

17TH ANNUAL REPORT 2011-12



ODISHA HYDRO POWER CORPORATION LIMITED

(A Government of Odisha Undertaking)

JANPATH, BHOINAGAR, BHUBANESWAR - 751 022

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

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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.

17th ANNUAL REPORT 2011-12

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BOARD OF DIRECTORS

P K Jena, IAS,
Chairman

Sahadev Khatua
Managing Director

C J Venugopal, IAS

D K Singh, 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

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

Company Secretary
P K Sahoo

BANKERS

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

STATUTORY AUDITORS

GRC & Associates,
Chartered Accountants

BRANCH AUDITORS

H Naik & Co
Chartered Accountants

K Panigrahi & Associates
Chartered Accountants

Mishra, Badhai & Associates
Chartered Accountants

Tripathy & Co
Chartered Accountants

G Ram & Co
Chartered Accountants

COST AUDITORS

Niran & Co
Cost Accountants

DIRECTORS' REPORT

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

The Directors have the pleasure in presenting the 17th Annual Report of the Company together with the audited accounts for the year ended 31st March, 2012.

1. ENERGY SCENARIO OF THE COUNTRY

The installed power generating capacity in the country as on 31st March, 2012 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.

2. PERFORMANCE OF OHPC IN 2011-12

The hydro power generating stations in the State were transferred to OHPC on 01.04.1996. The financial year 2011-12 is the 16th operating year of OHPC. The physical and financial results in brief for the year 2011-12 and the previous two years, are placed hereunder:

(a) Power Generation

| Units | Installed capacity (MW) | Design Energy (MU) | Generation | | | |
|---------------------|-------------------------|--------------------|-------------|-------------|-------------|----------------------|
| | | | 09-10 | 10-11 | (MU) 11-12 | 12-13 (Upto Sept,12) |
| Hirakud HEP | 275.5 | 684 | 574 | 686 | 679 | 460 |
| Chiplima HEP | 72 | 490 | 130 | 255 | 332 | 147 |
| Balimela HEP | 510.0 | 1183 | 786 | 1286 | 1046 | 175 |
| Rengali HEP | 250.0 | 525 | 549 | 270 | 874 | 503 |
| Upper Kolab HEP | 320.0 | 832 | 407 | 564 | 604 | 180 |
| Upper Indravati HEP | 600 | 1962 | 1474 | 1696 | 1437 | 874 |
| Sub-total | 2027.5 | 5676 | 3920 | 4757 | 4972 | 2339 |
| Machkund * | | | | | | |
| (Odisha drawal) | 34.5* | 262.5 | 286 | 269 | 224 | 115 |
| Total | 2062 | 5938.5 | 4206 | 5026 | 5196 | 2454 |

The hydro power generation during 2011-12 is higher as compared to 2010-11 but lower than the design energy mainly due to poor monsoon in the southern parts of the State.

- * The present installed capacity of Machkund Joint H E Project is 114.75 MW. In addition to the 30 % share (34.5 MW) on payment of operation and maintenance cost, OHPC avails 20% (23 MW) additional power at a mutually agreed rate.

(b) Sale of power (Million Units)

| Power Stations | Design energy for sale | 09-10 | 10-11 | 11-12 | 12-13 (Upto Sept, 12) |
|----------------------------|---------------------------|-------------|-------------|-------------|--------------------------|
| Hirakud HEP | 677 | 563 | 672 | 666 | 453 |
| Chiplima HEP | 485 | 128 | 250 | 327 | 144 |
| Balimela HEP | 1171 | 767 | 1262 | 1021 | 165 |
| Rengali HEP | 520 | 530 | 253 | 847 | 468 |
| Upper Kolab HEP | 824 | 399 | 553 | 593 | 176 |
| Upper Indravati HEP | 1942 | 1415 | 1632 | 1383 | 851 |
| Sub-Total | 5619 | 3802 | 4622 | 4837 | 2257 |
| Machkund (Odisha share) | 262.5 | 286 | 269 | 224 | 115 |
| Total | 5881.5 | 4088 | 4891 | 5061 | 2372 |

(c) Availability of the Power Stations (Percentage)

| Power Stations | Financial Years | | | | |
|---------------------|-----------------|-------|-------|-------|-------------------------|
| | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 (Upto Sept'12) |
| Hirakud HEP | 86.65 | 90.21 | 84.32 | 60.27 | 71.99 |
| Chiplima HEP | 68.52 | 85.25 | 92.5 | 80.93 | 61.10 |
| Balimela HEP | 86.84 | 86.15 | 81.05 | 73.72 | 83.89 |
| Rengali HEP | 75.44 | 70.20 | 90.37 | 81.04 | 69.87 |
| Upper Kolab HEP | 87.58 | 90.41 | 84.11 | 94.61 | 95.36 |
| Upper Indravati HEP | 89.17 | 95.07 | 91.17 | 97.02 | 90.14 |

The lower availability in some of the power stations is due to shutdown of the machines for repairs & maintenance / replacement of equipments or parts.

(d) Financial Results (Rs in crore)

| Particulars | Financial Years | | | |
|------------------------------------|-----------------|--------|--------|--------|
| | 08-09 | 09-10 | 10-11 | 11-12 |
| Sale of power | 329.16 | 296.16 | 338.72 | 358.68 |
| Profit before depreciation and tax | 139.05 | 161.78 | 174.54 | 218.71 |
| Less: Depreciation | 118.96 | 129.04 | 127.61 | 123.10 |
| Net profit / Loss before tax | 20.09 | 32.74 | 46.93 | 95.61 |
| Net Profit / Loss after tax | 17.57 | 27.15 | 37.57 | 76.31 |



International Women's Day Celebration



Observation of Vigilance Awareness Week

The unit wise profit / (loss) before tax during the year 2011-12 and the previous three years are shown below:

| Power Stations | Unit wise Profit / (Loss) before tax (Rs in crore) | | | |
|---------------------|--|---------|--------|---------|
| | 08-09 | 09-10 | 10-11 | 11-12 |
| Hirakud HEP | (20.87) | (5.48) | 1.32 | 7.79 |
| Chiplima HEP | | (6.32) | (0.46) | 9.05 |
| Balimela HEP | 1.89 | 0.55 | 6.47 | 9.02 |
| Rengali HEP | (4.76) | (9.06) | (8.21) | 16.81 |
| Upper Kolab HEP | (10.67) | (15.12) | (7.24) | (17.07) |
| Upper Indravati HEP | 54.50 | 68.07 | 55.05 | 70.01 |

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. PERFORMANCE DURING THE YEAR 2012-13

- (i) During the current water year 2012, there has been normal rain fall in all the catchment areas of the reservoirs more particularly in the South Odisha. As such, water levels in these reservoirs are higher compared to the previous two years. Reservoir level as on 1st October, 2012 and the previous two years is given below:-

| Name of the Reservoir | Unit | Full Reservoir Level (FRL) | Minimum Draw Down Level (MDDL) | Reservoir level as on | | |
|-----------------------|-------|----------------------------|--------------------------------|-----------------------|----------|----------|
| | | | | 01.10.10 | 01.10.11 | 01.10.12 |
| Hirakud | Feet | 630 | 590 | 629.81 | 630.00 | 629.92 |
| Balimela | Feet | 1516 | 1440 | 1503.30 | 1466.30 | 1496.10 |
| Rengali | Metre | 123.50 | 109.72 | 118.20 | 124.42 | 123.33 |
| Upper Kolab | Metre | 858 | 844 | 855.62 | 850.61 | 856.54 |
| Upper Indravati | Metre | 642 | 625 | 638.40 | 631.79 | 640.31 |
| Machkund | Feet | 2750 | 2685 | 2744.60 | 2747.75 | 2748.20 |

- (ii) Sale of power during the six months period ending September, 2012 compared to the corresponding period of the previous year vis-à-vis the target of the year 2012-13 is shown below:

| Power Stations | Sales Target fixed by CEA (MU) for 2012-13 | Sale of Power (Million Units) | | Sales Value (Rs. in Crores) | |
|---------------------|---|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| | | Current Year (04/12 to 09/12) | Previous Year (04/11 to 09/11) | Current Year (04/12 to 09/12) | Previous Year (04/11 to 09/11) |
| Hirakud HEP | 665 | 453 | 409 | 36.02 | 31.32 |
| Chiplima HEP | 325 | 144 | 185 | 8.98 | 11.57 |
| Balimela HEP | 1171 | 165 | 789 | 27.49 | 48.31 |
| Rengali HEP | 446 | 468 | 509 | 25.86 | 27.37 |
| Upper Kolab HEP | 742 | 176 | 421 | 11.73 | 14.72 |
| Upper Indravati HEP | 1782 | 851 | 1012 | 73.26 | 80.24 |
| Total | 5131 | 2257 | 3325 | 183.34 | 213.53 |

5. TARIFF STRUCTURE

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

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

- The effect of up-valuation of old hydro power stations (Rs. 766.20 crores) on the tariff has been kept in abeyance.
- Interest on debt servicing of the State Govt is kept in abeyance.
- Return on Equity (RoE) is not allowed in respect of the assets of old power stations transferred to OHPC on 01.04.1996.
- 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 12 (twelve) 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 liberated from the above said restrictions.

6. PROJECTS UNDER JOINT VENTURE

(i) Odisha Thermal Power Corporation Ltd

OHPC and Odisha Mining Corporation Ltd. (OMC) have together floated a Joint Venture Company namely Odisha Thermal Power Corporation Limited (OTPC) with 50:50 shareholding for setting up a thermal power plant of 2000 MW capacity. The initial works such as land acquisition, statutory clearances, water and fuel connection etc are under progress.

(ii) Baitarni West Coal Company Ltd

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 allocates in April, 2008. The Mining Plan approval was received vide Ministry of Coal, Govt of India letter dtd 07.10.2009. Developmental activities such as preparation of DPR, land acquisition, Statutory clearances, stake holding in the common rail-road corridor and other follow up activities for achievement of the milestones set out in the allotment letter are under progress.

7. RENOVATION & MODERNISATION

- (i) Renovation & Modernisation of unit-I, RHEP, Rengali which was started since 25th Nov, 2009 has been commissioned in May, 2012.
- (ii) For taking up the R&M works of unit-5&6, HHEP, Burla, the PAC of the State Govt have accorded approval. The final bid for the project is under approval of OERC.
- (iii) Tendering for the R&M of Unit-3 Chiplima Power House is under process.
- (iv) The renovation & modernization of six units of BHEP, Balimela in phases has been initiated.

8. HUMAN RESOURCES

(a) MAN POWER

The employees position as on 01.10.2012 comprising executives and non-executives including regular, NMR and Contingent Khalasis but excluding 332 employees on deputation mostly from DOWR posted at UIHEP, (Khatiguda and Mukhiguda) is as under:

| Sl No | Units | Installed Capacity MW | Number of employees (As on 01.10.12) | Employees per MW |
|-------|---|-----------------------|--------------------------------------|------------------|
| A. | Corporate Office | - | 150 | - |
| B. | Projects under operation:- | | | |
| (i) | Rengali HEP | 250 | 439 | 1.76 |
| (ii) | Upper Kolab | 320 | 311 | 0.97 |
| (iii) | Hirakud HEP | 275.5 | 353 | 1.28 |
| (iv) | Chiplima HEP | 72 | 157 | 2.18 |
| (v) | Balimela HEP | 510 | 306 | 0.60 |
| (vi) | UIHEP excluding deputationists at Khatiguda | 600 | 560 | 0.93 |
| (vii) | Machkund Joint Scheme (30% share) | 34.5 | 45 | 1.30 |
| | Total | 2062 | 2321 | 1.13 |

Manpower has been rationalized to a substantial level.

(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. SHARE CAPITAL

The authorised share capital of the Company is Rs. 1000 crores comprising of one crore equity shares of Rs. 1000/- each. Present paid up equity share capital is Rs. 320.80 crores.

