

22ND

ANNUAL REPORT

2016-17



**ODISHA HYDRO POWER
CORPORATION LIMITED**

(A GOVERNMENT OF ODISHA UNDERTAKING)



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REPORT
2016-17



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CORPORATION LIMITED**
(A GOVERNMENT OF ODISHA UNDERTAKING)

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ODISHA HYDRO POWER CORPORATION LIMITED
(A GOVERNMENT OF ODISHA UNDERTAKING)

Board of Directors

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

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

COMPANY SECRETARY

Sh P K Mohanty

STATUTORY AUDITOR

M/s. GNS & Associates,
Chartered Accountants

COST AUDITOR

M/s. Niran & Co.
Cost Accountants

SECRETARIAL AUDITOR

M/s. Saroj Panda & Co.,
Company Secretaries

BANKERS

State Bank of India
Union Bank of India
Punjab National Bank
Axis Bank

Vision

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



Objective

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

Mission

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

ODISHA HYDRO POWER CORPORATION LTD DIRECTORS' REPORT 2016-17.

Dear Members,

Your Directors are pleased to present the Twenty Second Annual Report of your Company along with audited Financial Statement, Report of the Auditors and Comments of the Comptroller and Auditor General of India for the financial year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

The Financial results for the year ended 31st March, 2017 are summarized below.

(Rs. in Crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	*2015-16	2016-17	*2015-16
REVENUE				
Revenue from Operation	432.49	419.13	447.32	419.62
Other Income	166.85	196.35	167.81	196.42
Total Revenue	599.34	615.48	615.13	616.04
EXPENSES				
Employees' Benefits Expense	129.18	123.18	129.80	123.50
Finance cost, Depreciation and Amortization Expenses	194.43	221.83	202.11	222.27
Other expenses	70.16	74.76	71.67	75.46
Total expenses	393.77	419.77	403.58	421.23
Profit before Tax	205.57	195.71	211.55	194.81
Tax expenses				
-Current Tax	70.10	72.65	71.40	72.75
-Deferred Tax	6.36	(2.26)	7.22	(2.15)
Profit for the year	129.11	125.32	132.93	124.21
Other Comprehensive Income	(38.24)	(37.33)	(38.24)	(37.33)
Total Comprehensive Income	90.87	87.99	94.69	86.88

* Figures of Financial Year 2015-16 have been re-casted to make them IND-AS compliant

2. INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February'16, 2015, notified the Indian Accounting Standards (IND AS) applicable to certain classes of Companies. IND AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies, (Accounts) Rules, 2014. For OHPC Group, IND AS is applicable from April'2016 with a transition date of April, 2015 and IGAAP as per the previous GAAP.

The following are the areas which had an impact on account of transition to IND AS:

Employee cost pertaining to defined benefit obligations.

Materiality concept on stores.

The reconciliation and descriptions of the effect of the transition from IND GAAP to IND AS have been provided in note 60 and note 61 in the notes to Accounts, in standalone and consolidated Financial Statements respectively.



3. REVENUE & PROFITS:-

Gross Revenue (including income from other sources) during the year under review is Rs.599.34 crore as against Rs.615.48 crore in the previous year 2015-16. The Company earned profit before tax for Rs.205.57 crore for the Financial Year 2016-17 as against Rs.195.71 crore in the previous financial year 2015-16. Total Comprehensive Income for the financial year 2016-17 is Rs.(38.24) crore as against Rs.(37.33) crore in the previous financial year 2015-16.

Consolidated Accounts with the subsidiary, joint venture & associates companies showed an increase in total Comprehensive Income of consolidated group by Rs.3.82 crore [previous year Rs.(1.11) crore].

4. GENERATION:

- i) Gross Energy Generation from various operational plants of the Units of the Company during F.Y. 2016-17 over the previous year is as under:-

[Million Units (MU)]

Name of the Power House	Gross Generation Current Year 2016-17 (MU)	Gross Generation Previous Year 2015-16 (MU)	Excess(+) / shortfall (-) over previous year (MU)
HHEP, Burla	535.632	457.164	78.468(+)
CHEP, Chipilima	200.807	216.710	15.903(-)
RHEP, Rengali	553.0844	606.6215	53.5371(-)
BHEP, Balimela	1001.5666	601.398	400.1686(+)
UKHEP, Upper Kolab	619.472	727.662	108.190(-)
UIHEP, Mukhiguda	1522.634	1653.322	130.688(-)
Total (MU)	4433.196	4262.8775	170.3185(+)

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

(In percent)

Unit	Achievement 2016-17	Achievement 2015-16	Excess over previous year
HHEP, Burla	73.993%	79.249%	(-)5.256%
CHEP, Chipilima	88.531%	75.033%	(+)13.498%
RHEP, Rengali	85.691%	85.78%	(-)0.089%
BHEP, Balimela	86.572%	74.579%	(+)11.993%
UKHEP, Upper Kolab	83.107%	92.48%	(-)9.373%
UIHEP, Mukhiguda	83.962%	95.99%	(-)12.028%
Wt. PAF of OHPC Power Station	83.762%	85.955%	(-)2.193%

- iii) The total Generation and weighted average PAF achieved by OHPC vis-à-vis MoU targets of OHPC for Financial Year 2016-17 is as under :-

Parameter	Achieved for 2016-17	MoU target for 2016-17	Excess over MoU target
Generation (MU)	4433	5634	(-)1201
PAF %	83.76	85	(-)1.24



5. DIVIDEND:

Considering the progress made by your Company, Directors in pursuant to the Finance Department Office Memorandum dtd 12.12.2011 have recommended a dividend @30% of the post-tax profit to the State Govt. The total dividend payout will be Rs.27.26 crore for the F.Y 2016-17 and dividend tax will be Rs.5.55 crore.

6. MACHKUND JOINT PROJECT:

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

7. COMMERCIAL PERFORMANCE:

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

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

- (i) The Energy Department vide Notification No.5843 dtd.03.07.2015 has issued order for repayment of loan along with interest @7% for the entire amount of Rs.766.20 crore from 2015-16. However, the effect of loan repayment of Rs.766.20 crore of old power stations in the tariff of OHPC has not been considered by the Hon'ble Commission in the tariff order for FY 2016-17.
- (ii) Interest on debt servicing of the State Govt. loan for UIHEP has been acknowledged by OERC. However, repayment of interest will be made after completion of the payment of principal in order to avoid increase in tariff in the interest of the consumers of the State.
- (iii) Return on Equity (RoE) is not allowed in respect of the transferred assets of old power stations as on 01.04.1996. However, RoE is allowed on new assets added after 01.04.1996.
- (iv) Depreciation calculated at pre-1992 norms of GoI or actual amount required for repayment of loan whichever is higher is allowed by the Hon'ble Commission.

OHPC provides the cheapest power and meets the substantial peak load requirement of the State Grid. There has been very nominal increase in the tariff of Hydro Power Stations of OHPC fixed by OERC during last 17 (seventeen) years.

8. CAPITAL STRUCTURE AND NET WORTH

Your Company's paid-up capital and net worth as on 31.03.2017 was Rs.693.65 crore and Rs.1587.42 crore respectively.

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

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



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

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

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

The Ministry of Coal, GoI vide letter dtd 25.07.2007 allotted the Baitarni West Coal Block (602MT) through Govt dispensation route to three State PSUs namely, KSEB, GPCL & OHPC each having one third share. The JV Company namely Baitarni West Coal Company Ltd (BWCCCL) has been incorporated by the three allocatees in April, 2008. After de-allocation of the Baitarni West Coal Block, BWCCCL is planning to apply for new Coal blocks under Government dispensation route. Regarding encashment of BG, the Hon'ble High Court of Orissa had passed an interim order in favour of BWCCCL.

