1,813,997
	Contributions	59,275	75,113
	Employees welfare expenses	0	10,608
	Terminal Benefit	1,308,219	6,042
	Others	56,863	62,851
	sub-total :	3,290,038	1,968,611
4	Administrative & General expenses :		
	Rent,rates and taxes	0	0
	LICENSE & REGN. EXPENSES	6,250	3,750
	Communication expenses	9,908	10,655
	Traveling & conveyance expenses	288,101	230,863
	Printing & stationery	4,245	4,473
	Bank charges	462	578
	Electricity & water charges	11,374	121,772
	Legal expenses	0	0
	Audit Fees & Expenses	0	0
	Professional & consultancy charges	5,048	8,190
	Advertisement & Publicity	0	0
	Office upkeep & Maintenance	6,109	898
	Watch & ward charges	3,052,768	2,563,342
	Meeting expenses	0	0
	TRANSIT HOUSE EXPENSES	0	0
5	Other misc expenses	4,273	3,386
	sub-total :	3,388,538	2,947,907
	Interest & financial charges :		
	Interest on PFC Loan	0	0
6	Guarantee Commission	0	0
	sub-total :	0	0
7	TOTAL	7,330,519	5,324,844
8	Receipts & recoveries on capital account	0	0
9	Net Exp. During Construction	7,330,519	5,324,844
10	Add: 1) Opening Balance of Exp. During Consn. 2) Adjustment during construction	151,126,947	145,802,103
11	TOTAL	158,457,466	151,126,947
	Less Capitalized during the year	0	0
	GRAND TOTAL : (transferred to Note-13)	158,457,466	151,126,947

Note - 33

The book value of stores & spares partly not available due to theft, fire and shortages in both civil stores Mukhiguda & Central Stores Khatiguda of Civil wing as per the stock verification report of M/s. Bajoria & Co, Cuttack received on dtd.17.06.2013 are as follows :-

Particulars.	Civil Stores Mukhiguda (Rs.)	Electrical Stores Mukhiguda	Central Store Khatiguda (Rs.)	HHEP Burla	Total Amount (Rs.)
Theft	2,73,311.79	0.00	13,75,322.50	0.00	16,48,644.29
Fire Damage	0.00	0.00	1,55,12,500.10	0.00	1,55,12,500.10
Shortages.	18,86,899.76	0.00	5,81,279.23	1,97,006.00	26,65,184.99
Total Loss of Stores up to 31.03.12	21,60,211.55	0.00	1,74,69,111.83	1,97,006.00	1,98,26,329.38
Theft during 2012-13	17,08,318.33	0.00	0.00	0.00	17,08,318.33
Shortages during 2012-13	3,81,310.38	58,230.45	71,799.75	0.00	5,11,340.58
Total loss of stores as on 31.03.2013	42,49,840.26	58,230.45	1,75,40,911.58	1,97,006.00	2,20,45,988.29

- (a) The value of inventory of Hirakud HEP as on 31st March, 2013 includes the cost of spares theft in the year, amounting to Rs.4,15,350/-. Out of the said amount Rs.2,18,344/- has been received from insurance company as full and final settlement of the claim and the balance amount of Rs.1,97,006/- has been provided in the accounts -2011-12.
- (b) The total loss of stores due to theft and shortages occurred during the year 2012-13 in the Civil Store, Mukhiguda & Central Store, Khatiguda was Rs.21,61,428/-. Provision has been made in the books of accounts of UIHEP, khatiguda by debiting loss of inventory A/c & crediting provisions for fire, theft & shortages. Similarly, in Electrical Stores at UIHEP, Mukhiguda, there was shortage of Stores of Rs.58,230.45 for which provision has been made during this year in books of accounts of UIHEP, Mukhiguda.

Note - 34

The following Revenues have not been recognized in books of account due to uncertainty in collection as per AS-9

- (a) Pending acceptance of the bills by DOWR, 50% of the dam maintenance cost of UIHEP (Khatiguda) for the year 2012-13 amounting to Rs.11,20,12,486/-.
- (b) The outstanding electricity charges payable by Rengali Dam Division to OHPC for the period from 01.04.96 to 31.03.2013 amounting to Rs.12,25,16,791/- for street light, water supply & gate operation etc. and Rs.94,79,613/- for office & non-residential building.
- (c) Bills amounting to Rs.1.42 Crs. from the year 2005-06 to 2012-13 raised by CHEP, Chiplima on M/s

Rathi Steel and Power Ltd towards drawal of water from power channel has not been recognized as income since the party has not accepted the bill amount.

- (d) The outstanding Energy Charges of Rs 81,33,661/- of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2013 were issued on 20.04.2013 but confirmations were not received viz.