10. DIVIDEND

Pursuant to the Finance Department Office Memorandum dtd 12.12.2011, OHPC has been paying dividend @30% of the post-tax profit to the State Govt starting for the financial year 2009-10 and onwards.

11. CORPORATE GOVERNANCE

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

12. 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.

13. 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



ISO Certificate Presentation

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.

14. 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 & organize training & awareness programmes. It contributes substantially to the relief funds during natural disasters.



Blood Donation Camp, C.O.

15. BOARD OF DIRECTORS

The following changes have occurred in the Board of Directors since the last Directors' Report.

| Name of the Directors | Date of appointment | Date of cessation of Directorship. |
|--------------------------------|---------------------|------------------------------------|
| P K Jena, IAS, Chairman | 01.08.2012 | - |
| S K Sahu, Director (Finance) | 31.05.2012 | - |
| D K Singh, IAS, Director | 07.09.2012 | - |
| S K Jena, Director | 07.09.2012 | - |
| R C Tripathy, Director | 07.09.2012 | - |
| C J Venugopal, IAS, Director | 30.10.2012 | - |
| G Mathivathanan, IAS, Chairman | 21.05.2011 | 01.08.2012 |
| Saurabh Garg, IAS, Director | 18.08.2009 | 21.07.2012 |
| Hemant Sharma, IAS, Director | 26.07.2010 | 07.09.2012 |
| B B Singhsamant, Director | 19.07.2004 | 07.09.2012 |
| M S Samantray, Director | 19.07.2004 | 07.09.2012 |
| A K Tripathy, IAS, Director | 21.07.2012 | 30.10.2012 |

16. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES (AMENDMENT) ACT, 2000

The Directors wish to state that:

- (i) The annual accounts have been prepared in accordance with the applicable accounting standards along with proper explanations relating to material departures.
- (ii) Such accounting policies have been selected and applied which 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 or loss of the Company for that period.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.



Independence Day Celebration, C.O.

17. AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, an Audit Committee has been constituted by the Board in their 37th meeting dtd.24.03.2001. The present composition of the Audit Committee is as follows:

| | | |
|----------------------|---|-----------|
| S C Bhadra, Director | - | Chairman. |
| D K Jena, Director | - | Member |
| S K Jena, Director | - | Member. |
| Director (Operation) | - | Member. |

Eight meetings of the Audit Committee were held during the year 2011-12 for the selection of auditors for 2011-12, review of the accounts, report of the auditors and internal audit observations.

18. AUDITORS

- (a) M/s. G R C & Associates, Chartered Accountants, Bhubaneswar was appointed as the Statutory Auditors of the Company and 5 (five) Chartered Accountant firms were appointed as Branch Auditors for the hydro power stations by the C&AG for the year 2011-12.
- (b) M/s Niran & Co, Cost Accountants, Bhubaneswar was appointed as the Cost Auditors of the Company for the year 2011-12.

19. AUDITORS' REPORTS

The Report of the Statutory Auditors and comments of the C&AG on the accounts of the Company for the year 2011-12 and the replies of the Management to the report / comments of the Auditors are enclosed to this report.

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

NIL

21. 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 is Annexed to this report.



Distribution of Blankets near Upper Kolab

22. ACKNOWLEDGEMENT

The Board of Directors acknowledge with sincere appreciation the co-operation and guidance received from the Govt of India, Govt of Odisha, CEA, PFC, CERC, OERC, Bankers and other associated organizations. The Directors express their sincere thanks to all the business associates, professional consultants, counsels for their continued patronage and assistance.

The Board is thankful to the C&AG, the statutory & branch auditors and 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.

FOR AND ON BEHALF OF THE BOARD

Bhubaneswar
Date : 12.11.2012

P K JENA, IAS
CHAIRMAN



Visit of Hon'ble Minister, Energy to Balimela Power House



Communication through Video Conferencing



Health Camp, UIHEP, Mukhiguda



Ladies Club Mina Bazar, Upper Kolab



Training Programme on Operation & Maintenance of Hydro Power Stations
of OHPC dt.19.10.2012



Training Programme on “ Law Related to Women ” on dt.07.12.2012

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 FOR THE YEAR ENDED 31ST MARCH, 2012.

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 under scrutiny by OHPC.

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

Investment requirement will be assessed and made after assessment of the Energy Audit report.

(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 devices equipments shall be installed in phased manner replacing the low performance one's after assessment of the Energy Audit Report.

B. TECHNOLOGY ABSORPTION

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2011-12

| | | (Rs. in lakhs) |
|--|---------|----------------|
| | 2011-12 | 2010-11 |
| (a) Earnings in Foreign Currency | Nil | Nil |
| (b) Foreign Exchange Outgo : | | |
| (i) Value of imports calculated on CIF basis for capital good and spare parts. | Nil | Nil |
| (ii) Expenditure in foreign currency for foreign visits. | Nil | Nil |
| (iii) Expenditure incurred in foreign currency for payments of consultants. | Nil | Nil |

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 2012.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31st March, 2012 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 statements 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 31st August, 2012.

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 31st March, 2012. 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 |
|-----------|--|---|
| A. | Comments on Profitability Statement of Profit & Loss | |
| | Other Income (Note 23): Rs.101.72 crore | |
| 1. | The above is understated by Rs. 22.76 crore due to non-accounting of the interest up to 31 st March, 2012 receivables on the outstanding energy bills of Rs. 284.45 crore. This has resulted in corresponding understatement of profit for the year by the same amount. | <p>In Indian Power Sector the delayed payment surcharge (DPS) and interest in lieu of the same is accounted for cash basis as the power industries 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 2011-12 on which the Energy Charges & the Capacity Charges have been derived. Once the payment is received by OHPC, the same shall be deducted from the future ARR and accordingly the tariff of OHPC shall be determined. Further no</p> |

2. The above is understated by Rs. 0.37 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) (Rs. 0.16 crore), on BSNL (Rs. 0.20 crore) and SBI (Rs. 0.01 crore) for 2011-12. This has resulted in understatement of trade receivable and profit for the year by Rs. 0.37 crore each.

Prior Year Adjustment (Note 28):

Prior Year Expenses (net)

Rs.21.96 crore

3. The above is overstated by Rs. 2.76 crore due to non-booking of energy charges bill raised on the Chief Engineer (Irrigation), Upper Indravati Hydro Electric Project (UIHEP) Rs. 2.53 crore, on BSNL Rs. 0.23 crore for the year 2010-11. This has resulted in understatement of trade receivables and overstatement of reserves & surplus by the same amount.
4. The above is understated by Rs. 21.28 crore due to non-provision of the liability based on 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 overstatement of Reserve & Surplus by the same amount.

securitization agreement with regard to loan of Rs.284.45 Cr has been executed so far with GRIDCO. Therefore Interest on the receivables has not been considered in the accounts which is in line with accounts maintained in peer group of companies.

The revenue on account of electricity charges billed on W.R Department and BSNL are recognized on cash basis consistently. It has been disclosed in the accounts in Para 6.9 of Note- 1

The revenue on account of electricity charges billed on W.R Department and BSNL are recognized on cash basis consistently. It has been disclosed in the accounts in Para 6.9 of Note- 1.

State Govt. order / notification with regard to the method of calculation and payment of differential pension liability has not yet been issued. However, based on the minutes of discussion dated 16.08.2010 in the DOE, OHPC had claimed the differential liability amounting to Rs.21.28 crs. in the Annual Revenue Requirement for the year 2011-12.

The OERC in its tariff order dated 18.03.2011 agreed in principle to pass the differential liability on the basis of actual payment made / to be made. Accordingly, the yearly liabilities on account of the differential pension shall be accounted for in the accounts and simultaneously claimed in the tariff after

B. Comments on Financial Position
Balance Sheet
Equity & Liabilities
Non-current Liabilities
Long-term Provisions (Note 6): Rs.96.86 crore

5. The above is understated by Rs. 209.10 crore due to non-accounting of interest from 2006-07 to 2011-12 due on State Government loan availed towards Upper Indravati Hydro Electric Project (UIHEP). This has resulted in understatement of Prior period adjustment account (net) by Rs. 174.25 crore (up to 2010-11) & finance cost by Rs. 34.85 crore (2011-12) with corresponding overstatement of Reserve & Surplus by Rs. 174.25 crore and profit for the year by Rs. 34.85 crore.

6. The above is understated by Rs. 1.64 crore due to non-provision of liability towards peripheral development upto 2011-12. This has resulted in understatement of prior year adjustments expenses (net) Rs. 1.64 crore and overstatement of profit from continuing operation and Reserve & Surplus by the same amount.

the State Govt. notification is issued in regard to the modalities of implementation.

However this liability to be discharged over a number of years in the future is disclosed under contingent liabilities in Note- 36.

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 2011-12.

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.

However, the same has been disclosed in the accounts under contingent liability as Note No.36 (h).

The Board approved the policy for sanction of funds for peripheral development of the 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 shall be 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

Other Current Liabilities (Note 9): Rs.103.94 crore

7. The above is understated by Rs. 3.61 crore due to non-provision towards license fee payable to Department of Water Resources (DWR) Government of Odisha. This has resulted in understatement of receivables from GRIDCO by the same amount.

Assets Current Assets Inventories (Note 17): Rs. 57.35 crore

8. The above is overstated by Rs. 1.96 crore due to debiting the loss of inventory during the year to the store reserve account instead of profit & loss account. This has also resulted in overstatement of profit by Rs. 1.96 crore.

the accounts towards any peripheral development works. Only on receipt of the proposals from the district administration, prior approval of the Board is taken before the sanction and release of funds in favour of the district administration.

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.

Finalization and execution of the agreement for use of water by OHPC for its power generation is under process with DWR .

Water Cess/ Water tax towards drawal of water from the Govt. water sources is applicable @ Rs.0.01 per Kwh of hydro power generation wef 01.10.2010 as per the GoO gazette notification No.1571 dtd.01.10.2010. such water cess levied on OHPC is reimbursable by GRIDCO.

Unlike the water cess of other industries which is based on the quantum of water allocation, in case of OHPC, water cess is charged based on the output i.e. the energy generated in Kwh. There is no relevance of water allocation quantity for OHPC. Therefore, there is no under statement of expenses in the OHPC accounts in respect of water cess.

During the year 2011-12 the provision for loss on account of theft, fire & shortage and decrease in the value of inventories has been set off against The stock reserve account created in the year 2009-10 based on surplus inventory reported in the stock audit

C Other comments

9. The company has neither accounted for nor disclosed the compensation amounting to Rs. 51.91 crore towards generation loss receivable from the Industrial units in the state for utilization of water from reservoirs as per High Court direction (March 2012).

10. Contingent Liabilities (Note-36)

Rs. 3828.33 crore was 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), Bariniput 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.

report. This provision is under reconciliation and shall be appropriately accounted for in the financial year 2012-13.

In pursuance to the High court direction in March 2012, agreements to be executed amongst OHPC, DOWR and the industrial units are under active consideration of DOWR.

The bills shall be raised after signing of the agreements and as a principle consistently followed, the amount realized against the bills shall be accounted for in the accounts on cash basis.

Water cess towards drawal of water from Govt. water sources is applicable @ Rs.0.01 per KWH of hydro power generation wef October, 2010 as per the GoO gazette notification No.1571 dtd.01.10.2010. Such water cess levied on OHPC is reimbursable by GRIDCO.

Any demand raised on OHPC prior to October'2010 on account of water tax is not recognized as per the notification dtd.29.01.2003 of GoO in the DoE which at para (xiv) provides that government would exempt water cess on the volume of water used by OHPC for generation of electricity.

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

FOR AND ON BEHALF OF THE BOARD

Place: Bhubaneswar
Date: 31.10.2012

AMAR PATNAIK
ACCOUNTANT GENERAL

P K JENA, IAS
CHAIRMAN

G R C & ASSOCIATES

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To
THE MEMBERS,
ODISHA HYDRO POWER CORPORATION LIMITED,
BHUBANESWAR.