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

COMMERCIAL PERFORMANCE:

20 MW Solar Project at Manamunda.

GEDCOL was allotted 20 MW Solar Power Plant at Manmunda in Boudh district under Jawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I. The project has been commissioned successfully during March' 2016 (15 MW) and June 2016 (5 MW). During the year under review, 27.01 Million Units (MU) were generated which corresponds to Rs. 14.72 crore of revenue. The plant capacity utilization factor during F.Y. 2016-17 was 16.04 %.

Status of ongoing Projects:

Rooftop Solar Project.

MNRE has sanctioned 4 (four) MW Solar Rooftop Project on the non-residential Govt. Buildings in twin city of Cuttack-Bhubaneswar through PPP mode. 186 nos. of buildings have been identified (126 in Bhubaneswar and 60 in Cuttack) for taking up Roof Top installations. M/s. AZURE Power Limited is executing the Project. The project has been implemented in the following Govt. Buildings:-

Sl No.	Name of the Govt. Building	Capacity (KWp)	Date of Commissioning
1.	Physics & Chemistry Building, Utkal University.	88.35	11.05.2017
2.	Psychology & Public Admin Building, Utkal University.	47.12	09.06.2017
3.	Gopabandhu & Madhusudan Hostel, Utkal University.	88.35	09.06.2017
4.	Agriculture College of OUAT.	176.70	24.10.2017
5.	Main Block / Central Library of OUAT.	111.91	24.10.2017
6.	Jaydev Bhawan, Bhubaneswar.	55.80	25.10.2017
7.	Secretariat and Associated Complex.	265	26.10.2017
8.	Ramadevi Womens University.	58.90	26.10.2017
9.	Odisha State Museum, Bhubaneswar.	29.45	26.10.2017
10.	Nirman Soudh, Bhubaneswar.	114.70	04.11.2017
	Total	1036.28	



Solar Park.

MNRE has allotted GEDCOL for development of 1000 MW Solar Park(s) under the Ultra Mega Solar Power Park (UMSPP) Scheme of Govt. of India. MNRE has approved for development of the Solar Park in two phases of 400 MW and 600 MW. IFC has been engaged as Transaction Advisor for the project to be developed in a PPP mode. Preliminary assessment has been completed for 300 MW Solar Park in Sambalpur and Boudh Districts and DPR is under preparation. The selection for land patch in various Districts are being explored for remaining 700 MW Solar capacity.

Roof top Replication Scheme in 15 (fifteen) towns.

GEDCOL has engaged IFC as transaction advisor for replication of roof top solar on 15 other cities of Odisha i.e. Sambalpur, Burla, Hirakud, Rourkela, Berhampur, Chatrapur, Jeypore, Koraput, Sunabeda, Nabarangpur, Balasore, Bhadrak, Baripada, Puri & Khurda. Survey has been completed and Technical Due Diligence Report has been submitted by IFC. Transaction structuring is under preparation.

Solar Projects in OPTCL Sub-station Premises:

GEDCOL is under process to develop Solar Plants on the un-utilized lands available inside OPTCL Grid Sub-stations at Baripada, Bolangir and Koraput including OHPC Power House at Mukhiguda. DPR has been prepared by Gujarat Energy Research & Management Institute (GERMI) at these sites. Tender for selection of EPC contractor is under preparation.

Small Hydro Projects by GEDCOL:

Detailed Project Report (DPR) has been prepared for 3 MW (2 X 1.5MW), Jambhira SHEP in Mayurbhanj District and 4.2 MW (2 X 2.1 MW), Kanupur SHEP in Keonjhar District and submitted to Engineer in Chief (Electricity) for execution of "Implementation Agreement"

GEDCOL had requested State Technical Committee (STC) for allotment of 4 nos. SHEPs namely, Kharag - I, II, IIA and III (Kandhamal District) of capacity 96 MW in favour of GEDCOL for development. However, it has been decided to analyse the possibility of reconfiguration of SHEPs to harness optimum power potential and DPRs will be prepared after completion of analysis by WAPCOS.

The proposal to take up Salki - 1, 2 & 3 (Kandhamal District) projects for a capacity of about 36 MW was proposed to be taken up. However, now it is decided to take up as a major SHEP with a provision of irrigation potential.

PFR for another SHEP namely, Garjan Khol (Angul District) of approx. 10 MW capacity is under preparation by M/s WAPCOS.

GEDCOL and Steel Authority of India Limited (SAIL), Rourkela have agreed to develop 10 MW, Mandira SHEP in Sundargarh District in Joint Venture mode. Preliminary survey has been completed by M/s MECON and site for installation of Power House has been finalized. DPR for the same is under preparation by M/s MECON. Approval from Govt. of Odisha has been sought for signing of the Shareholders' Agreement and formation of JV Company between GEDCOL and SAIL.

d) Odisha Coal and Power Limited (OCPL).

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

The Manoharpur and Dip-Side Manoharpur Coal Blocks have been allocated to OCPL by MoC on 31st August, 2015. Manoharpur Coal Block is an explored block with a reserve of 181.68 Million Tonne. Dip-Side is regionally explored with a reserve of 350 Million tonne.



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

Permits for R&R Colony have already been obtained Construction of Rehabilitation & Resettlement Colony (Phase-I) completed with total 240 Houses along with basic infrastructures. Shifting of PDFs started & 92 families have shifted. Process for construction of Phase-II R&R Colony has been initiated.

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

Prospecting License executed, Permission for drilling of boreholes in forest area obtained, Environment Clearance for Prospecting in place, Drilling work at Dip- side under progress (Drilling of 67 boreholes completed).

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

CMPDI has been awarded for preparation of Integrated Geological Report. LOI issued for Coal Handling Plant (CHP) on 18.08.2017.

As per the Allotment Agreement signed with the Nominated Authority, MoC, the coal production will start by April 2019. The full production (8 MT) is expected by end of year 2022.

10. RENOVATION & MODERNISATION

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

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

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

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



R&M of CHEP, Chiplimla

Contract was signed with EPC Contractor, M/s Voith Hydro Private Limited., Noida on 15.10.2015. The approved Project cost for the Project is Rs. 65.67 Crores including IDC. The tentative schedule for completion of the Project is July, 2018.

R&M of HHEP, Burla

Contract was signed with EPC Contractor, M/s Voith Hydro Private Limited., Noida on 16.10.2015. The approved Project cost for the Project is Rs. 158.77 Crores including IDC. The tentative schedule for completion of the Project is May, 2018.

R&M of BHEP, Balimela

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

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

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

11. HRD INITIATIVES:

(a) MAN POWER

OHPC possess a highly motivated and competent human resources that has contributed its best to bring laurels and making the company a gold rated PSU of the State.

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

(b) Training & Development

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

(c) Industrial Relations

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

(d) Manpower Restructuring

Manpower restructuring in OHPC is under process. Restructuring proposal made in line with the recommendations of manpower consultant, M/s E&Y Ltd after due approval of OHPC Board, was sent to Govt. for approval.

12. SAFETY MANAGEMENT:

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



In accordance with the requirement of Section 53 of Indian Electricity Act,2003 read with CEA(Safety requirement for Construction, Operation & Maintenance of Electrical Plants & Electric Lines) Regulation, 2010, the Board of Directors of OHPC in their 124th meeting held on 26.12.2014 approved the Safety policy of OHPC with mainly covered following issues :-

- I. Defining the role and responsibilities of functionaries at different levels, to carry out safety related to activities including defining the responsibilities of the Contractor.
- ii. Preparing Safety Manual in compliance with the statutory requirements of Acts, Rule & Regulations in force.
- iii. Establishing a system for reporting of accident, near miss incident, analysis, investigation, taking adequate steps for its nonoccurrence & implementation of recommendations.
- iv. Formulating emergency management plan & put in place Emergency Command Structure for effective dealing of emergencies / Disaster Management.
- v. Consulting with our employees on matters affecting their Safety & Health.