Amount in Rs		Amount in Rs	
E.E, Right Canal Divn.	86,834/-	SDO, BSNL, Nabarangpur	7,81,183/-
E.E., Left Canal Divn.	2,09,671/-	SDO, BSNL, Dharamgarh	12,53,744/-
E.E., Quality Control Divn.	44,61,324/-	SBI, Jaipatna	26,804/-
Chif Engineer, Irrigation	12,53,132/-	Utkal Gramya Bank, Mukhiguda	60,969/-

Total Receivable from DOWR:60,10,961 Total Receivable from BSNL & Banks: 21,22,700/-

A sum of Rs.42,51,478/- has been received from E.E, quality control Division Khatiguda vide MR 130/23/2.5.13 against their outstanding amount of Rs.44,61,324/-.

Note - 35

Foreign currency transactions :

Particulars	2012-13 (Rs.)	2011-12 (Rs.)
Expenditure incurred in foreign currency on cash basis being payment made to consultants.	19,32,006	0.00
Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC.	Nil	Nil
Traveling expenses	Nil	NIL

Note - 36

Liabilities towards Pension, Gratuity and Leave Encashment have been provided in the accounts based on the actuarial valuation and in accordance with AS-15.

Sl. No.	Particulars	For 2012-13 (Rs.)	As at 31.03.2013 (Rs.)
1	Pension	77,00,54,633	521,87,04,895
2	Leave Encashment	8,69,97,807	39,76,01,614
3.	Gratuity	2,35,47,012	25,19,312

As against the aforesaid liabilities towards Pension, an amount of Rs.447,36,71,639/- has been paid to the OHPC Pension Fund till 31.03.2013. Accordingly the balance amount of Rs.74,50,33,256/- has been included in Note-9 under the head employee liabilities.

As regards gratuity liability, the corporation has taken a group gratuity Insurance Policy with L.I.C of India w.e.f. 01.01.2005. During the year under audit, OHPC has paid Rs.4,52,80,009/- to the Gratuity Trust Fund towards premium and Rs.7,04,712/- has been paid directly to employees through OHPC fund.

Pension liability in respect of deputationists for their service in OHPC has not been ascertained. The payments that may be made by OHPC on receipt of claims for the deputationists shall be accounted for on cash basis.

Note - 37

The Company is exclusively engaged in the business of generation of hydro power in the state of Odisha, which is considered to constitute one single segment as per 'AS-17'.

Note - 38

The consolidated financial statement has been prepared in accordance with Accounting Standard-21 and generally accepted accounting principles. Inadvertent omissions or errors, if any, will be rectified in the accounts of the succeeding years.

Note - 39

As per income tax return filed, the company has a carry forward un-absorbed depreciation of Rs.115.25 Crores till the assessment year 2012-13. The tariff for sale of energy to GRIDCO fixed by the OERC is based on the corrective measures according to which the depreciation is limited to pre-1992 norms of the Govt of India, subject to coverage of repayment of principal installments due during the year and further, there is no return on the equity component of the hydro power stations in operation as on the date of transfer of the assets i.e. 01.04.1996. As such, there has been no taxable income of OHPC under the IT Act except the minimum alternate tax (MAT) till financial year 2012-13. On release of the funds earmarked for the joint venture entities namely OTPC and BWCL which are presently under implementation, R&M of unit-5 & 6 of HHEP, Burla, R & M of unit 1 to 6 of BHEP, Balimela which will be taken up shortly for implementation, there shall be substantial reduction in short term deposits with consequential loss of interest income. In addition, depreciation shall be higher due to capital additions for the R&M. Further, substantial expenditure on the repairs & maintenance of the old hydro power projects has been estimated which is a charge against revenue. There was hydrology failure continuously in the years 2009-10, 2010-11 & 2011-12 and there is no certainty of a good monsoon in the forth coming future years.

In view of the above, there is no certainty that taxable income will be available in the next few years. Therefore, no deferred tax under AS-22 has been shown in the accounts for the year 2012-13.

Note - 40

The assets are carried in the books at historical cost which are lower than the recoverable amount and consequently there is no impairment of assets under AS-28.