- 1 We have audited the attached Balance Sheet of ODISHA HYDRO POWER CORPORATION LIMITED as at 31st March'2012 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date, in which the accounts are incorporated from the units audited by the Unit Auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act 1956, we enclose Annexure-I statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the company.
4. Further to our comments in the Annexure-I referred to above and subject to our separate comments in Annexure-II, we report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - II. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with;

- III. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
- IV. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Sub- section (3C) of Section 211 of the Companies Act 1956;
- V. In terms of Government of India, Ministry of Finance, Department of Company Affairs, Notification No. GSR 829(E) dated 21st October 2003, Government companies are exempted from the applicability of the provisions of Section 274 (1) (g) of the Companies Act, 1956.
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes on accounts thereon give the information required by the Companies Act 1956, 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 Company as at 31st March, 2012;
 - b) In the case of Profit and Loss Account, of the profit of the Company for the year ending on that date; and
 - c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For G R C & Associates
Chartered Accountants

CA A Mohapatra
Partner
M.No - 055285

PLACE: BHUBANESWAR
DATED : 31/08/2012

ANNEXURE-I TO AUDITOR'S REPORT

Referred to paragraph 3 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 branch auditor's report.
- 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 branch 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 | 20, 90,646.00 | High Court, Odisha |
| UIHEP, Mukhiguda | EPF | 9,84,220.00 | High Court, Odisha |

- X. The Company does not have accumulated losses as at 31.3.2012 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

CA A Mohapatra
Partner
M.No - 055285

PLACE : BHUBANESWAR
DATED : 31/08/2012

ANNEXURE-II TO THE AUDITORS' REPORT

| Observations of the Statutory Auditors | | | Replies of the Management |
|--|---|-------------------------------|---|
| 1. | NON CURRENT LIABILITIES | | |
| | a. The company has not ascertained deferred tax liability / deferred tax assets during the year and hence 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 Accountants of India. | | Deferred tax assets/ liabilities shall be ascertained and accounted for during financial year 2012-13 |
| | b. Other Long Term Liabilities includes Rs. 14.71 crore as detailed below unmoved since long & are also subject to reconciliations & confirmations, the impact of which arising out of such reconciliation has not been ascertained /accounted for. | | Detailed analysis and reconciliation of the liabilities outstanding since long are under process, and shall be accounted for after such liabilities are identified. |
| | Name of the Unit | Head of Account | Amount |
| | BHEP | Other Payable | Rs.3.98 Crore |
| | HHEP | Outstanding Liabilities | Rs.3.41 Crore |
| | | Other Payable | Rs. 0.56 Crore |
| | | Retention Money | Rs. 0.89 Crore |
| | | Sundry Creditor Raw Materials | Rs. 0.30 Crore |
| | UIHEP | Retention Money | Rs. 3.58 Crore |
| | CHEP | Sundry Creditor Raw Materials | Rs. 1.99 Crore |
| | Total | | Rs. 14.71 Crore |
| 2. | CURRENT LIABILITIES | | |
| | a. Other Current Liabilities includes of Rs. 5.80 crore as detailed below unmoved since long & are also subject to reconciliations & confirmations, the impact of which arising out of such reconciliation has not been ascertained / accounted for. | | Analysis and reconciliation of the current liabilities outstanding since long are under process and shall be accounted for after such liabilities are identified. |

| Name of the Unit | Head of Account | Amount |
|------------------|-------------------------|-----------------------|
| HO | Other Payable | Rs.2.15 Crore |
| UIHEP | Outstanding Liabilities | Rs.3.65 Crore |
| Total | | Rs. 5.80 crore |

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. In our opinion the profit & Loss account is overstated and the values of assets are overstated to that extent.

The assets are carried in the books at historical cost which are lower than the recoverable amount and as such, there is no impairment of assets under As-28. However, valuation of fixed assets to assess the impact of impairment, if any, shall be made during financial year 2012-13.

b. Capital Work in progress relating to Potteru Electrical Division of UKHEP is overstated to the tune of Rs. 15.11 crores, Profit for the year is overstated to the tune of Rs. 0.53 Crore and Profit Loss Account of earlier years is over stated to the tune of Rs.14.58 Crores due to over capitalization of expenditure during construction as the project is closed since long & it has been decided to sale out the project.

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.

4. **SUNDRY DEBTORS**

a. Sundry Debtors on account of receivable from CSPDCL is overstated and Profit & Loss account is overstated to the tune of Rs.1.78 crore due to non provision of bad & doubtful debts, the claim for the dues has not been accepted by CSPDCL.

The outstanding energy dues against CSPDCL comprises the differential amount between the audited cost of generation of HHEP for the years 2008-09 to 2011-12 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.

b. Sundry Debtors on account of receivable from GRIDCO is overstated & Profit & loss account is overstated to the tune

Debtor reconciliation between GRIDCO & OHPC up to 2010-11 has been completed except 11.93 crs.

of Rs.11.93 crore due to non provision of bad & doubtful debts as the claims have not been accepted by the GRIDCO even if final reconciliation has been completed till the financial year 2010-11.

5. **LONG TERM LOANS AND ADVANCES**

- a. The long term loans & advances is subject to reconciliation, confirmations & age wise analysis, the impact of which has not been ascertained / accounted for.
- b. Long term advances is understated & long term liabilities is understated to the tune of Rs.0.89 crore due to adjustment of liabilities with advances relating to UIHEP.
- c. Long term advances is overstated & profit & loss account is overstated to the tune of Rs.9.12 crore on account of non provisions of doubtful advances unmoved since long.

6. **INVENTORIES**

Inventory is overstated & profit & loss account is overstated to the tune of Rs.6.93 Crore on account of non provision for non-moving & unusable stores & spares lying since long.

7. **CONTINGENT LIABILITIES**

The Company has not maintained register to note the contingent liabilities; hence we are unable to express our opinion on the same.

UNIT WISE AUDITOR'S COMMENT

(a) HIRAKUD HYDRO ELECTRIC PROJECT-BURLA :

1. **Balance Confirmation Certificate**

Balance Confirmation Certificate not received for Advances to Suppliers, Advances to others, Sundry Debtors, Sundry Creditors. In the absence of such balance confirmation we are

Reconciliation of this amount is under process and shall be accounted for in the financial year 2012-13.

Reconciliation of details of the loans and advances outstanding since long is under process and shall be appropriately accounted for in the financial year 2012-13.

Details analysis of the non-moving and unusable stores & spares shall be taken up after the 2nd phase e-auction now under process is over. The items that will be identified as unserviceable/ unusual shall be disposed off through auction.

The Corporate Office and the units have been advised to maintain the register of contingent liabilities.

Balance Confirmation letters have been sent to few parties barring the old balances, which are being examined to find out the details.

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.

2. **Stores Accounting**

The Unit has not maintained any Price Stores ledger (PSL) for determination of issue price and closing inventory.

3. **Opening outstanding advance**

There are certain old 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.

4. **Non Provision for old and unusable Stores and Spares**

As per the Stock Audit report for the year 2011-12, non-provision for non moving and old unusable stores and spares valuing Rs.179.30 lakhs lying from 1950 to 2012, has resulted in overstatement of inventory and understatement of provision by Rs.179.30 lakhs. Till date no reconciliation of the same has been done by the unit.

(b) UIHEP - Mukhiguda:

1. Advance to suppliers, Advance to others, Security deposit from Contractor, EMD from Contractor / Suppliers, other Security deposit, Retention money, outstanding liabilities, others payable are subject to reconciliation and confirmation of the parties. No provision has been created for a many old balances included in the above items the effect of which on the accounts is not ascertainable. Further, age wise analyses of above account are not available. Since these balances are lying for several years, the reconciliation work may be entrusted to an outside agency for early completion work.

2. Current assets include advance to Contractors, having credit

An inventory management software was developed by corporate office & installed in both equipment as well as central store which is now operating successfully. There is in built system of generating the stores price ledger.

Eighteen old account balances have been reconciled & necessary rectification JV has been passed during the current year 2011-12. Reconciliation of the balance old balances are under process & shall be accounted for after the details are ascertained.

The non-moving items are under the process of identification for disposal through e-auction. It will be accounted for after the disposal.

During the year some of the old outstanding accounts are reconciled and adjusted. Reconciliation of the outstanding advances/deposits/liabilities etc. are under process and shall be accounted for on completion of the exercise.

Current Assets include advance to Contractors having credit balance is carried

balance, Contractors Payable having debit balance need reconciliation & confirmation from parties.

3. The Unit has not raised any bills towards rent, electricity and water charges in respect of unauthorized occupation of 497 Nos. of quarters at Mukhiguda. In the absence of meter reading and relevant records its effect on accounts is not ascertainable.
4. As per Energy Deptt. Notification No.-5200 Dated 01.04.1996 - Schedule A Rule. 4(2), Para (iii) (5) (d) that the Guest Houses and Erector 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 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.

(c) RENGALI HYDRO ELECTRIC PROJECT :

1. The company has made provision of Rs. 35,09,25,436/- towards Dam maintenance from 2005-06 to 2011-12 on the basis of bills raised by the Executive Engineer, Rengali Dam Division, Govt. of Odisha. However, the Electricity charges of Rs. 11,84,65,581/- up to 31.03.2012 payable

forward since 1996-97 and contractors payable having debit balance is also carried forward from 2003-04. For reconciliation, subsidiary ledger accounts of contractors have to be prepared since 1996-97 in order to ascertain closing balance as on 31.3.2012. It will take some more time to complete analysis and the reconciliation, after which confirmations shall be obtained.

At Present 497 Quarters are unauthorizedly occupied by outsiders. Eviction has not been possible due to local law & order problem. Electricity and water lines have been disconnected. To avoid hooking, management is taking steps for using Ariel bunch cables. Further, the management has taken up the matter with local administration for sorting out the problem.

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 up with DOWR for resolving the issue.

The dam maintenance division, Rengali has not yet accepted the energy bills of Rs.11,84,65,581/- raised by RHEP. OHPC is taking up the matter with DOWR for resolving the issue.

by the aforesaid Executive Engineer to OHPC Ltd., has not been accounted for in the books of the company due to uncertainty involved & pending finalization of actual liability towards Dam maintenance payable to them.

2. No provision has been made in the accounts towards damaged stock and store for Rs. 12,56,321/- at preservation store and general store pointed out by stock audit, and classified as current assets which was explained that these items will be consumed within 12 month.
3. Balance receivable under sundry debtors, loans and advances has not been confirmed by the parties.

The items are expected to be consumed within a year i.e. 12 months &, hence no provision is made.

Initiatives are taken to obtain the confirmation from the parties.

(d) UPPER KOLAB HYDRO ELECTRIC PROJECT:

Dam Maintenance Cost:

1. During the year 2011-12, a provision of Rs. 7,32,79,793/- (against Rs.3,55,77,140/- for 2010-11) has been made for dam maintenance. 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 electrical works, expenditure incurred for irrigation purposes 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. 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.

The provisions towards dam maintenance cost taken in the accounts are based on the bills received from DOWR. The DOWR is being requested not to include the deposit works if any in the dam maintenance cost.

Hence, in the aforesaid circumstances, we disclaim the estimation of the figure pertaining to this year's provision along with the Bill Produced by the U. K. H. W. Division for the year 2010-11 & 2009-10 and further we state that the figure may please be analyzed & suitable amendment, if required, may please be made.

2. Advance to contractors, amounting to Rs. 18,29,290/- of U.K.H.E.P (since 1997) and Rs. 12,51,758/- of POTERU HEP remain unadjusted since long.

Advance to contractors, suppliers have been adjusted excluding some advances lying with BHEL, whose supply period remains around 12 to 24 months. On receipt of materials from BHEL, such advances shall be adjusted forth with.

3. Sundry debtors are subject to confirmation.

Confirmation letters sent by the unit for direct confirmation to the auditors except the Sundry debtors which is being reconciled and confirmed at corporate office.