As per the Safety Policy, the following steps have already been taken:-

1. Draft Safety Manual has already been prepared by OHPC. Process is going on for vetting of the draft Safety Manual of OHPC by Competent Organization.
2. Emergency management plan have already been framed in all Hydro Electric Project of OHPC for effective dealing of emergencies / Disaster Management as per the guideline of Odisha State Disaster Management Authority (OSDMA).
3. To look after safety of power stations, a senior officer of each power stations has been declared as Safety Officer.
4. Personal protective equipments are being provided in the work site.
5. Annual returns on incidents/ near miss incidents and quarterly return on implementation of safety policy are being submitted by Unit Heads for analysis investigation, taking adequate steps for its no occurrence again.
6. Provision of First Aid, Toilet Facility, Emergency Vehicle, Safe Drinking Water in the work places, display of safety slogans and adequate training for creating awareness on Safety, Health & Environment etc. are already been provided by OHPC.
7. Mock drill on safety preparedness are also conducted in power stations.
8. Safety Audit: In line with the decision of 136th Emergency Meeting of Board Directors of OHPC held on 26.10.2016, Fire & Electrical Safety Audit of all Hydro Electric Project and Corporate Office Building have been completed on 16.10.2017 by M/s National Safety Council. Process for necessary compliance as per audit report has already been started by OHPC.

13. RIGHT TO INFORMATION:

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

During 2016-17, 115 nos of applications were received under the RTI Act. All applications and appeals are disposed of in time.



14. INFORMATION TECHNOLOGY AND COMMUNICATION:

Your company has implemented Video Conferencing (VC) facility; which is widely used for conferencing among all the units. In order to improve upon efficiency and bringing transparency, OHPC has made it mandatory for publishing tenders on its website www.ohpcltd.com. Online intranet portal has been developed for the use of the employees of the company pertaining to Rules, policies, regulations, circulars, office orders, inventory reports etc. The retired employees can view and download the employee retirement benefit rules and application forms from the official website of the company. E-Tendering for works worth value more than Rs.5 Lakhs has been implemented.

OHPC has also taken initiative to implement an Enterprise Resource Planning (ERP) package covering maximum possible processes across the different domains of the organization. Agreement has been executed with the lowest Bidder M/s PWC, for providing consultancy services for ERP implementation and preparation of tender documents on the basis of approved Functional Requirement Specification (FRS) is in the process.

Efforts are being made to integrate RTI, Assembly questions Management, legal system etc. through IT portal of your Company.

15. VIGILANCE:

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

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

16. PR INITIATIVES:

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

17. SEXUAL HARASSMENT PREVENTION

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

Summary of Sexual harassment issues raised, attended and disposed of during the year 2016-17:-

No of complaints received in 2016-17	Nil
No. of complaints disposed of	Nil
No. of cases pending for more than 90 days	Nil
No. of workshops or awareness programme against sexual harassment carried out	4
Nature of action taken by the employer or District Officer	Nil

18. Performance Rating Under MOU:

In order to make the Public Sector Units competitive, sustainable and meet the future challenging environment successfully, as per the Corporate Governance Manual issued by PE Dept., Govt. of Odisha, your company is signing Memorandum of Understanding (MoU) with Deptt. of Energy,



Govt. of Odisha every year from 2011-12 onwards . Based on the performance made by your company during the year 2015-16 as per the MoU signed with DoE, Govt. of Odisha, PE Deptt, GoO has rated your company as “**Excellent**”.

19. GOLD RATED PSU:

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

20. ISO CERTIFICATION:

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

21. RESERVATION FOR SC/ST/SEBC:

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

22. FIXED DEPOSITS:

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

23. STATUTORY AND OTHER INFORMATIONS:

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

- i) Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and out go – **Annexure-I.**
- ii) Annual Report on CSR Activities – **Annexure-II.**
- iii) MGT-9 – Extract of Annual Return- **Annexure-III.**

24. RELATED PARTY TRANSACTIONS:

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

25. INTERNAL FINANCIAL CONTROLS:

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



26. CONSOLIDATED FINANCIAL STATEMENTS:

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

27. BOARD OF DIRECTORS:

The Board of your Company comprised of following Directors:-

Sl No.	Name	Date of Appointment	Date of Cessation	Designation
1.	Sh Vishal Kumar Dev, IAS, (DIN:-01797521)	26.07.2017	-	CMD
2.	Sh Hemant Sharma, IAS, (DIN:- 01296263)	02.08.2013 10.02.2017 25.07.2017	10.02.2017 25.07.2017 -	Director CMD Director
3.	Sh Rajesh Verma, IAS, (DIN :-01725746)	07.12.2015	10.02.2017	CMD
4.	Sh Vijay Arora, IAS, (DIN:-02658286)	10.07.2015	05.12.2017	Director
5.	Sh D K Jena, IAS, (DIN: 02902196)	09.08.2010	23.11.2017	Director
6.	Sh Pravakar Mohanty, (DIN:-01756900)	25.10.2016	-	Director (Finance)
7.	Dr. Prabodh Ku. Mohanty, (DIN:-07902418)	01.08.2017	-	Director (HRD)
8.	Sh S C Bhadra, (DIN:- 01896713)	09.07.2010	-	Director
9.	Sh R C Tripathy, (DIN: 05322840)	07.09.2012	-	Director
10.	Mrs. Saveeta Mohanty, (DIN:-01854837)	14.07.2015	-	Woman Director
11.	Sh Dronadeb Rath, (DIN:-00317139)	12.04.2017	-	Director
12.	Sh. Rajesh Sharma, (DIN :- 03542705)	23.05.2011	31.07.2016	Director (HRD)
13.	Late S K Jena, (DIN:-05169683)	07.09.2012	23.01.2017 (Death)	Director
14.	Sh Satya Priya Rath (DIN:-08004438)	23.11.2017	-	Director
15.	Sh Akshaya Kumar Parida (DIN:-03641348)	05.12.2017	-	Director



The Board of Directors places on record its deep appreciation of the valuable services rendered and guidance provided by Sh Rajesh Verma, IAS in the capacity of CMD and Sh Vijay Arora, IAS, Sh D.K Jena, IAS, Sh Rajesh Sharma and Late S.K Jena during their tenure as Directors of the Company.

28. BOARD MEETINGS:

The Board Meetings are held normally at Bhubaneswar. During the financial year 2016-17, total 6 (six) nos. of Board Meetings were held.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable Accounting Standards read with requirements set out under Schedule-III to the Act have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently except as disclosed in the Notes on reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at 31st March, 2017 and of the profit of the Company for that period.
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared the annual accounts on a 'going concern' basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. AUDIT COMMITTEE:

As on 31st March, 2017, the composition of Audit Committee consists of Sh SC Bhadra, Independent Director as Chairman along with one independent Director Sh R.C Tripathy & Sh D K Jena as Govt. nominee and Director (Operation) as the other Members. 10(Ten) nos. of Meetings of the Audit Committee were held during the F.Y 2016-17 for review of the accounts, report of the auditors, cost audit report and internal audit observations.

31. AUDITORS:

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

32. AUDITORS' REPORTS:

The Report of the Statutory Auditors and Comments of the C&AG on the accounts of the Company for the Financial Year 2016-17 and the replies of the Management to the report/ comments of the Auditors on both Stand Alone and Consolidated Financial Statements are enclosed to this report. No instance of fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

33. COST AUDIT:

In accordance with the Companies (Cost Records and Audit) Rules, 2014, notified by Ministry of Corporate Affairs on 30th June, 2014, the Cost Accounting Records are being maintained by all



power stations of the company. M/s Niran & Co , Cost Accountants, Bhubaneswar was appointed to conduct audit of Cost Accounting records of power stations for the financial year 2016-17 under Section 148 of the Companies Act, 2013.

34. SECRETARIAL AUDITOR:

The Board has appointed M/s Saroj Panda & Co, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is placed at **Annexure-IV**.