Note - 41

Contingent liabilities :

		Figure in Rs.	
		As at 31.03.2013	As at 31.03.2012
(a) 1.	Estimated amount of contracts to be executed on capital account (net of advances and LCs opened).	NIL	NIL
2.	Claims against the Company not acknowledged as debt :		
(i)	Stamp duty on bonds of Rs.766.20 crores issued to GoO on account of up- valuation of assets which has been kept in abeyance.	5.75	5.75
(ii)	EPF & Sales Tax liability of UIHEP, Khatiguda	0.31	0.31
(iii)	Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture	65.57	65.57
(iv)	Workman compensation pending before the Hon'ble High Court of Odisha. (CHEP)	0.06	0.06
(v)	ED liability to Govt of Odisha	0.1361	0.1361
(vi)	Encashment of Bank Guarantor of LMZ (BHEP)	0	6.64
(vii)	Claim of Dam Division, Rengali Dam site under Water Resources Department towards water rent in respect of residential & non-residential building of OHPC (RHEP)	0.13	0.13
(viii)	Entry Tax, appeal before the commission of commercial Taxes, Cuttack (BHEP).	0.01	0.01
(ix)	Differential pension payable to employees transferred from the State Government & Ex-OSEB to OHPC.	21.28	21.28
(x)	Interest @ 7% on State Government loan for UIHEP of Rs.497.86 Crs.	243.95	209.10
(xi)	Wrong assessment of water cess by Department of Water Resources and interest charged thereon.	0.01	0.01
(xii)	50% of the Fixed deposit of Rs.25 Crs. pledged for the BG of BWCCCL in favour MOC, GoI.	12.50	0

- (b) Against the claim of Rs.65.57 Crs. of M/s TSS stated at (iv) above, OHPC has lodged a claim of Rs. 135.87 Crore on the said contractor. The arbitration is in process.
- (c) BHEP, Balimela unit has deposited Rs.40,000/- under protest during the year against the assessed entry Tax of Rs. 1,13,852/- for the year 2000-01 stated at (VIII) above. Against this demand, the unit has filed an appeal before the Commissioner of Commercial Taxes, Cuttack.
- (d) Pending confirmation & detailed guidelines from Govt of Odisha, Rs.21.28 Crores due to differential pension payable to the employees transferred from the State Govt and Ex-OSEB to OHPC is shown as contingent

Liability stated at (IX) above. However, the liability for the year 2012-13 has not been ascertained/ determined.

- (e) The Baitarni West Coal Block allotted to M/s Baitarni West Coal Company Limited, a joint venture company of OHPC was de-allocated vide the letter dated 10th December, 2012 of Ministry of Coal, Government of India. OHPC on behalf of the partners filed a petition in the Hon'ble High Court of Odisha vide W.P.(C)No.4011/2013 with Miscellaneous case No.3942 of 2013. The Hon'ble High Court vide order dt.19.03.2013 held that "as an interim measure, it is directed that the bank guarantee furnished by the petitioner-Company may not be encashed and the Coal Block allocated to it may not be allocated to any 3rd party without leave of this Court ". Accordingly 50% of FD i.e. Rs.12.50 Crs has been shown as Contingent Liability as above under (xii).

Note - 42

- (a) The sale of energy compared to the design energy for sale during the year 2012-13 is as under :

Power stations	Actual sale of energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	1637.333	1942.38
RHEP, Rengali	667.266	519.75
BHEP, Balimela	528.511	1171.17
UKHEP, Upper Kolab	453.791	823.68
HHEP, Burla	680.487	677.16
CHEP, Chiplima	274.885	485.10
Total	4242.273	5619.24

- (b) As per the OERC tariff order dt. 23.03.2012, the tariff for the year 2012-13 for energy sold to GRIDCO is as follows :

Name of Power Station	Energy charge Rate (Paisa per Unit)	Capacity charges (Rupees in Crs.)
RHEP	36.392	18.915
UKHEP	18.363	15.125
BHEP	36.908	43.225
HHEP	46.437	31.445
UIHEP	39.632	76.980
CHEP	26.232	12.725

- (c) The sale of energy includes 16.362412 MU to CSPDCL @Rs.0.91 per unit at the actual cost of generation of HHEP for the year 2011-12, as per the decision of the meeting of high level Committee held on 24.12.2004 under the Chairmanship of the Chief Secretary, GoO in pursuance of the order of the Hon'ble High Court of Madhya Pradesh.

- (d) The energy sold to GRIDCO has been reconciled both in quantity & value till 2010-11 wherever required, necessary rectification entries relating to sale of energy have been passed by the respective units.

Note - 43

The Tax Recovery Officer, Income Tax Department, Sambalpur had raised a demand of Rs.4.48 crs 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 Rs.0.33 lakhs and issued refund order of Rs 0.58 lakhs. After adjustment of the said amount, the balance amount of Rs 3.57 Crs. has been shown under the head advance income tax (TDS).

Note - 44

Expenses in respect of employees who are in receipt of remuneration of not less than Rs.24,00,000/- per annum and employed throughout the year or Rs.2,00,000/- per month and employed for part of the year is Nil.

Note - 45

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.