Stores:

4. It is noticed that there are some short comings in the Storing system as follows:

The identified unusable / unserviceable stores and spares are under disposal through e-auction during the financial year 2012-13.

- (i) 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.

Currently stores inventory management system is in operation where in, different levels and movement of materials are maintained for critical items like oil, lubricants, important stores & spares.

- (ii) Site stores not in use are kept at site for years together, which is not an acceptable practice.

Noted for taking appropriate action.

- (iii) Proper BIN Card system is not followed.

Noted for taking appropriate action.

5. Transformation loss, auxiliary consumption loss, capacity charge loss, forced outage/ breakdown loss have remained above the norms as fixed by the Central Electricity Authority.

Transformation loss is remaining more than 0.5% since the inception of the Units.

The difference in meter reading between power generated and energy sold is due

(e) POTTERU SMALL HYDRO ELECTRIC PROJECT :

1. Advance to suppliers, Advance to contractors, deposit with Others are being carried forward since long.
2. 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.

to various constraints like locations, 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.

Action has been taken for adjustment of the advances.

The above 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 THE BOARD

Place : Bhubaneswar
Date : 31.08.2012

CA A MOHAPATRA
PARTNER
MEMBERSHIP NO. 055285

P K JENA, IAS
CHAIRMAN

ODISHA HYDRO POWER CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

| Particulars | Note No. | As at 31.03.2012 Rs | As at 31.03.2011 Rs. |
|---|----------|------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 2 | 320,80,07,000 | 320,80,07,000 |
| (b) Reserves and surplus | 3 | 624,31,02,128 | 598,02,79,365 |
| (c) Money received against share warrants | | 0 | 0 |
| Sub-total [(a)+(b)+(c)] | | 945,11,09,128 | 918,82,86,365 |
| (2) Share application money pending allotment | | | |
| (3) Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 1806,95,67,118 | 1815,73,13,515 |
| (b) Deferred tax liabilities (Net) provisions | | 0 | 0 |
| (c) Other Long term liabilities | 5 | 24,77,45,421 | 31,39,36,705 |
| (d) Long-term provisions | 6 | 96,85,82,962 | 62,49,03,154 |
| Sub-total [(a)+(b)+(c)+(d)] | | 19,285,895,501 | 19,096,153,374 |
| (4) Current liabilities | | | |
| (a) Short-term borrowings | 7 | 15,00,00,000 | 0 |
| (b) Trade payables | 8 | 1,27,56,438 | 8,34,99,985 |
| (c) Other current liabilities | 9 | 103,93,71,347 | 96,63,66,691 |
| (d) Short-term provisions | 10 | 85,14,04,970 | 58,52,77,260 |
| Sub-total [(a)+(b)+(c)+(d)] | | 20,53,532,755 | 16,35,143,936 |
| GRAND TOTAL | | 3079,05,37,384 | 2991,95,83,675 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 1557,97,93,508 | 1656,57,56,307 |
| (ii) Intangible assets | 12 | 0 | 0 |
| (iii) Capital work-in-progress | 13 | 62,74,63,425 | 38,99,64,903 |
| (iv) Intangible assets under development | | | |
| Sub-total [(i)+(ii)+(iii)+(iv)] | | 1620,72,56,933 | 1695,57,21,210 |
| (b) Non-current investments | 14 | 16,94,47,000 | 15,94,47,000 |
| (c) Deferred tax assets (net) | | 0 | 0 |
| (d) Long-term loans and advances | 15 | 8,40,82,416 | 8,77,68,965 |
| (e) Other non-current assets | 16 | 99,44,351 | 1,41,18,126 |
| Sub-total [(a)+(b)+(c)+(d)+(e)] | | 26,34,73,767 | 26,13,34,091 |
| (2) Current assets | | | |
| (a) Current investments | | 0 | 0 |
| (b) Inventories | 17 | 57,34,52,797 | 53,37,59,769 |
| (c) Trade receivables | 18 | 441,40,68,921 | 335,56,43,344 |
| (d) Cash and cash equivalents | 19 | 860,78,64,621 | 816,81,21,402 |
| (e) Short-term loans and advances | 20 | 39,77,96,525 | 38,62,82,199 |
| (f) Other current assets | 21 | 32,66,23,819 | 25,87,21,660 |
| Sub-total [(a)+(b)+(c)+(d)+(e)+(f)] | | 1431,98,06,684 | 1270,25,28,374 |
| GRAND TOTAL | | 3079,05,37,384 | 2991,95,83,675 |

Accompanying notes forming part of the financial statements

In terms of our report attached

For G R C & Associates,

Chartered Accountants

A Mohapatra

Partner

M. No. 55285

B K Das

DGM (Finance)

PK Sahoo

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

Place : Bhubaneswar

Date : 31.08.2012

ODISHA HYDRO POWER CORPORATION LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2012

| | | In Rupees | |
|--|---------|---------------------------------|---------------------------------|
| Particulars | Note No | Year ended 31.03.2012 Rs. | Year ended 31.03.2011 Rs. |
| I Revenue from operations | 22 | 358,68,44,601 | 3,38,71,54,785 |
| II Other income | 23 | 101,72,28,703 | 54,86,45,239 |
| III Total Revenue (I + II) | | 460,40,73,304 | 393,58,00,024 |
| IV Expenses : | | | |
| Repair & Maintenance expenses | 24 | 30,68,96,642 | 33,67,42,151 |
| Operational expenses | 25 | 7,58,47,055 | 65,0,33,025 |
| Employee benefits expense | 26 | 144,72,42,924 | 149,57,99,685 |
| Administrative & General expenses | 27 | 19,17,27,447 | 13,55,01,535 |
| Finance costs | 29 | 17,00,84,198 | 69,8,04,528 |
| Depreciation and amortization expense | 11 | 123,09,90,998 | 127,60,63,713 |
| Selling & Distribution expenses | 30 | 0 | 5,84,94,228 |
| Total expenses | | 342,27,89,263 | 343,74,38,865 |
| V Profit before prior year adjustments (III-IV) | | 118,12,84,041 | 49,83,61,159 |
| VI Prior year adjustments | 28 | 21,96,07,573 | 1,70,37,245 |
| VII Profit before exceptional and extraordinary items and tax (V-VI) | | 96,16,76,468 | 48,13,23,914 |
| VIII Exceptional items | 31 | 56,26,394 | 1,20,48,234 |
| IX Profit before extraordinary items and tax (VII - VIII) | | 95,60,50,074 | 46,92,75,680 |
| X Extraordinary Items | | | |
| XI Profit before tax (IX-X) | | 95,60,50,074 | 46,92,75,680 |
| XII Tax expense: | | | |
| (1) Current tax | | 19,29,69,993 | 9,35,39,999 |
| (2) Deferred tax | | | 0 |
| XIII Profit (Loss) for the period from continuing operations (IX-X) | | 76,30,80,081 | 37,57,35,681 |
| XIV Profit (Loss) for the period (XIII) | | 76,30,80,081 | 37,57,35,681 |
| Earnings per equity share: | | | |
| (1) Basic | | 238 | 117 |
| (2) Diluted | | | |

Accompanying notes forming part of the financial statements

In terms of our report attached

For G R C & Associates,

Chartered Accountants

A Mohapatra

Partner

M. No. 55285

B K Das

DGM (Finance)

P K Sahoo

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

Place : Bhubaneswar

Date : 31.08.2012

ODISHA HYDRO POWER CORPORATION LIMITED, BHUBANESWAR

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2012

| (In Rupees) | | |
|--|-----------------------------|-----------------------------|
| PARTICULARS | Year ended 31.03.2012 (Rs.) | Year ended 31.03.2011 (Rs.) |
| 1. Cash flows from operating activities : | | |
| Net profit before taxation and extraordinary item | 9,56,050,074 | 4,69,275,680 |
| Adjustment for : | | |
| Depreciation & amortisation | 1,230,990,998 | 1,274,607,921 |
| (Profit) / Loss on Sale of Assets | -61,296,195 | 50 |
| Write off of Assets | 22,651,795 | 0 |
| Provision for Income tax | -1,92,969,993 | -93,539,999 |
| Interest income | -8,41,447,905 | -5,32,101,028 |
| Finance Cost | 1,70,084,198 | 82,656,822 |
| Operating profit before working capital changes | 1,284,062,972 | 1,200,899,446 |
| Adjustment for (Increase)/Decrease in operating assets | | |
| Increase in inventories | -39,693,028 | 4,398,066 |
| Increase in Other Current Assets | -19,834,187 | 7,476,081 |
| Decrease in Other Non-Current Assets | 4,173,773 | |
| Increase in Short-term loan & advance | -11,514,326 | -1,04,713,607 |
| Increase in trade receivables | -1,058,425,577 | 225,899,943 |
| Decrease in Long-term loans & advances | 9,894,069 | |
| Total | -1,115,399,276 | 133,060,483 |
| Adjustment for Increase/(Decrease) in operating Liabilities | | |
| Decrease in Trade Payable | -70,743,547 | -10,769,771 |
| Increase in Short-term borrowings | 150,000,000 | |
| Increase in Other Current Liabilities | 76,839,221 | 174,061,379 |
| Decrease in Other Long term Liabilities | -66,191,284 | |
| Increase in Short-term Provision | 266,127,710 | |
| Increase in Long-term Provision | 343,679,808 | |
| Total | 699,711,908 | 163,291,608 |
| Cash generated from operations | 868,375,603 | 1,497,251,538 |
| Net Cash flow before extraordinary item | 868,375,603 | 1,497,251,538 |
| Extraordinary Items | 0 | 14,10,000 |
| Net cash flow operating activities | 868,375,603 | 1,495,841,538 |
| 2. Cash flows from investing activities : | | |
| Capital Expenditure on fixed assets including capital advances | -516,261,374 | -207,322,454 |
| Proceeds from sale of fixed assets | 66,171,535 | |
| Interest received | 793,379,932 | 548,757,690 |
| Long term investment in JVs | -10,000,000 | -30,007,000 |
| Net cash flow investing activities | 333,290,092 | 311,428,236 |
| 3. Cash flow from financing activities : | | |
| Stock Reserve Account(UIHEP, Mukhiguda) | -85,35,019 | -17,107,903 |
| Repayment of long term borrowings (PFC) | -87,746,397 | -172,969,308 |
| Dividend Paid & Proposed Dividend | -423,087,008 | |
| 4. Tax on Dividend | -68,635,290 | |
| 5. Finance Cost | -173,918,762 | -78,185,828 |
| Net cash used in financing activities | -761,922,476 | -268,263,039 |
| 6. Net increase in cash and cash equivalents (1+2+3) | 439,743,220 | 1,539,006,735 |
| Cash and cash equivalent at beginning of the Year | 8,168,121,402 | 6,629,114,667 |
| Cash and cash equivalent at end of the Year * | 8,607,864,622 | 8,168,121,402 |
| *Comprises | | |
| (a) Cash on Hand | 3,20,683 | |
| (b) Balances with Banks | | |
| (i) In current accounts | 138,197,922 | |
| (ii) In Deposit | 19,341,980 | |
| (iii) In Earmarked accounts | 8,450,000,000 | |
| (c) Postal order & Stamp | 4,037 | |

In terms of our report attached

For G R C & Associates,

Chartered Accountants

A Mohapatra

Partner

M. No. 55285

B K Das

DGM (Finance)

P K Sahoo

Company Secretary

S K Sahu

Director (Finance)

S Khatua

Managing Director

Place : Bhubaneswar

Date : 31.08.2012

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 Odisha 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 Orissa 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 Odisha 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.

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.