35. KEY MANAGERIAL PERSONNEL:

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

1. Shri Vishal Kumar Dev, IAS, Chairman-cum-Managing Director.
2. Sh Pravakar Mohanty, Director (Finance) & CFO.
3. Dr. Prabodh Kumar Mohanty, Director (HRD).
4. Sh P K Mohanty, Company Secretary.

Sh P.P Sahu, SGM(Finance) ceased to be a Key Managerial Person with effect from 25.09.2017.

36. CORPORATE GOVERNANCE:

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

37. DECLARATION OF INDEPENDENCE:

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

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

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

Particulars	Details
Loan given	Refer note No.12(b) of standalone financial statement.
Guarantee given	Refer note No.41(d) & (f) of standalone financial statement.
Investment made	Refer note No.4 of standalone financial statement.
Securities provided	NIL

39. GENERAL:

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

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



40. ACKNOWLEDGEMENTS:

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

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

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

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

Place : Bhubaneswar
Date : 11/01/2018

FOR AND ON BEHALF OF THE BOARD

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



Payment of dividend cheque by the Hon'ble Minister Energy, Labour & Employees' State Insurance on behalf of OHPC to the Hon'ble Chief Minister, Odisha for the Financial year 2016-17

Annexure to Director's Report AOC-1

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

(In Rupees)

Sl No.	1	
Name of the Subsidiary	Green Energy Development Corporation of Odisha Limited	
Share Capital	50,32,00,000.00	
Reserves & Surplus	5,08,86,739.00	
Total Assets	2,72,88,32,506.00	
Total Liabilities	2,72,88,32,506.00	
Investments	-	
Turnover	14,82,96,798.00	
Profit Before Taxation	6,84,03,525.00	
Provision for Taxation	(2,16,45,903.00)	
Profit After Taxation	4,67,57,622.00	
Proposed Dividend	-	
% of Shareholding	100	

Part "B" : Associates and Joint Ventures

(In INR)

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

Name of Associates / Joint Ventures	Odisha Thermal Power Corporation Ltd	Baitarni West Coal Company Ltd	Odisha Coal & Power Ltd
1.Latest Audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17
2.Shares of Associate / Joint Ventures held by the Company on the year end			
No. of Shares	13,42,047.00	1,00,000.00	9,80,00,000.00
Amount of Investment in Associates / Joint Venture	1,34,20,47,000.00	10,00,00,000.00	98,00,00,000.00
Extend of Holding %	50%	33%	49%
3.Description of how there is significant influence	Significant influence Over Share Capital	Significant influence Over Share Capital	Significant influence Over Share Capital
4.Reason why the Associate / Joint Venture is not Consolidated	Consolidated	Consolidated	Consolidated
5.Networth Attributable to Shareholding as per latest Audited Balance Sheet	2,61,44,35,122.00	29,82,37,536.00	1,96,89,96,000.00
6.Profit / (Loss) for the year	(7,57,951.00)	(5,31,428.00)	(2,15,51,000.00)
i. Considered in Consolidation	(3,78,975.50)	(1,77,142.67)	(1,05,59,990.00)
ii. Not Considered in Consolidation	(3,78,975.50)	(3,54,285.33)	(1,09,91,010.00)

Note : Odisha Thermal Power Corporation Limited, Baitarni West Coal Company Limited & Odisha Coal & Power Limited have not started commercial operation.

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

In terms of our report of even date attached

For GNS & ASSOCIATES

Chartered Accountants

FRN-318171E

(N P Sahu)

Partner

M.No.55224

Place : Bhubaneswar

Date : 27.10.2017

P K Mohanty

Company Secretary

Pravakar Mohanty

Director (Finance) & CFO

(DIN:01756900)

(Vishal Kumar Dev, IAS)

Chairman cum-Managing Director

(DIN: 01797521)



Annexure to Director's Report

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

A. CONSERVATION OF ENERGY**(a) Energy Conservation measures taken and on hand.**

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

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

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

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

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

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

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

(e) Energy efficiency measures through installation of LED street lighting :**(i) Upper Kolab Power Station :**

Work Order No.3937 dtd. 18.08.2017 has already been issued by UKHEP to M/s. Engineers Enterprises, Jeypore for implementation of demonstration project through installation of energy efficient LED street lights in Upper Kolab colony for an amount of Rs.43,69,746/-.

(ii) Energy efficiency measures through installation of LED street lighting in other Units of OHPC :

UIHEP had submitted an estimate on the aforementioned work amounting to Rs . 42 , 13 , 200 / - which has been forwarded to EIC-cum-PCEI and SDA(O) for arrangement of fund. CHEP has submitted an estimate amounting to Rs.10,16,850/- to EIC-cum-PCEI and SDA(O) for retrofitting of LED street lighting at CHEP colony.

B. TECHNOLOGY ABSORPTION

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2016-17

(Rs. In lakhs)

		<u>2016 -17</u>	<u>2015 -16</u>
(a)	Earnings in Foreign Currency	Nil	Nil
(b)	Foreign Exchange Outgo :		
(i)	Value of imports calculated on CIF basis for capital good and spare parts.	Nil	775.20
(ii)	Expenditure in foreign currency for foreign visits.	Nil	Nil
(iii)	Expenditure incurred in foreign currency for payments of consultants.	Nil	Nil



DAM OF UPPER KOLAB



CORPORATE SOCIAL RESPONSIBILITY OF OHPC

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

Introduction:

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

Highlights of the Policy:-

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

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

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

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

Programmes Covered under CSR:

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

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

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

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

Supporting efforts of Govt. of Odisha for promoting Clean India Movement through OPEPA & Deptt of Education.

Providing ambulance services to Health Administration of Govt. of Odisha.

Contribution towards old age home, orphanage and such organizations working in the field of uplifting differently abled persons.

2. The Composition of the CSR Committee :

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

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

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

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

Sl. No	Financial Year	Net Profit before Tax (In Rs.)	Average Net Profit before tax (In Rs.)
1	2013-14	11,12,80,449/-	84,50,51,117/-
2	2014-15	46,68,14,108/-	
3	2015-16	1,95,70,58,795/-	

4. Prescribed CSR Expenditure in FY 2016-17: Rs.1,69,01,022/- (2% of average net profit for past 3 Financial years as in item 3 above).

5. Details of CSR spent during the Financial Year :-

- (a) Total amount to be spent for the Financial Year: Rs.1,69,01,022/-
- (b) Amount unspent, if any : Rs.92,89,075/-
- (c) Manner in which the amount spent during the Financial Year is detailed below:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs - wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or Program (2) Over-heads :	Cumulative-expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Construction of toilets for City Women's College (+3 Degree), Siripur, BBSR through P.E. Dept	-	Siripur, Bhubaneswar, Odisha Dist-Khordha	Rs.5,00,000/-		Rs.5,00,000/-	Rs.5,00,000/-



2.	Financial assistance for Placement linked skill training of unemployed youth through CUTM		Dist-Koraput, Odisha	Rs.15,00,000/-		Rs.20,00,000/-	Rs.15,00,000/-
3.	Construction of Class rooms, Lab room, Computer room, etc. of Saraswati Sishu Vidya Mandir, Balimela		Balimela, Dist-Malkangiri, Odisha	Rs.12,11,947/-		Rs.32,11,947/-	Rs.12,11,947/-
4.	Release of balance amount for construction of Science Laboratory of Balimela College of Science & Technology, Balimela		Balimela, Dist-Malkangiri, Odisha	Rs.20,00,000/-		Rs.52,11,947/-	Rs.20,00,000/-
5.	Purchase of Motorized Tricycle & wheelchairs through SSEPD Dept/ SIDR		Dist-Koraput, Odisha	Rs.15,00,000/-		Rs.67,11,947/-	Rs.15,00,000/-
6.	Installation of Street Lights for Khindo to Rengali village		Rengali, Dist - Angul, Odisha	Rs.7,50,000/-		Rs.74,61,947/-	Rs.7,50,000/-
7.	Drinking Water facility at Srma Aurobindo Purnanga Vidyalaya, Bajrakote		Bajrakote, Dist-Angul, Odisha	Rs.1,50,000/-		Rs.76,11,947/-	Rs.1,50,000/-
TOTAL				Rs.76,11,947/-			Rs.76,11,947/-

6. The Company could not achieve the required percentage of expenditure in CSR activities mainly due to non-receipt of financial estimate of different projects/ activity from the concerned District Administration.
7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: Implementation and monitoring of CSR Policy, is in compliance with CSR objectives under the Companies Act, 2013.