Note - 46

The details of installed capacity, generation and sale of power during the year are as under. The colony consumption of RHEP, BHEP, UIHEP are included in the auxiliary consumption.

Power Stations	Installed Capacity (MW)	Gross Generation (MU)	Sale of Power (MU)	Auxiliary consumption (MU)	Transformation loss & internal consumption
CHEP	72.00	279.646	274.885	0.500	4.261
HHEP	275.50	694.483	680.487	2.833	11.163
RHEP	250.00	714.367	667.266	13.227	33.874
UKHEP	320.00	465.426	453.791	3.156	8.479
BHEP	510.00	546.313	528.511	14.238	3.564
UIHEP	600.00	1688.860	1637.333	9.272	42.255
Total	2027.50	4389.095	4242.273	43.226	103.596
Previous year	2027.50	4971.906	4837.098	45.736	89.073

Note - 47

Power Station wise financial results before Tax.

Power Stations	(Rs. in Crores)					
	Revenue from operation	Other Income	Share of H O income over exp.	Total income	Total Exp.	Profit before tax
CHEP	19.59	2.90	3.41	25.90	27.32	-1.42
HHEP	63.02	0.76	10.97	74.75	70.97	3.78
RHEP	43.53	0.78	7.59	51.90	41.67	10.23
UKHEP	24.09	0.23	4.20	28.52	32.78	-4.26
BHEP	62.61	1.01	10.92	74.54	84.83	-10.29
UIHEP	140.28	1.49	24.45	166.22	105.34	60.88
Total 2012-13	353.12	7.17	61.54	421.83	362.91	58.92
Total 2011-12	358.68	17.41	63.38	439.47	343.86	95.61

Note - 48

Mobilization advance of Rs.2.00 Crores was given to M/s OCC Ltd by Department of Water Resources (DOWR) in two spells vide cheque No.S-975409 dated 03.11.1995 and S.998897 dated 26.02.1996 of Rs. 1.00 crore each for construction of bye-pass tunnel & emergency gates of UIIP as per their letter No 29287 dated 15.11.1995 and 7670 dated 12.03.1996 (i.e. before formation of OHPC). The said amount was paid from the budget provision of UIIP charging to Misc Work advance. An amount of Rs.50 Lakhs was recovered from the bills of LCB 1/1997-98 Agreement (Depletion sluice Gate of Benakhamar Bye pass tunnel) and Rs.150 Lakhs was recovered from the bills of LCB 2/1997-98 Agreement (Depletion Sluice Gate of Indravati Dam). The recovered amount of Rs.2.00 Crores is now kept in outstanding liabilities account of UIHEP, Khatiguda. The said amount was not refunded to DOWR as per letter No 7298 dated 20.06.1998 of Director (Finance) as all payments made by any authority prior to formation of OHPC have been accounted for in the transfer price of Rs.630 Crores which was treated as a loan by the Government of Odisha to OHPC.

Note - 49

Deposit with others

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

Rs. in Lakhs.		Rs. in Lakhs	
23.03.94	40.00	1994-95	40.00
28.03.94	30.00	1994-98	0.03
31.03.95	22.00	28.06.96	14.03
15.03.96	12.00		
	104.00		54.03

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.

- (ii) Further, the deposit with other of Rs. 1.017 Crore at UIHEP, Mukhiguda represents Security deposit with SOUTHCO by way of adjustment against energy bills on GRIDCO vide JV 122/31.03.08.

Note - 50

- (i) OHPC has lodged a insurance claim of Rs 36.05 crores 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 Rs 5.00 crores in two spells i.e. Rs 3.50 crores in May 95 and Rs 1.50 crores 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 Rs 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 Rs 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 Rs.74023445/- within two months of the order dated.
- (ii) An insurance claim for Rs. 21,07,404/- has been lodged against 2 sets of SF6 breaker which were burst on 29.03.12 i.e. unit-III (Rs 14,87,004/-) and unit-IV (Rs 6,20,000/-) of Rengali H E project with National Insurance Company, Angul vide letter No 4775 dt.16.05.12 of DGM (Ele), RHEP, Rengali.

Note - 51

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" basic which is still pending for Cabinet approval.

Note - 52

- (a) Previous year figures / opening balances have been regrouped or rearranged / re-casted wherever necessary.
- (b) Figures have been rounded off to the nearest rupee.

In terms of our report attached
For G R C & Associates,
Chartered Accountants

P M Dash
Partner
M.No.069682

P K Pradhan
DGM (F & A)

P K Mohanty
Company Secretary

S K Sahu
Director (Finance)

S Khatua
Managing Director

Place : Bhubaneswar
Date : 06.08.2013