Trashrack Cleaning Machine, CHEP, Chiplima

| SHARE CAPITAL | Note-2 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|--------|----------------------|--------------------------------------|
| Authorised Capital : | | | |
| 1,00,00,000 Equity Shares of Rs.1000/- each | | 10,000,000,000 | 10,000,000,000 |
| 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.

| RESERVES & SURPLUS | Note-3 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|--------|----------------------|--------------------------------------|
| Capital Reserve | | | |
| Opening Balance | | 190,000,000 | 190,000,000 |
| Addition during the year | | 0 | 0 |
| Deduction during the year | | 0 | 0 |
| Closing balance (A) | | 190,000,000 | 190,000,000 |
| Dam Sharing Reserve | | | |
| Opening Balance | | 1,000,000,000 | 1,000,000,000 |
| Addition during the year | | 0 | 0 |
| Deduction during the year | | 0 | 0 |
| Closing balance (B) | | 1,000,000,000 | 1,000,000,000 |
| Stock Reserve Account(UIHEP, Mukhiguda) | | | |
| Opening Balance | | 8,535,019 | 25,642,922 |
| Addition during the year | | 17,319,092 | 0 |
| Deduction during the year | | 25,854,111 | 17,107,903 |
| Closing balance (C) | | 0 | 85,35,019 |
| Surplus | | | |
| Opening Balance | | 4,781,744,345 | 4,406,008,665 |
| Balance of Statement of Profit & Loss | | 763,080,081 | 375,735,681 |
| Less: | | | |
| a) Dividend Paid | | -194,162,984 | 0 |
| b) proposed dividend | | -228,924,024 | |
| b) Tax on dividend | | -68,635,290 | 0 |
| c) Transfer to reserves | | 0 | 0 |
| d) Bonus Shares | | 0 | 0 |
| Closing balance (D) | | 5,053,102,128 | 4,781,744,346 |
| Total of Reserves & Surplus [(A)+(B)+(C)+(D)] | | 6,243,102,128 | 5,980,279,365 |

- 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 BalanceSheet 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 Deptt.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 Cr. 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.



Machine floor, HHEP, Burla

| LONG-TERM BORROWINGS Note-4 | | Figure in Rs. | |
|--|-----------------------|-----------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| A. Bonds [unsecured] | | | |
| i. Interest Free Convertible Bond-1(Govt. of Odisha) | | | |
| This bond is Convertible into equity after Govt. approval. | 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 | 635,527,118 | 723,273,515 | |
| 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 quartely on 15th of January, April, July & October. | | | |
| (ii) The foreign currency loan availed by BHEP, Balimela for extention project (unit 7 & 8.) is repaid half-yearly on 15th June & December. | | | |
| c) There is no default in repayment of above loan during the year. A sum of Rs.7,51,389/- is received from PFC as cash discount for prompt payment is shown as deduction from finance cost . | | | |
| Sub-total (B) | 635,527,118 | 723,273,515 | |
| C. Other Loans [Unsecured] | | | |
| i. Govt. of Odisha Loan-2(A)-UIHEP | 8,214,690,000 | 8,214,690,000 | |
| 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 dt. 29.01.2003. Further pending final decision of the Govt, interest @ 7% on the loan of Rs 497.86 Cr from 2006-07 till 2011-12 amounting to Rs 209.10 Cr is shown as contingent liability in Note 36 (g). | | | |
| 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 decesion of Govt vide DoE Notificatiopn 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) | 18,069,567,118 | 18,157,313,515 | |

| OTHER LONG-TERM LIABILITIES | | Note-5 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|---|---|--------|---------------------|--------------------------------------|
| Trade payables | | | | |
| i. | Sundry Creditors for supply of materials | | 26672885 | 64737695 |
| ii. | Sundry Creditors for works | | 4196580 | 5467380 |
| iii. | Sundry Creditors for others | | 69487 | 14301 |
| Sub-total | | | 30938952 | 70219376 |
| Others | | | | |
| i. | Security deposit from contractors / suppliers | | 9089053 | 10334022 |
| ii. | EMD from contractors / suppliers | | 3501159 | 5365002 |
| iii. | Security deposit from employees | | 608296 | 309132 |
| iv. | Other security deposits | | 3872584 | 3045652 |
| v. | Retention money / withheld a/c | | 49962534 | 50251626 |
| vi. | Liability to employees | | 5787165 | 5793786 |
| vii. | Liability to others | | 143985678 | 168618109 |
| Sub-total | | | 216806469 | 243717329 |
| Total of Other Long-term Liabilities | | | 247745421 | 313936705 |

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

| LONG-TERM PROVISIONS | | Note-6 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--------------------------------------|---------------------------------|--------|---------------------|--------------------------------------|
| i. | Provision for employee benefits | | | |
| ii. | Other provisions | | | |
| a) | Provision for Dam maintenance | | 967244622 | 624903154 |
| b) | Provision for Others | | 1338340 | 0 |
| Total of Long-term Provisions | | | 968582962 | 624903154 |

A sum of Rs 16,97,26,666/- has been provided towards Dam maintenance, Charges for the current year based on the bills raised by department of Water Resources (DOWR). The balance amount of Rs 17,26,14,802/- relates to prior years.

| SHORT-TERM BORROWINGS | | Note-7 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|---|--|--------|--------------------|-----------------------------------|
| Short - term borrowings from banks | | | 150,000,000 | 0 |
| Sub-total | | | 150,000,000 | 0 |

To meet the cash requirements, OHPC has availed a short term loan of Rs 15,00,00,000/- from PNB against pledging the fixed deposit held in the bank.

| TRADE PAYABLES | Note-8 | Figure in Rs. | |
|---|--------|---------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| a) Sundry Creditors for supply of materials | | 43,58,206 | 32,168,377 |
| b) Sundry Creditors for works | | 83,49,713 | 49,113,959 |
| c) Sundry Creditors for others | | 48,519 | 2,217,649 |
| Total of Trade payables | | 12,756,438 | 83,499,985 |

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

| OTHER CURRENT LIABILITIES | Note-9 | Figure in Rs. | |
|--|--------|----------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| a) Current maturities of loan from Power Finance Corporation | | 164,855,360 | 169,600,952 |
| b) Interest accrued but not due on PFC loan | | 12,062,989 | 15,897,553 |
| c) Employees liabilities | | 524,947,337 | 526,913,367 |
| d) OHPC PF Trust | | 19,978,094 | 47,293,148 |
| e) Liability to others | | 156,437,344 | 124,047,327 |
| f) Security deposit from contractors / suppliers | | 27,927,388 | 25,385,881 |
| g) EMD from contractors / suppliers | | 7,867,770 | 4,612,194 |
| h) Security deposit from employees | | 9,044 | 3,01,636 |
| i) Other security deposit | | 14,329,580 | 0 |
| j) Retention money / withheld a/c | | 53,665,629 | 2,352,274 |
| k) Payable to APGENCO on Machhakund a/c | | 57,214,017 | 49,896,413 |
| l) Payable to Machhakund | | 76,796 | 65,946 |
| Total of Other Current Liabilities | | 1,039,371,347 | 966,366,691 |

The management of 30 % share of Government of Odisha in Machhakund 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 Rs7,02,82,397/- on OHPC excluding royalty for the year 2011-12, which comprises of:

| | |
|--------------------------------|---------------------------|
| 30% share of O&M cost | 5,95,72,639 |
| Cost of Power beyond 30% share | 1,07,09,758 |
| T O T A L | <u>7,02,82,397</u> |

OHPC received an amount of Rs 6,34,91,434/- in 2011-12 from GRIDCO including arrear dues of APGENCO for 2010-11 towards cost of power & O&M charges. OHPC has remitted an amount of Rs.6,24,39,703/- to APGENCO. An amount of Rs 5,72,14,017/- 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 Machkund project are not shown in the profit and loss account of OHPC.

| SHORT - TERM PROVISIONS | Note-10 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|---------|---------------------|--------------------------------------|
| Provision for employee benefits | | | |
| a) Provision for arrear salary | | 0 | 108,112,661 |
| b) Provision for bonus | | 150,332 | 298,080 |
| c) Liability for leave encashment of employees | | 346,566,414 | 341,134,221 |
| Sub-Total | | 346,716,746 | 449,544,962 |
| Other provisions | | | |
| a) Provision for Income-tax | | 192,969,993 | 93,526,249 |
| b) Provision for FBT | | 0 | 0 |
| c) Provision for wealth tax | | 0 | 13,750 |
| d) Provision for proposed dividend | | 228,924,024 | |
| e) Provision for dividend Tax | | 37,132,346 | 0 |
| f) Provision for Others | | 45,661,861 | 42,192,299 |
| Sub-total | | 504,688,224 | 135,732,298 |
| Total of Short-term Provisions | | 851,404,970 | 585,277,260 |



Vana Mahotsav in Upper Kolab

FIXED ASSET & DEPRECIATION AS ON 31.03.2012 Notes-11

Figure in Rs.

| Sl. No | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------|--------------------------------------|------------------------|-------------|--------------------------|------------------------|------------------------|---------------|--------------------------|------------------------|------------------------|---------------------|
| | | Balance as on 1.4.2011 | Addition | Deletion during the year | Total as on 31.03.2012 | Balance as on 1.4.2011 | Addition | Deletion during the year | Total as on 31.03.2012 | W.D.V as on 31.03.2012 | W.D.V as on 1.04.11 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1 | LAND (a) | 916,801,660 | 178,158,126 | 0 | 1,094,959,786 | 0 | 37,367 | 0 | 37,367 | 1,094,922,419 | 916,801,660 |
| 2 | POWER HOUSE CIVIL WORKS | 4,022,889,641 | 1,418,514 | (4,716,030) | 4,019,592,125 | 2,033,732,553 | 134,193,523 | 0 | 2,167,926,076 | 1,851,666,049 | 1,989,157,088 |
| 3 | POWER HOUSE ELECTRIC MECHANICAL WORK | 22,624,128,876 | 64,587,121 | (66,556,856) | 22,622,159,141 | 10,759,283,720 | 998,807,716 | (46,954,358) | 11,711,137,078 | 10,911,022,063 | 11,864,845,156 |
| 4 | CIVIL BUILDING/TOWNSHIP | 2,898,733,725 | 6,251,729 | (586,474) | 2,904,398,980 | 1,207,822,530 | 86,080,492 | (152,873) | 1,293,750,149 | 1,610,648,831 | 1,690,911,195 |
| 5 | VEHICLES | 63,723,865 | 2,140,032 | (4,086,546) | 61,777,351 | 54,134,524 | 1,910,991 | (4,058,126) | 51,987,389 | 9,789,962 | 9,589,341 |
| 6 | FURNITURE & FIXTURE | 8,864,002 | 2,956,994 | 0 | 11,820,996 | 6,209,592 | 525,096 | (34,204) | 6,700,484 | 5,120,512 | 2,654,410 |
| 7 | OFFICE EQUIPMENT | 31,730,007 | 14,923,109 | (281,398) | 46,371,718 | 23,097,754 | 3,164,073 | (384,651) | 25,877,176 | 20,494,542 | 8,632,253 |
| 8 | Misc. Assets | 49,119,073 | 301,532 | (5,399,489) | 44,021,116 | 22,465,808 | 1,937,220 | (3,071,893) | 21,331,135 | 22,689,981 | 26,653,265 |
| 9 | ELECTRICAL INSTALLATION | 81,240,131 | 1,268,086 | (1,148,956) | 81,359,261 | 69,055,643 | 2,188,292 | (592,509) | 70,651,426 | 10,707,835 | 12,184,488 |
| 10 | WATER SUPPLY INSTALATION | 57,211,952 | 550,086 | 0 | 57,762,038 | 14,412,212 | 1,832,094 | 0 | 16,244,306 | 41,517,732 | 42,799,740 |
| 11 | Training Centre Equipment | 6,613,248 | 0 | 0 | 6,613,248 | 5,085,537 | 314,129 | 0 | 5,399,666 | 1,213,582 | 1,527,711 |
| GRAND TOTAL | | 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 UIHEP, land consists of transfer value of land and reservoir from State Govt. as on 01.04.1996 and subsequent additions at cost after 01.04.1996 to the date of Balance Sheet. In case of Balimela HEP, leasehold lands are still in the name of OSEB. The title deeds of all the lands are yet to be registered in favour of the Company. The company is in the process of identifying leasehold and freehold land separately .
- (ii) Out of Rs. 17,81,58,127/- a sum of Rs. 15,34,38,000/- (addition of cost of land) has been paid to Govt. of Odisha as a lease hold land for Staff quarters at Bhubaneswar and the balance amount towards freehold land. An amount of Rs.37,367/- has been amortised during the year for leasehold land.
- b. (i) The fixed assets registers are maintained on the basis of transfer price of the assets from State Govt. and at cost in respect of the assets procured after the date of transfer.
- (ii) The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.
- (iii) The value of fixed assets includes cost of machinery & vehicles declared surplus / obsolete for which necessary verification and fixing of upset price is in Process. Necessary accounting treatment will be made in the subsequent period after final disposal of the same.
- (iv) A sum of Rs. 70,37,000/- has been discarded from the assets register of CHEP, (Chiplima) on account of transfer of Tie-I & II transmission line to OPTCL free of cost as per OERC order no.3360 Dt. 6.02.2010 & Department of energy Goo. Notification no.11052 Dt.10.12.2010.
- (v) The value of Fixed assets amounting Rs.5,82,60,784/- have been reduced from the gross value under plant & machinery head due to over capitalisation & accordingly the value of sundry creditor have been reduced to this extent.