FOR AND ON BEHALF OF THE BOARD

Hemant Sharma, IAS
Director & Chairman,
Committee of Directors on CSR
(DIN:-01296263)

Vishal Kumar Dev, IAS
Chairman-cum-Managing Director
(DIN :-01797521)

Place : Bhubaneswar
Date:11.01.2018



FORM No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

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

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name of the Company	Address	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held by the Company/ Subsidiary/ Associate Company	Applicable Section
1.	Odisha Thermal Power Corporation Ltd (OTPC)	3 rd Floor, Setu Bhawan, Nayapalli, Plot No.3-D of Orissa Bridge Corporation Ltd. Bhubaneswar-751012	U40102OR2007 SGC009145	Joint Venture	50%	2 (6)
2.	Baitarni West Coal Company Ltd (BWCCCL)	3 rd Floor, Setu Bhawan, Nayapalli, Plot No.3-D of Orissa Bridge Corporation Ltd. Bhubaneswar-751012	U40102OR2008 SGC009955	Joint Venture	33.33%	2(6)
3.	Green Energy Development Corporation of Odisha Ltd (GEDCOL)	OHPC Corporate Office, Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar-751022.	U40102OR2013 SGC016747	A wholly owned subsidiary	100%	2(87)
4.	Odisha Coal and Power Ltd., (OCPL)	Zone-A, Ground Floor, Fortune Towers, Bhubaneswar-751023.	U10100OR2015 SGC018623	Joint Venture	49%	2(6)



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

I) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual (Nominee)	0	6	6	0.0001	0	6	6	0.0001	0.00
h) Central Govt									
i) State Govt(s)	0	6386501	6386501	99.99	0	6936501	6936501	99.99	
j) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
k) Banks /FI	0	0	0	0	0	0	0	0	0.00
l) Others	0	0	0	0	0	0	0	0	0.00
Sub-Totals (A) (1):	0	6386507	6386507	100.00	0	6936507	6936507	100.00	0.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0	0.00
e) Others	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	0	6386507	6386507	100.00	0	6936507	6936507	100.00	0.00
B. Public Shareholding	0	0	0	0	0	0	0	0	0.00
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00



a) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
b) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total public shareholding (B) = (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	6386507	6386507	100.00	0	6936507	6936507	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Governor of Odisha along with 6 nominees.	6386507	100.00	0	6936507	100.00	0	Nil
	Total	6386507	100.00	0	6936507	100.00	0	Nil

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

Sl No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	6386507	100.00	6386507	100.00
	Shares allotted on 17.03.2017	550000	-	550000	100.00
	At the end of the year (As on 31.03.2017)	6936507	100.00	6936507	100.00

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

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



(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the Beginning (01.04.2016)/ end of the year (31.03.2017)	%of total Shares of the Company				Share	%of total shares of the Company
A.	DIRECTORS							
1.	Sh Rajesh Verma, IAS, Ex-CMD	1	.000029	01.04.2016	0		1	.000031
		1	.000029	31.03.2017	0		1	.000029
2.	Sh Vijay Arora, IAS Govt. Nominee Director	1	.000029	01.04.2016	0		1	.000029
		1	.000029	31.03.2017	0		1	.000029
3.	Sh D K Jena, Govt. nominee	1	.000031	01.04.2016	0		1	.000031
		1	.000029	31.03.2017	0		1	.000029
4.	Sh S K Sahu, Ex-Director (F)	1	.000031	01.04.2016			1	.000031
		1	0	28.09.2016		Transfer	0	0
		0	0	31.03.2017	0	0	0	0
5.	Sh Rajesh Sharma, Ex-Director (HRD)	1	0	01.04.2016	0	0	0	0
		1	0	28.09.2016	1	Transfer	0	0
		1	.000029	31.03.2017	0	0	0	0
6.	Sh S C Bhadra, Ind. Director	0	0	01.04.2016	0	0	0	0
		1		28.09.2016	1	Transfer	1	.000031
		0	0	31.03.2017	1	0	1	.000031
7.	Sh Pravakar Mohanty, Director (Finance)	1	0	01.04.2016	0	0	0	0
		1	0	16.01.2017	1	Transfer	0	.000031
		1	.000029	31.03.2017	1	0	1	.000031
8.	Sh R C Tripathy, Ind. Director	Nil	Nil		Nil	Nil	Nil	
9.	Sh Hemant Sharma, IAS, Director	Nil	Nil		Nil	Nil	Nil	
10.	Mrs. Saveeta Mohanty	Nil	Nil		Nil	Nil	Nil	
B.	KEY MANAGERIAL PERSONNEL							
1.	Sh P. K Mohanty, Company Secretary	Nil	Nil		Nil	Nil	Nil	
2.	Sh P P Sahu, CFO	Nil	Nil		Nil	Nil	Nil	

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans (in Rs.)	Deposit	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the Financial Year				
(i) Principal amount		1135,80,82,027		1135,80,82,027
(ii) Interest due but not paid		-		-
(iii) Interest accrued but not due		409,14,38,897		409,14,38,897
Total (i+ii+iii)		15,44,95,20,924		15,44,95,20,924
Change in Indebtedness during the Financial Year				
Addition (interest)		77,26,36,403		77,26,36,403
Reduction (principal)		44,29,92,027		44,29,92,027
Net Change				
Indebtedness at the end of the Financial Year		1091,50,90,000		
Principal amount				
Interest due but not paid				
Interest accrued but not due		486,40,75,300		
Total (i+ii+iii)		1577,91,65,300		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (in Rs.)
		Rajesh Sharma, Director (HRD) up to 31.07.2016	Pravakar Mohanty, Director (F) from 25.10.2016	-	-	
1.	Gross salary (a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	Rs.11,34,592/-	Rs.10,07,664/-			Rs.21,42,256
	(b) Value of perquisites u/s 17(2) Income Tax Act,1961		Nil			
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL	-	-	
2.	Stock Option	NIL	NIL	-	-	
3.	Sweat Equity	NIL	NIL	-	-	
4.	Commission - As % of profit - Other s, specify.....	NIL	NIL	-	-	
5.	Others, please specify					
	Total (A)	Rs.11,34,592/-	Rs.10,07,664/-			Rs.21,42,256
	Ceiling as per the Act	Not applicable being a Govt. Company (Ministry of Corporate Affairs notification dated 05.06.2015)				

Note: Sh Hemant Sharma, IAS, Commissioner-cum-Secretary, Department of Energy Govt. of Odisha is Chairman-cum-Managing Director w.e.f. 10.02.2017 and Sh Rajesh Verma, IAS, Ex Principal Secretary, Department of Energy, Govt of Odisha was CMD of OHPC up to 10.02.2017.



B. Remuneration to other Directors :

SI No.	Particulars of Remuneration	Sh S C Bhadra	Late S K Jena	Sh R C Tripathy	Mrs. S. Mohanty			
1.	Independent Directors							
	Fee for attending Board Committee Meetings	Rs.1,84,000/-	Rs. 2,16,000/-	Rs.1,20,000/-	Rs.64,000/-			
	Commission	Nil	Nil	Nil	Nil			
	Others, please specify (conveyance)	Rs.17,250/-	Rs.20,250/-	Rs.11,250/-	Rs.750/-			
2.	Total (1)	Rs.2,01,250/-	Rs.2,36,250/-	Rs.1,31,250/-	Rs.64,750/-			
3.	Other Non-Executive Directors	-	-	-	-	Sh Vijay Arora, IAS	Sh Hemant Sharma, IAS	Sh D K Jena
4.	Fee for attending Board Committee Meetings	-	-	-	-	Nil	Nil	Nil
	Commission	-	-	-	-	Nil	Nil	Nil
	Others, please specify	-	-	-	-	Nil	Nil	Nil
5.	Total (2)	0	0	0	0	Nil	Nil	Nil
6.	Total (B) = (1+2)	Rs.2,01,250/-	Rs.2,36,250/-	Rs.1,31,250/-	Rs.64,750/-	0	0	0
7.	Total Managerial Remuneration	0	0	0	0	0	0	0
8.	Overall Ceiling as per the Act	NA	0	0	0	0	0	0

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

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary	Amount (in Rs.)	Amount (in Rs.)	Amount (in Rs.)
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Rs.13,70,816/-	Rs.16,64,016/-	Rs.30,34,832/-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	-	
2.	Stock Option	Nil	-	
3.	Sweat Equity	Nil	-	
4.	Commission	Nil	-	
	- As % of profit	Nil	-	
	-others, specify....			
5.	Others, please specify	-		
	Total	Rs.13,70,816/-	Rs.16,64,016/-	Rs.30,34,832/-



D) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,

The Members,

ODISHA HYDRO POWER CORPORATION LIMITED

(CIN NO. U40101OR1995SGC003963)

VANI VIHAR CHHAK, JANPATHBHOI NAGAR

BHUBANESWAR-751022

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 ("Audit Report") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit Period).**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not Applicable to the Company during the Audit Period).**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period).**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during the Audit Period).**

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period).**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable to the Company during the Audit Period).**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period).**
 - (f) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period).**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period).**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998; **(Not Applicable to the Company during the Audit Period).**
- (vi) Other laws as may be applicable specifically to the company:
1. Indian Electricity Act, 2003
 2. Environmental (Protection) Act, 1986
 3. Income Tax Act, 1961
 4. Wealth Tax Act, 1948
 5. Service Tax Act, 1994
 6. The Orissa Entry Tax Act, 1999
 7. The Central Sales Tax Act, 1956
 8. The Orissa Value Added Tax Act, 2004
 9. The Indian Stamp Act, 1889
 10. Right to Information Act, 2005
 11. The Industrial and Labour Laws consisting of
 - a) Contract Labour (Regulation and Abolition) Act, 1970
 - b) The Minimum Wages Act, 1948
 - c) Payment of Wages Act, 1936
 - d) Maternity Benefit Act, 1961
 - e) Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013
 - f) The Orissa Shop and Establishment Act, 1956
 - g) Employees Provident Fund and Misc. Prov. Act, 1952



- h) Payment of Gratuity Act, 1972
- i) The Employees State Insurance Corporation Act, 1948
- j) The payment of Bonus Act, 1965
- k) The Industrial Dispute Act, 1947

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

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

We further report that

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

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

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

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

We further report that during the audit period:

- i) The Company has issued 5,50,000 equity shares of Rs.1000/- each, during the year under the provisions of Section 62 of the Companies Act, 2013 on 17.03.2017.
- ii) The Company has invested Rs.20,00,00,000/- in the shares of Odisha Thermal Power Corporation Limited (JV Company) by way of subscribing of 2,00,000 equity shares of Rs.1000/- each for cash at par.
- iii) The Company has invested Rs.97,97,55,000/- in the shares of Odisha Coal and Power Limited (JV Company) by way of subscribing of 9,79,75,500 equity shares of Rs.10/- each for cash at par.

Place : BHUBANESWAR
Date : 27.10.2017

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



'ANNEXURE A'

To
The Members,
ODISHA HYDRO POWER CORPORATION LIMITED
BHUBANESWAR

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

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

Place : BHUBANESWAR
Date : 27.10.2017

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



Annexure to Director's Report

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Standalone Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2017.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2017 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 October, 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better outstanding of the financial statements and the related Audit Report.

Sl. No.	Comments of C & AG of India	Replies of the management
A.	Comments on Financial Position Balance Sheet Equity and Liabilities Current Liabilities Trade Payable (Note-22) Sundry Creditors for supply of materials: Rs.1.71 crore.	
1.	The above does not include Rs.14.36 crore being the amount payable to the M/s Voith Hydro Private Limited towards materials supplied during September 2016 to March 2017 for the work of renovation and modernisation with new Turbine Generator of Unit-3, Chiplima Power House and Unit-5 & 6 with related auxiliary of Hirakud Hydro Electric Project, Burla. This has resulted in understatement of the above head as well as understatement of Capital work in progress (Plant & Machinery, Generation) by Rs.14.36 crore.	As per practice followed by OHPC, the payments made to suppliers / contractors as per terms & conditions of contract towards any R & MU work of any unit are booked to CWIP. After completion of the project, total expenditure incurred, including amount payable as per terms of contact, is capitalized by crediting sundry creditors (suppliers / contractors) A/c for the amount payable. This procedure has earlier been followed for the R & MU work of Burla & other projects. So all the expenditure incurred shall be capitalized after completion of the project & declaration of commercial date of operation. So there is no understatement of sundry creditors (suppliers) as well as CWIP by Rs.14.36 Crs.



	<p>Assets Other non-Current Assets (Note-07) – Rs.52.40 Crore.</p> <p>2. The above does not include Rs.10 crore paid as an interim payment to OPTCL towards construction of Shakti Bhawan, Capital work in progress denotes works undertaken by the entity itself. Ind AS 16 on accounting for plant, property and equipment permits such accounting only if an identifiable asset is created. Merely paying an advance does not create an identifiable asset. The amount should continue to be disclosed as advances for capital goods till such time the asset is delivered. Hence, the account of the same under Capital work in progress has resulted in overstatement of Capital work in progress - Office building and understatement of above head by Rs.10 crore.</p>	<p>Rs. 10.00 crores has been released to OPTCL during the FY 2016-17 and shown as CWIP. This amount was released as the share of OHPC, as per decision taken in the Govt. As per Ind AS-16, construction of Shakti Bhawan is recognized as an identifiable Asset because (a) it is probable that future economic benefits associated with the items shall flow to OHPC and (b) the cost of the item can be measured reliably. Accordingly OHPC has correctly shown Rs.10.00 Crores under the head CWIP and there is no over statement of CWIP and understatement of Adv. for Capital Goods.</p>
3.	<p>Current Financial Assets Trade Receivables (Note-09)-Rs.125.16 crore</p> <p>The above includes Rs.13.70 crore disclosed as outstanding for a period of less than six months from due date of payment whereas the outstanding dues pertains to period exceeding six months from due date of payment.</p> <p>The above age wise clarification is deficient to this extent.</p>	Noted.
B 4.	<p>Comments on Disclosure.</p> <p>The performance guarantee of Rs.6 crore bank guarantee on behalf of GEDCOL, being invoked and proceeds remitted by bank to SECI on 09.06.2017. Being a case of non-adjusting event for which disclosure is required to be made as per Ind AS 10. Non-disclosure of the same is in contravention of the provision of IndAS-10.</p>	Noted.

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

Sd/- 29.12.2017
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

For and on behalf of the Board of Directors

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

Place : Bhubaneswar
Date : 11.01.2018



Annexure to Director's Report

REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS OF THE STATUTORY AUDITORS (STANDALONE) FOR THE FINANCIAL YEAR 2016-17.