| INTANGIBLE ASSETS | Note-12 | Figure in Rs. | |
|-------------------|---------|---------------------|---------------------|
| | | As on 31.03.2012 | As on 31.03.2011 |
| Total | | 0 | 0 |

| CAPITAL WORK-IN-PROGRESS | Note-13 | Figure in Rs. | |
|---|---------|---------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| Land (Development of 7 & 8th Unit of Extension Porject) | | 303,111 | 3,03,111 |
| Building | | 58497842 | 5,65,29,723 |
| Road,Bridge,Culvert & Other Civil Works | | 1,11,74,485 | 1,10,35,039 |
| Water Supply Installation | | 1,09,804 | 1,09,804 |
| Plant & Machinery (Construction) | | 11,56,19,005 | 11,56,19,005 |
| Plant & Machinery (Generation) | | 24,08,69,586 | 0 |
| Hydr. Works, Dams,Tunnels & Pen Stock | | 4,14,73,542 | 4,90,61,341 |
| Substation Equipments | | 64,32,286 | 64,34,350 |
| Transmission Lines | | 3,97,226 | 18,07,226 |
| Vehicles | | 6,63,140 | 6,63,140 |
| Furniture & Fixture | | 1,37,685 | 1,37,685 |
| Office Equipments | | 4,43,751 | 443751 |
| Electrical Installations | | 2,00,689 | 2,00,689 |
| Telephone,Telex & fax M/c | | 0 | 1,86,633 |
| Miscellaneous assets | | 14326 | 14,326 |
| Expenditure during Construction | | 15,11,26,947 | 14,58,02,103 |
| Other Civil Works | | 0 | 16,16,977 |
| Total Work In Progress | | 627463425 | 389964903 |

| NON-CURRENT INVESTMENTS | Note-14 | Figure in Rs. | |
|--|---------|---------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| a) Odisha Thermal Power Corporation Limited 69447 shares of Rs. 1000/- each. | | 69,447,000 | 59,447,000 |
| b) Baitarni West Coal Company Limited (BWCCCL). 1,00,000 shares of Rs.1000/- each | | 100,000,000 | 100,000,000 |
| Total of Non-Current Investments | | 169,447,000 | 159,447,000 |

| LONG-TERM LOANS AND ADVANCES | Note-15 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|---------|---------------------|--------------------------------------|
| Capital Advance | | | |
| Advance for Capital Expenditure | | 1,03,04,528 | 40,97,008 |
| Capital advance paid for extension project of unit 7&8 Balimela & Potteru small HEP | | | |
| Security Deposit | | | |
| Deposit with others | | 2,65,69,513 | 2,70,52,339 |
| Other Loans & Advance | | | |
| a) Advance to supplier | | 3,70,88,633 | 3,96,63,652 |
| b) Advance to contractor | | -71,14,679 | -2,21,400 |
| c) Advance to others | | 1,68,85,453 | 1,68,85,453 |
| d) Advance to staff | | 3,48,968 | 2,91,913 |
| Total of Long-Term Loans and Advances | | 84,082,416 | 87,768,965 |

- (a) Advance to supplier, contractor & other 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.

| OTHER NON-CURRENT ASSETS | Note-16 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|---------|---------------------|--------------------------------------|
| Long-term Trade Receivable | | | |
| Sundry Debtor for sale of Power | | 0 | 0 |
| Others | | | |
| a) Sundry Debtor for others | | 20,19,852 | 20,82,619 |
| b) Claims receivable | | 77,85,995 | 1,20,35,505 |
| c) Other Misc. assets | | 1,38,504 | |
| Total of Other Non-Current Assets | | 99,44,351 | 14,118,124 |

| CURRENT ASSETS - INVENTORIES | Note-17 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|--|---------|---------------------|--------------------------------------|
| a) Stores & Spares | | 59,22,52,762 | 533759769 |
| Less Provision for fire theft & shortage | | 1,98,26,329 | |
| Sub total | | 57,24,26,433 | |
| b) Loose tools | | 1,02,63,640 | |
| Total of Inventories | | 57,34,52,797 | 53,37,59,769 |

- (a) The value of inventory of Hirakud HEP as on 31st March, 2011 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) During the year, only indigenous spares has been consumed. The percentage of consumption of imported spares to total consumption is nil.

| CURRENT ASSETS- TRADE RECEIVABLES | | Note-18 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|-----------------------------------|---|---------|----------------------|--------------------------------------|
| a) | Sundry Debtor for sale of Power (Outstanding for a period exceeding six months from the due date of payment.) | | 295,73,80,320 | 305,60,42,084 |
| b) | Sundry Debtor for sale of Power (Outstanding for a period up to six months from the due date of payment.) | | 145,66,88,601 | 29,96,01,260 |
| Total of Trade Receivables | | | 441,40,68,921 | 335,56,43,344 |

- (i) All debtors of Rs.441.41 Crs. as on dt.31.03.2012 are considered good.
- (ii) Unsecured considered doubtful -Nil

| Company | Less than 6 months | More than 6 months |
|--------------|----------------------------|----------------------------|
| GRIDCO | Rs. 145,36,17,414/- | Rs. 294,16,20,440/- |
| CSPDCL | Rs. 30,71,187/- | Rs. 1,57,59,880/- |
| Total | Rs. 145,66,88,601/- | Rs. 295,73,80,320/- |

| CASH & CASH EQUIVALENTS | Note-19 | As at 31.03.2012 | Figure in Rs. As at 31.03.2011 |
|---|---------|----------------------|--------------------------------------|
| Cash in hand | | 3,20,683 | 2,11,532 |
| Staff imprest | | 0 | 0 |
| Postal orders & stamps | | 4,037 | 4,381 |
| Sub-total (A) | | 3,24,720 | 2,15,913 |
| Remittance in transit | | 0 | 49,887,400 |
| Sub-total (B) | | 0 | 49,887,400 |
| Balances with banks held as margin money or security | | 250,000,000 | 2,50,000,000 |
| Earmarked balance with banks | | 8,200,000,000 | 7,600,000,000 |
| Other bank balance | | 157,539,901 | 268,018,089 |
| Sub-total (C) | | 8,607,539,901 | 8,118,018,089 |
| Total of Cash & Bank Balance (A) + (B) + (C) | | 8,607,864,621 | 8,168,121,402 |

- i) OHPC has pledged a fixed deposit of 25 Cr. with Syndicate Bank towards its 1/3 rd share of margin for facilitating the JV company BWCCCL to provide BG of Rs. 750000000/- in favour of Ministry of Coal Govt. of India and has pledged a fixed deposit of Rs 18.48 Cr with PNB for availing short term loan of Rs 15 Cr.
- ii) Earmarked balance with banks for the following purpose.

| | 31.03.2012 | 31.03.2011 |
|----------------------|----------------------|----------------------|
| TERMINAL LIABILITIES | 400,000,000 | 600,000,000 |
| LOAN REPAYMENTS | 200,000,000 | 200,000,000 |
| JV & NEW PROJECT | 6,000,000,000 | 6,000,000,000 |
| RMU & NEW PROJECTS | 1,600,000,000 | 800,000,000 |
| TOTAL | 8,200,000,000 | 7,600,000,000 |

| CURRENT ASSETS- SHORT-TERM LOANS AND ADVANCES | | Note-20 | Figure in Rs. As at 31.03.2012 | As at 31.03.2011 |
|--|---|---------|--------------------------------------|---------------------|
| (i) | Unsecured considered good: | | | |
| a) | Prepaid Expenses | | 68,47,163 | 80,30,198 |
| b) | Deposit with others | | 54,13,792 | 36,60,138 |
| c) | Advance to supplier | | 18,052,788 | 36,131,676 |
| d) | Advance to contractor | | 94,87,785 | 23,11,579 |
| e) | Advance to others | | 12,423,308 | 42,794,905 |
| f) | Advance to staff | | 24,107,070 | 20,306,111 |
| g) | Advance Income Tax (TDS) (Ref. note 37) | | 1,28,272,016 | 1,64,986,170 |
| h) | Advance Wealth Tax | | 0 | 13,750 |
| i) | Advance Income-tax (FBT) | | 2,12,610 | 2,12,610 |
| j) | Advance Income-tax (MAT) | | 192,969,993 | 93,526,249 |
| k) | OHPC Pension Fund | | 0 | 0 |
| l) | OHPC Gratuity Fund | | 0 | 14,298,813 |
| m) | OHPC Rehabilitation Assistance Trust Fund | | 10,000 | 10,000 |
| (ii) | Unsecured considered doubtful | | 0 | 0 |
| Total of Short-Term Loans and Advances | | | 397,796,525 | 386,282,199 |

| CURRENT ASSETS - OTHER CURRENT ASSETS | | Note-21 | Figure in Rs. As at 31.03.2012 | As at 31.03.2011 |
|--|---|---------|--------------------------------------|---------------------|
| a) | Claims receivable | | 29,662,970 | 14,583,165 |
| b) | Sundry Debtor for others | | 2,90,143 | 0 |
| c) | Other Misc. assets | | 765 | 1,776,953 |
| d) | Receivable from Gridco on Machhakund a/c | | 42,930,655 | 36,664,782 |
| e) | Other receivable from staff | | 0 | 25446 |
| f) | Interest accrued but not due on bank deposits | | 253,739,286 | 204,994,996 |
| g) | Interest receivable (others) | | 0 | 6,76,318 |
| Total of Other Current Assets | | | 326,623,819 | 258,721,660 |

| REVENUE FROM OPERATIONS | Note-22 | Figure in Rs. | |
|---|---------|--------------------------|--------------------------|
| | | Year ended 31.03.2012 | Year ended 31.03.2011 |
| a) Sale of Electricity | | 3,583,728,476 | 3,387,154,785 |
| b) Other operating revenue | | 3,116,125 | 0 |
| Total of Revenue from operations | | 3,586,844,601 | 3,387,154,785 |