Sl. No.	Observation of the Statutory Auditors	Replies of the Management																				
1	<p>A. BASIS OF QUALIFIED OPINION</p> <p>NON-CURRENT ASSETS:- Rs.19,37,43,62,508.00 Refer Note No:-3:- CAPITAL WORK-IN-PROGRESS:- Rs. 67,14,59,964.00</p> <p>It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realized and completely impaired. But impairment loss has not been recognized on such assets in the statement of profit & loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.23,38,02,864.00.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 35%;">Particulars of Projects/Assets</th> <th style="width: 25%;">Units/Corporate Office</th> <th style="width: 35%;">Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(i)</td> <td>Land ,Building, Roads, Bridges, Water Supply installation,Plant & Machinery Construction Vehicles and other Fixed Assets.</td> <td>Potteru (UKHEP)</td> <td style="text-align: right;">22,89,09,479.00</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>Expenditure on DPR (Sindol Project)</td> <td>Corporate Office, Bhubaneswar</td> <td style="text-align: right;">28,77,905.00</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>Office Building & Staff Quarters.</td> <td>Corporate Office, Bhubaneswar</td> <td style="text-align: right;">20,15,480.00</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Total (Rs.)</td> <td style="text-align: right;">23,38,02,864.00</td> </tr> </tbody> </table>		Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)	(i)	Land ,Building, Roads, Bridges, Water Supply installation,Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00	(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00	(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00			Total (Rs.)	23,38,02,864.00	<p>The observed projects are running projects and yet to be commissioned. OHPC have appointed professional Chartered Accountant Firms for physical verification of Fixed Assets and certification regarding impairment of assets. OHPC have received the physical verification report as well as certificate that there is no impairment of Asset</p>
	Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)																			
(i)	Land ,Building, Roads, Bridges, Water Supply installation,Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00																			
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00																			
(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00																			
		Total (Rs.)	23,38,02,864.00																			
2	<p>Refer Note No. – 4:- NON-CURRENT INVESTMENTS:- Rs.2,92,52,47,000.00</p> <p>In view of accumulated loss by Joint Venture, carrying amount of investment i.e. at cost which is lower than its estimated recoverable amount implying thereby impairment loss or diminution (Other than temporary) in value of investment. However, the company has not provided for any impairment loss during the year. Details are as under:-</p>	<p>As per IND AS-28, the accumulated loss shown by M/s BWCCCL as on 31.03.2017 amounting to Rs.17,62,464/- is temporarily declined in value of investment not implying any impairment loss.</p> <p>As per Note-3(B) in the accounts of M/s BWCCCL, it is mentioned that the</p>																				



Name of the Company	Extent of Holding / interest	Investment Amount (Rs)	Accumulated loss as at 31.03.2017 (Rs)	Share of Accumulated loss % with Amount (Rs)
Baitarani West Coal Company Limited (Joint Venture)	33.33% (1/3 rd)	10,00,00,000.00	17,62,464.00	5,87,488.00

On account of such non-provision, non-current Investment as well as profit for the year is overstated by Rs.5,87,488.00

nominated authority Under Ministry of Coal, Government of India communicated the sanction order vide letter dtd. 28.03.2017 to release Rs. 31,99,30,045/- towards cost of GR and consent which has been received by M/s BWCCCL on 06.07.2017. So there will be no loss in BWCCCL A/c.

Hence provision of such loss & reduction in value of investment may not arise.

3 Refer Note No. – 7:
OTHER NON-CURRENT ASSETS:- Rs.52,40,37,736.00
CAPITAL ADVANCES:- Rs.30,51,758.00

(a) The following advances paid either for acquisition of Plant & Machinery or for construction of building or expenditure incurred in connection with certain capital assets taking a long period have not been presented under “**Capital Advance**” (Other Non-Current Assets) but shown under **Advance to Suppliers or Advance to Contractors** and classified by the management as Current Assets.

Particulars	Amount (Rs.)	Unit	Purpose
Advance to WAPCOS Ltd. (Shown under Advance to Suppliers)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP, Balimela.
Advance to WAPCOS Ltd. (Shown under Advance to Contractors)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP Balimela.
Advance to BHEL (Shown Under Advance to Contractors)	20,07,106.00	RHEP, Rengali	Paid during 2012-13 & 2013-14 & Rs.9,20,000.00 in 2016-17

Noted.



OCC Ltd (50% Advance for erection & stop log gate) (Shown Under Advance to Contractors)	16,78,446.00	RHEP, Rengali	50% Advance for erection & stop log gate.
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	4,77,80,365.00	CHEP, Chipilima	Paid against over hauling and maintenance of Unit-3 of Chipilima Power House
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	11,85,15,623.00	HHEP, Burla	Supply of imported equipments with insurance & customs duty in respect of Unit 5 & 6 of HHEP, Burla.
BHEL, Secundarabad (Shown Under Advance to Contractors)	73,60,000.00	UKHEP Bariniput	20% mobilisation Advance paid for capital maintenance of Unit IV.
WAPCOS (Shown under Advance to Contractors)	1,94,52,728.00	Corporate Office Bhubaneswar	For pump storage plant of UKHEP, UIHEP.
Total	19,82,15,208.00		

Consequently, Capital Advance (**Other Non-Current Assets**) is understated by Rs.19,82,15,208.00 and **Advance to Suppliers** and **Advance to Contractors** (Current Assets) are overstated by Rs.16,70,06,458.00 and Rs.3,12,08,750.00 respectively.

- (b) It includes a sum of Rs.18,00,000.00 paid to OCC Ltd. during the financial year 2003-14 by BHEP, Balimela towards over hauling and maintenance of stop log gates, sewage gates with arrangement including supply of materials/spares and consumables, erection, testing and commissioning, not yet completed but lying in damaged condition have not been written off. Consequently, Capital Advance (Non-Current Assets) as well as profit for the year is overstated by Rs.18,00,000.00.

OHPC has issued work orders to M/s OCC Ltd. to undertake different maintenance work of different units of OHPC. Now the details work already undertaken, amounts of Advance paid are under reconciliation with OCC Ltd. After the reconciliation is over necessary accounting entry shall be passed.

4	<p>Refer Note No.-8: INVENTORIES:- Rs.42,28,02,068.00</p> <p>a) Inventories have been stated to be valued at lower of cost and net realisable value but net realisable value in none of the items has been determined for the purpose of valuation of inventories rather it is valued at cost. Thus requirement of Ind-AS-2 has not been complied with</p>	<p>The inventories of stores, spares and consumables are utilized in power house for maintenance of the machine. These inventories are not meant for sale. Therefore, the market value / net realizable value is not required. Accordingly, the same is booked as per the cost price. The policy under note-1.5.8 is disclosed correctly which has been shown consistently since inception of OHPC.</p>
	<p>b) It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in values has not been made in the accounts. It impact over Inventories as well as statement of profit & loss for the year is not ascertainable</p>	<p>The work for valuation of obsolete / unserviceable / damaged items of all units have been assigned to M/s MECON Ltd. So after receipt of report, necessary accounting entry shall be passed.</p>
	<p>c) In respect of UKHEP, Bariniput inventories does not include stock of Rs.30,49,988.00 received from BHEL for capital maintenance work during the year. Consequently Inventories as well as Trade Payables (Current Liabilities) are understated by Rs.30,49,988.00.</p>	<p>Stock of Rs.30,49,988/- procured from M/s BHEL towards capital maintenance work of Unit-4 of UKHEP, Bariniput has been charged to P & L A/c under the head R & M to Plant & Machinery vide JV No.390 dtd.29.11.2016. These spares are capital spares in nature and are to be utilized for Unit-4 only. Since, these spares are already shown as expenditure, there is no need of showing again in stock account. Hence inventories as well as trade payables are not understated.</p>



5

FINANCIAL ASSETS**Refer Note no.-9:-****TRADE RECEIVABLES:- Rs.1,25,22,72,809.00**

a) It includes a sum of Rs.6,96,150.00 receivable from M/s Rathi Steels Ltd. towards charges for withdrawal of water since the financial year 2010-11. The said unit is reported to be closed down. Hence, chances of realisation is remote. However, the same has been considered as good debts and shown as debts outstanding for a period exceeding six months from the due date of payment. Provision for bad and doubtful debts on expected credit loss has not been made in accounts.

b) Similarly, it includes a sum of Rs.11,93,36,326.00 receivable from GRIDCO Ltd. and Rs.1,76,66,639.00 from Chhatisgarh State Power Distribution Company Limited (CSPDCL) respectively on account of sale of energy relating to different past period continue in accounts without any recovery, again not accepted by the parties to be payable but has been considered as good debts, presented under debts outstanding for a period less than six months from the due date of payment without considering allowance for bad and doubtful debts and expected credit loss.