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.1,189,598/- |
| Electricity charges recovery | - | Contractors:Rs.1,926,527/- |

| OTHER INCOME | Note-23 | Figure in Rs. | |
|--|---------|--------------------------|--------------------------|
| | | Year ended 31.03.2012 | Year ended 31.03.2011 |
| a) Interest on Employees advances | | 1,37,941 | 28,827 |
| b) Interest on Bank Deposits | | 831,148,645 | 530,998,171 |
| c) Interest on others | | 10,161,319 | 0 |
| d) Interest on Deb.& Bond(8.50% GRIDCO Bond) | | 0 | 3,313 |
| e) Interest on Adv. to Suppliers / Contractors | | 0 | 1,59,078 |
| f) Sale of tender papers | | 34,68,224 | 24,45,379 |
| g) House rent recovery | | 1441430 | 17,69,204 |
| h) Vehicle charges recovery | | 5,63,762 | 3,40,814 |
| i) Electricity charges recovery - Employees | | 12,80,163 | 23,93,404 |
| j) Electricity charges recovery - Contractors | | 35088716 | 60,51,839 |
| k) Guest house charges recovery | | 2,21,853 | 1,33,198 |
| l) Sale of scrap | | 67,053,648 | 1,126,460 |
| m) Other miscellaneous receipt | | 29,51,996 | 21,93,028 |
| n) Recovery from Penalties | | 11,62,800 | 2,73,894 |
| o) Receipt from RTI | | 5,202 | 588 |
| p) Insurance Claim Receipts | | 8,66,700 | 6,97,622 |
| q) Forfeiture of EMD/SD | | 12,829 | 30,420 |
| s) Profit on sale of Assets | | 61,663,475 | 0 |
| Total of Other income | | 1,017,228,703 | 548,645,239 |

- (a) Interest of income of Rs. 83,11,48,645/- on short term deposits with the Banks which includes Rs.8,22,91,975/- as TDS.
- (b) Interest on others include interest income tax refund of Rs. 1,01,16,278/-

| REPAIR & MAINTENANCE EXPENSES: Note-24 | | Year ended 31.03.2012 | Figure in Rs. Year ended 31.03.2011 |
|---|----------------------------------|--------------------------|---|
| a) | R&M to Plant and Machinery | 54,755,549 | 37,716,459 |
| b) | R&M to Building | 219,29,460 | 27,106,714 |
| c) | R&M to Civil Works | 267,67,432 | 57,380,641 |
| d) | R&M to Hydraulic Works | 187,08,924 | 25,192,186 |
| e) | R&M to Line Cables Networks | 28,03,151 | 22,14,902 |
| f) | R&M to Vehicles | 18,57,161 | 24,99,219 |
| g) | R&M to Furniture & Fixture | 29,710 | 2,73,390 |
| h) | R&M to Office Equipments | 11,54,311 | 11,17,644 |
| i) | R&M to Electrical Installation | 20,60,856 | 23,04,502 |
| j) | R&M to Water Supply Installation | 20,38,999 | 19,43,081 |
| k) | R&M to Misc. Assets | 9,68,154 | 2,33,228 |
| l) | R&M to Substation Equipment | 37,84,848 | 12,39,496 |
| m) | R&M to Training Centre Equipment | 0 | 1,01,584 |
| n) | R & M to Dam Maintance | 170,311,919 | 177,677,225 |
| Total | | 307,170,474 | 337,000,271 |
| Less Expenditure During Construction | | 2,73,832 | 2,58,120 |
| Total of Repair & Maintenance Expenses | | 306,896,642 | 336,742,151 |

| OPERATION EXPENSES Note-25 | | Year ended 31.03.2012 | Figure in Rs. Year ended 31.03.2011 |
|---|--|--------------------------|---|
| a) | Power and fuel | 97,40,164 | 91,85,177 |
| b) | Insurance charges(Power House & Dam) | 128,48,223 | 123,62,689 |
| c) | Oil, Lubricant & Consumables (stores & spares) | 222,03,669 | 137,30,772 |
| d) | Transportation Charges | 2,94,227 | 84,476 |
| e) | Hire charges of vehicles/machineries | 84,85,437 | 84,60,506 |
| f) | Refreshment(Operation) | 1,64,757 | 29,298 |
| g) | Other Operation expenses | 2,80,851 | 27,56,351 |
| h) | Water Cess | 33,636 | 2,748 |
| i) | Watch & Ward of Power House | 219,30,585 | 185,86,719 |
| Total | | 759,81,549 | 651,98,736 |
| Less Expenditure During Construction | | 1,34,494 | 1,65,711 |
| Total Operation Expenses: | | 758,47,055 | 65033025 |

| EMPLOYEE BENEFIT EXPENSES | | Note-26 | Year ended 31.03.2012 | Figure in Rs. Year ended 31.03.2011 |
|---|------------------------------------|---------|--------------------------|---|
| a) | Salary & Allowances | | 371,544,876 | 418,491,727 |
| b) | Wages & Allowances | | 352,586,094 | 388,930,780 |
| c) | Over time | | 10,58,493 | 6,04,945 |
| d) | Bonus | | 5,98,065 | 6,28,983 |
| e) | Payment to Apprentices & Trainees | | 61,95,557 | 5,204,839 |
| f) | Contribution to PF and other Funds | | 487,240,892 | 574,420,294 |
| g) | Employees welfare expenses | | 64940672 | 51,959,692 |
| h) | Other employee benefit expenses | | 165,046,886 | 63,379,711 |
| Total | | | 1,449,211,535 | 1,503,620,971 |
| Less Expenditure During Construction | | | 19,68,611 | 78,21,286 |
| Total of Employee Benefit Expenses | | | 1,447,242,924 | 1,495,799,685 |

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 | 34,69,540 | 10,81,358 |
| Sitting Fees paid to non-Functional Directors | 3,02,744 | 1,97,265 |



School Girls Dress Distribution at Upper Kolab

| ADMINISTRATIVE & GENERAL EXPENSES | Note-27 | Figure in Rs. | |
|---|---------|--------------------------|--------------------------|
| | | Year ended 31.03.2012 | Year ended 31.03.2011 |
| Rent | | 23,66,164 | 40,50,870 |
| Rates and taxes | | 6,56,135 | 0 |
| Lience & Registration Expenses | | 2,27,647 | 0 |
| Fees & subscriptions | | 20,74,402 | 20,88,783 |
| Insurance charges | | 5,55,212 | 3,53,916 |
| Communication expenses | | 31,88,017 | 21,33,637 |
| Traveling & conveyance expenses | | 21,535,617 | 16,951,684 |
| Printing & stationery | | 32,68,764 | 27,83,504 |
| Bank charges | | 2,43,878 | 2,58,138 |
| Electricity & water charges | | 97,692,941 | 51,389,718 |
| Legal expenses | | 20,41,317 | 1,004,190 |
| Professional & consultancy charges | | 82,75,180 | 3,366,771 |
| Audit fees & expenses (a) | | 2,346,756 | 1,651,688 |
| Advertisement & Publicity | | 4,902,156 | 5,289,323 |
| Training, Seminar & Conference | | 4,906,034 | 2366,533 |
| Office upkeep & Maintenance | | 1,443,375 | 7,87,472 |
| Watch & ward charges | | 10,838,020 | 10,359,595 |
| Repair & Maintenance others | | 93,896 | 27,939 |
| Recruitment expenses | | 3,64,943 | 1,20,405 |
| Meeting expenses | | 8,60,919 | 4,23,340 |
| Transit house expenses | | 2,60,574 | 3,30,888 |
| Electrical Accessories | | 5,569 | 75,290 |
| Donations | | 5,000,000 | 46,960 |
| Loss of Asset | | 3,67,280 | 50 |
| Loss on Inventories | | 11,68,597 | 0 |
| Corporate Social Responsibilities Expenses | | 43,63,670 | 94,60,750 |
| Other Administrative & General expenses | | 15,628,291 | 20,180,091 |
| Total | | 194,675,354 | 135,501,535 |
| Less Expenditure During Construction | | 29,47,907 | 25,05,885 |
| Total of Administrative & General Expenses | | 191,727,447 | 132,995,650 |

| Remuneration to Statutory Auditors. | | | |
|-------------------------------------|----------|----------|--|
| | | (Rs.) | |
| Statutory Auditors | 2011-12 | 2010-11 | |
| Statutory Audit Fees | 3,00,000 | 3,00,000 | |
| Tax Audit Fees | 40,000 | 40,000 | |
| Audit Expenses | 2,65,795 | 2,63,689 | |
| Cost Auditor | | | |
| Audit Fees | 75,000 | 75,000 | |
| Audit Expenses | 60,000 | 60,000 | |

| PRIOR PERIOD EXPENSES / (INCOME) | | Note-28 | Figure in Rs. | |
|----------------------------------|-----------------------------------|---------|---------------|-------------|
| | | | Year ended | Year ended |
| | | | 31.03.2012 | 31.03.2011 |
| i | Repair & maintenance | | 17,29,83,777 | -32,89,404 |
| ii | Operational expenses | | 1,99,314 | 38,63,862 |
| iii | Employee cost | | -12,430,734 | -12,429,218 |
| iv. | Administration & General Expenses | | 66,475 | -55,71,696 |
| v. | Depreciation | | -35,663,308 | 5,16,937 |
| vi. | Income from operation | | 94,452,049 | 0 |
| vii. | Other income | | 0 | -30,13,000 |
| viii. | Sale of power | | 0 | 36,959,764 |
| Prior Period Expenses (Net) | | | 219,607,573 | 17,037,245 |

| FINANCE COST | | Note-29 | Figure in Rs. | |
|---|-----------------------------------|---------|---------------|--------------|
| | | | Year ended | Year ended |
| | | | 31.03.2012 | 31.03.2011 |
| A. Interest cost: | | | | |
| i | Interest on Bank Loan | | 46,027 | 55,6276 |
| ii | Interest on PFC Loan | | 7,44,40,592 | 7,12,73,096 |
| iii | Interest on Others | | 84,28,007 | 15,450 |
| iv | Cash discount (PFC interest) | | -7,51,389 | -9,11,639 |
| Sub-total (A) | | | 8,21,63,237 | 7,09,33,183 |
| B. Other Borrowing costs: | | | | |
| | Guarantee Commission | | 1,08,12,000 | 1,08,12,000 |
| Sub-total (B) | | | 1,08,12,000 | 1,08,12,000 |
| C. Gain or loss on foreign currency transaction / translation: | | | | |
| | Foreign Exchange Fluctuation Loss | | 771,08,961 | -1,19,40,655 |
| Sub-total (C) | | | 7,71,08,961 | -1,19,40,655 |
| Total Finance Cost (A+B+C) | | | 17,00,84,198 | 6,98,04,528 |

- (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.
- (b) Interest on others includes interest of Rs.8426155 paid to Income tax department is given as below :

| Assessment Year | U/s 234 B | U/s 234 C |
|-----------------|------------------|------------------|
| 2011-12 | 12,53,118 | 10,56,080 |
| 2008-09 | 13,43,980 | 47,72,977 |
| Total | 25,97,098 | 58,29,057 |

| SELLING & DISTRIBUTION EXPENSES | Note-30 | Figure in Rs. | |
|--|---------|--------------------------|--------------------------|
| | | Year ended 31.03.2012 | Year ended 31.03.2011 |
| Rebate on sales realization | | 0 | 5,84,94,228 |
| Total of Selling & Distribution Expenses | | 0 | 5,84,94,228 |

| EXCEPTIONAL ITEMS | Note-31 | Figure in Rs. | |
|-------------------------------------|---------|--------------------------|--------------------------|
| | | Year ended 31.03.2012 | Year ended 31.03.2011 |
| Voluntary separation scheme payment | | 56,26,394 | 1,20,48,234 |
| Total Exceptional Items | | 56,26,394 | 1,20,48,234 |



Health Check-up Camp at BHEP, Balimela

| EXPENDITURE DURING CONSTRUCTION | | Note-32 | Figure in Rs. |
|---------------------------------|---|--------------------|--------------------|
| Sl. No. | PARTICULARS | As at 31.03.2012 | As at 31.03.2011 |
| 1. | Repair & Maintenance expenses | 2,73,832 | 2,58,120 |
| 2. | Operational Expenses | 1,34,494 | 1,65,711 |
| 3. | Employees & Other related expenses : | | |
| | Salary & Allowances | 18,13,997 | 23,16,108 |
| | Contributions | 75,113 | 1,26,583 |
| | Employees welfare expenses | 10,608 | 61,583 |
| | Terminal Benefit | 6,042 | 53,17,012 |
| | Others | 62,851 | 0 |
| | Sub-total : | 1,968,611 | 7,821,286 |
| 4. | Administrative & General expenses : | | |
| | Rent,rates and taxes | 0 | 15,000 |
| | License & Regn. Expenses | 3,750 | 0 |
| | Communication expenses | 10,655 | 13,824 |
| | Traveling & conveyance expenses | 2,30,863 | 2,64,051 |
| | Printing & stationery | 4,473 | 3,294 |
| | Bank charges | 578 | 1,217 |
| | Electricity & water charges | 1,21,772 | 3,06,910 |
| | Legal expenses | 0 | 2,030 |
| | Audit Fees & Expenses | 0 | |
| | Professional & consultancy charges | 8,190 | 0 |
| | Advertisement & Publicity | 0 | 0 |
| | Office upkeep & Maintenance | 898 | 2,910 |
| | Watch & ward charges | 25,63,342 | 18,91,895 |
| | Meeting expenses | 0 | |
| | Transit House Expenses | 0 | |
| 5. | Other misc expenses | 3,386 | 4,754 |
| | Sub-total : | 2,947,907 | 25,05,885 |
| | Interest & financial charges : | | |
| | Interest on PFC Loan | 0 | |
| 6. | Guarantee Commission | 0 | |
| | Sub-total : | 0 | 0 |
| 7. | TOTAL | 5,324,844 | 10,751,002 |
| 8. | Receipts & recoveries on capital account | 0 | 0 |
| | Net Exp. During Construction | 53,24,844 | 10,751,002 |
| 10. | Add: 1) Opening Balance of Exp.During Constn. | 145,802,103 | 135,782,099 |
| | 2) Adjustment during construction | 0 | -7,30,998 |
| 11 | TOTAL | 151,126,947 | 145,802,103 |
| | Less Capitalised during the year | 0 | |
| | GRAND TOTAL : (transferred to Sch.5) | 151,126,947 | 145,802,103 |

Note-33

- (a) The sale of energy compared to the design energy for sale during the year 2011-12 is as under:

| Power stations | Actual sale of energy (in MU) | Design energy for sale (in MU) |
|--------------------|----------------------------------|-----------------------------------|
| UIHEP, Mukhiguda | 1382.946 | 1942.38 |
| RHEP, Rengali | 846.726 | 519.75 |
| BHEP, Balimela | 1021.019 | 1171.17 |
| UKHEP, Upper Kolab | 593.200 | 823.68 |
| HHEP, Burla | 666.319 | 677.16 |
| CHEP, Chiplima | 326.888 | 485.10 |
| Total | 4837.098 | 5619.24 |

- (b) As per the OERC tariff order dt. 18.03.2011, the tariff for the year 2011-12 for energy sold to GRIDCO is as follows.

| Name of Power Station | Energy charge Rate (Paisa per Unit) | Capacity charges (Rupees in Crs.) |
|-----------------------|--|--------------------------------------|
| RHEP | 34.661 | 18.015 |
| UKHEP | 16.681 | 13.740 |
| BHEP | 35.896 | 42.040 |
| HHEP | 44.546 | 30.165 |
| UIHEP | 38.605 | 74.985 |
| CHEP | 25.036 | 12.145 |

- (c) The sale of energy includes 16.5256 MU to CSPDCL @Rs.1.005 per unit at the actual cost of generation of HHEP for the year 2010-11, 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-34

Foreign currency transactions:

| Particulars | 2011-12 (Rs.) | 2010-11 (Rs.) |
|---|------------------|------------------|
| Expenditure incurred in foreign currency on cash basis being payment made to consultants. | Nil | Nil |
| Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC. | Nil | Nil |
| Traveling expenses | Nil | NIL |

Note-35

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 the Stock Auditors dtd.25.07.2012 are as follows :-

| Particulars. | Civil Stores Mukhiguda (Rs.) | Central Store Khatiguda (Rs.) | Total Amount (Rs.) |
|------------------------------------|------------------------------------|-------------------------------------|--------------------------|
| Theft | 2,73,311.79 | 13,75,322.50 | 16,48,644.29 |
| Fire Damage | 0.00 | 1,55,12,500.10 | 1,55,12,500.10 |
| Loss of store due to theft & Fire. | 2,73,311.76 | 1,68,87,832.60 | 1,71,61,144.39 |
| Shortages. | 18,86,899.79 | 5,81,279.23 | 24,68,178.99 |
| Total Loss of Stores. | 21,60,211.55 | 1,74,69,111.83 | 1,96,29,323.38 |

Last year, the provision for net loss/of Rs.1,71,07,903/- was made by debiting the other reserve (Inventory) Account and crediting the provision for others. The said entry is reversed during the year and the audited loss of store due to theft & fire Rs.1,71,61,144/- has been debited to other reserve (inventory) Account & credited to provision for loss on theft, fire & shortages. For shortage of stock of Rs.24,68,179/-, provision has been made by debiting other reserve (Inventory) for Rs.14,96,588/- and loss of inventory for Rs.9,71,591/- and crediting provision for loss on theft, fire & shortages.

As per stock Audit Report 2011-12, the book value of electrical stores of Mukhiguda store has been decreased to the extent of Rs.71,96,379/- due to nil rates entered for the stores item already booked to works earlier and the book value of Civil Wing stores has been increased by Rs.2,11,189/- due to correction of rates and accounting of excess stock of Rs.47,858/- available in the store. The net effect of Rs.69,85,190/- has been accounted for by debiting to other Reserve (Inventory) Account and crediting the Inventories Account.

Note-36**Contingent liabilities:**

| a. | | (Rs. in Crores) | |
|-------|--|---------------------|---------------------|
| | | As at 31.03.2012 | As at 31.03.2011 |
| (a) | Estimated amount of contracts to be executed on capital account (net of advances and LCs opened.) | NIL | NIL |
| (b) | 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 Constrction (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 |

- (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) In Balimela HEP, an amount of Rs.66393181/- has been received by encashment of Bank Guarantee of LMZ through RTGS from ICICI Kolkata on account of liquidated damages during the financial year 2009-10 & kept under the head liability to others as the same is under arbitration.
- (d) Claim of Rs.12,68,279/- by Dam division , Rengali dam site under water resources department towards water rent in respect of residential & non-residential building of OHPC, Rengali for the period from dt.01.04.96 to dt. 31.03.12 is not acknowledged since OHPC has paid for the maintenance of water supply system of Dam division since dt.01.04.96.
- (e) 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. Against this demand, the unit has filed an appeal before the commission of commercial Taxes Cuttack.
- (f) 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.
- (g) Interest @ 7% on state Govt loan for UIHEP of Rs 497.86 Cr as per the DOE notification No. R-1-15/2009/81/En dtd 06.01.2010 from 2006-07 to 2011-12 totaling to Rs 209.10 Cr. is shown as a contingent liability as per DOE letter dtd. 21.03.2011 allowing moratorium on debt servicing.

Note-37

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-38

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 2011-12 (Rs.) | As at 31.03.2012 (Rs.) |
|---------|------------------|----------------------|---------------------------|
| 1 | Pension | 44,15,28,622 | 444,86,50,262 |
| 2 | Leave Encashment | 3,07,47,399 | 34,65,66,413 |
| 3. | Gratuity | 4,48,45,590 | 2,45,51,988 |

As against the aforesaid liabilities towards Pension, an amount of Rs.3,98,21,71,639/- has been paid to the OHPC Pension Fund till 31.03.2012. Accordingly the balance amount of Rs.46,64,78,623/- 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.4,44,80,009/- to the Gratuity trust fund towards premium and Rs.3,65,581/- 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-39

Expenses in respect of employees who are in receipt of remuneration of not less than Rs.2400000/- per annum and employed throughout the year or Rs.200000/- per month and employed for part of the year is Nil.

Note-40

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-41

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 | 332.266 | 326.888 | 0.578 | 4.800 |
| HHEP | 275.50 | 678.577 | 666.319 | 2.954 | 9.304 |
| RHEP | 250.00 | 874.303 | 846.726 | 13.425 | 14.152 |
| UKHEP | 320.00 | 604.268 | 593.200 | 3.586 | 7.482 |
| BHEP | 510.00 | 1045.690 | 1021.019 | 16.298 | 8.373 |
| UIHEP | 600.00 | 1436.803 | 1382.946 | 8.895 | 44.962 |
| Total | 2027.50 | 4971.907 | 4837.098 | 45.736 | 89.073 |
| Previous year | 2027.50 | 4756.457 | 4622.523 | 17.590 | 116.344 |

Note-42

Power Station wise financial results before Tax.

| Power Stations | Revenue from operation | Other Income | Share of H O income over exp. | Total Income | Total Exp. | (Rs. in Crores) Profit before tax |
|----------------------|------------------------|--------------|-------------------------------|---------------|---------------|--------------------------------------|
| CHEP | 21.29 | 0.03 | 3.75 | 25.07 | 16.02 | 9.05 |
| HHEP | 53.92 | 4.71 | 9.49 | 68.12 | 60.33 | 7.79 |
| RHEP | 48.81 | 0.92 | 8.88 | 58.61 | 41.80 | 16.81 |
| UKHEP | 25.20 | 0.12 | 4.44 | 29.76 | 46.83 | -17.07 |
| BHEP | 73.16 | 0.22 | 12.87 | 86.25 | 77.23 | 9.02 |
| UIHEP | 136.30 | 11.41 | 23.95 | 171.66 | 101.65 | 70.01 |
| Total 2011-12 | 358.68 | 17.41 | 63.38 | 439.47 | 343.86 | 95.61 |
| Total 2010-11 | 338.72 | 2.91 | 38.77 | 380.40 | 333.47 | 46.93 |

Note-43

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 Benakhmar 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-44

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 | <u>14.00</u> |
| 15.03.96 | <u>12.00</u> | | 54.03 |
| | 104.00 | | |

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-45

The outstanding Energy Charges of Rs 36,67,732/- of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2012 were issued but confirmations were not received viz.

| | Amount in Rs. | | Amount in Rs |
|-----------------------------|---------------|------------------------------|--------------|
| E.E., Left Canal Divn. | 1,35,806/- | SDO, BSNL,Nabarangpur | 7,57,894/- |
| E.E., Quality Control Divn. | 2,52,559/- | SDO, BSNL,Dharamgarh | 12,88,152/- |
| Chief Engineer, Irrigation | 11,62,131/- | SBI, Jaipatna | 15,675/- |
| | | Utkal Gramya Bank, Mukhiguda | 55,515/- |

Total Receivable from DOWR: Rs.15,50,496/- Total Receivable from BSNL&Banks: Rs. 21,17,236/-

Note-46

Bills 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. As the receipt is not certain, it is not recognized as revenue.

Note-47

The amount of water cess charged and paid has an opening difference of Rs.86,579.00 of CHEP, Chiplima. It was due to wrong assessment of water cess by water resources department and interest charged thereon is not payable. Hence no provision has been made during the current financial year.

Note-48

- (i) Pending acceptance of the bills by DOWR, 50% of the dam maintenance cost of UIHEP for the year 2011-12 amounting to Rs.11,05,47,903/- has not been recognized as revenue in accordance with AS-9.
- (ii) Pending acceptance of the bills of Rs.11,84,65,581/- by Dam division under DOWR towards outstanding electricity charges receivable by RHEP, Rengali has not been recognized as revenue in accordance with AS-9.

Note-49

- (a) 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'.
- (b) 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.
- (c) As per income tax return filed, the company has a carry forward un-absorbed depreciation of Rs.204.94 Crores till the assessment year 2011-12. 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 2011-12. On release of the funds earmarked for the joint venture entities namely OTPC and BWCCCL which are presently under implementation, R&M of unit-5 & 6 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 2011-12.

- (d) 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-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. The arbitration is in process.
- (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

- (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

A Mohapatra
Partner
M. No. 55285

B K Das
DGM (Finance)

P K Sahoo
Company Secretary

S K Sahu
Director (Finance)

S Khatua
Managing Director

Place : Bhubaneswar

Date : 31.08.2012