On account of such non-provision, for both[(a and b)], above "Trade Receivable" shown under Current Financial Assets as well as profit for the year is overstated by Rs.13,76,99,115.00.

Noted.

The reconciliation of Debtor account with GRIDCO for Rs. 11,93,36,326/- is in process. OHPC & GRIDCO have already seated two times. So after reconciliation is over, necessary accounting entry shall be passed.

As regards CSPDCL, CSPDCL has nowhere mentioned regarding non-acceptance of outstanding dues of Rs.1.77 crores. The outstanding dues of Rs.1.77 crores mainly relates to the difference of the audited Cost of Generation claimed by OHPC and the respective years of OERC rate (paid by CSPDCL). This is purely on provisional basis. In a meeting dtd.28.10.2014 at CSPDCL office, it is provisionally agreed by both OHPC & CSPDCL that OHPC shall file application before Hon'ble OERC for fixation of tariff for sale of energy to CSPDCL from



the FY 2006-07 to 2014-15 which has been assigned to an outside Agency called M/s Feedback Infra Private Ltd. and the work is under process. The final revised bill shall be raised only after fixation of final tariff by OERC and any difference found thereafter shall be reversed in the year of raising final invoice in favour of CSPDCL. So provision of Bad & doubt full debt at present is not

6 Refer Note No.-10
CASH & CASHEQUIVALENTS:- Rs.11,19,44,89,047.00
OTHER BANK BALANCE:- Rs. 12,46,13,795.00

Refer Note No.-11:- BANK BALANCE
OTHER THAN ABOVE : Rs.46,39,00,000.00

Balances with banks in current account, bank deposits with original maturity up to 3 months, more than three months and more than 12 months are not disclosed appropriately under cash and cash equivalents or bank balances other than above as required under INDAS.

Noted.

7 (a) Refer Note No.-12(b): LOANS TO RELATED PARTIES:-
Rs.81,50,00,000.00

	Amount(Rs.)
GEDCOL (100% subsidiary Company.)	30,50,00,000.00

(b) Refer Note No.-13: INTEREST RECEIVABLE FROM OTHERS:- **Rs.10,5836,560.00**

	Amount(Rs.)
Interest Receivable from GEDCOL	2,20,21,575.00 (including Rs.1,16,83,904.00 for the current year 2016-17)

Though there was no execution of agreement for release of ST loans of Rs. 30.50 crores to M/s GEDCOL being the 100% subsidiary of OHPC, but it was sanctioned and released as per terms & conditions approved in OHPC Board. The meaning of Current Asset is that at any time the amount is payable on demand. Accordingly OHPC has shown correctly as Current Asset in its book of Accounts instead of non-current asset.



In absence of any execution of any agreement by the company with the above subsidiary and without any stipulation of schedule of repayment of principal as well as payment of interest to be made by subsidiary and further non-payment of principal as well as interest by the subsidiary of earlier period till date classification and presentation of **Loans to Related Parties** as well as Interest Receivable under Current Assets instead of Non-Current Assets is not proper. Consequently Current Assets is overstated and Non-Current Assets is understated by Rs.32,70,21,575.00.

c) Refer Note No.-13:

CLAIM RECEIVABLE:- Rs.5,59,07,198.00

It includes a sum of Rs.3,31,99,160.00 comprising of Electricity Duty of Rs.5,26,441.00 for the period from Feb 15 to March 15 and Water Cess of Rs.3,26,72,719.00 respectively for the period from September 14 to March 15 recoverable from GRIDCO Ltd continuing in accounts without any recovery again not accepted by the party to be payable Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. (On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.3,31,99,160.00

The statement of reimbursement of ED & Water Cess upto the Financial Year 2016-17 has been submitted to GRIDCO for reconciliation which is under process & expected to be completed during the financial year 2017-18. So after reconciliation necessary accounting entry shall be passed.

8

Refer Note No.-14:

OTHER CURRENT ASSETS:- Rs.1,37,83,00,178.00

OTHER ADVANCES:- Rs. 17,80,38,053.00

(a) ADVANCE TO SUPPLIERS:-

i) It includes the following un-reconciled and unconfirmed balances carried forward in accounts since past several years, no longer recoverable/ adjustable proposed by the units for write off but not written off.

Name of units	Amount (Rs)
(UIHEP) Khatiguda	2,13,74,304
HHEP,Burla	1,05,94,829
CHEP, Chipilima	66,655
Total	3,20,35,788

ii) Similarly, following balances are payable to different suppliers set off against advance paid to parties continues in accounts since past several years, lying un-reconciled, unconfirmed, without any payment or adjustment, proposed by different units for write back but not written back.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



Name of the units	Amount (Rs.)
CHEP,Chipilima	10,50,000
UIHEP,Mukhiguda	26,863,199
Total	27,913,199

On account of such non write off/ write back, Advance to Suppliers(Current Assets) as well as Profit for the year is overstated by Rs 41,22,589/-

(b) ADVANCE TO CONTRACTORS:- Rs.4,83,75,501.00

It includes the following balances pertaining to different units continuing in accounts since past several years lying unreconciled, unconfirmed and unadjusted, proposed by the units for write off but not written off.

Name of units	Amount (Rs.)
UIHEP(Khatiguda)	16,163,302
CHEP(Chipilima)	1,37,350
Total	1,63,00,652

On account of such non-write off, Advances to Contractors as well as Profit for the year is overstated by Rs 1,63,00,652/-

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

c) ADVANCE TO OTHERS:- Rs.2,72,34,785.00

i. It includes a sum of Rs 1,08,10,433.00 (including Rs 53,04,165.00 paid during the year) to GEDCOL towards salary of deputationists and other expenses up to 31st March 2017. In our opinion, it is in nature of interest free loan/advance. Specific approval for such payment to subsidiary company either by Board of Directors or by Audit Committee of the company has not been obtained.

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

Name of the units	Amount (Rs)	Remarks
UIHEP,Mukhiguda	36,00,945.00	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	83,03,100.00	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20,06,400.00	RWSS division, Talcher
Corporate office, Bhubaneswar	6,82,500.00	E.E OPTCL, National Safety Council
	1,45,92,945.00	

On account of such non adjustment, Advances to Contractors under Current Assets as well as Profit for the year is overstated by Rs.1,45,92,945/-.

As per decision taken in 121st Board of Director's Meeting held on 10.06.2014 based on the recommendation of Audit Committee, the expenditure incurred towards salary of deputed staff to GEDCOL and other incidental expenses shall be debited to GEDCOL A/c and accordingly it is correctly debited to GEDCOL accounts.

The amount has been released to different units towards CSR activities of the Corporation. The concerned units have requested to the different agency to submit their utilization certificate and after receipt of the same, it shall be booked to concerned expenditure accounts.



(d) **ADVANCE TO STAFF:- Rs.2,57,98,221.00**

It includes following various old balances given to staff either retired or left the company but shown as either recoverable or payable towards different dues continuing in accounts since past several years remaining unreconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back.

Name of the units	Heads of Account	Debit(Rs)	Credit(Rs)
(i) Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2,32,398.00	
(ii) UKHEP, Bariniput	Arrear pay Advance GPF Advance	25,000.00 79,513.00	
(iii) HHEP, Burla	Motor Cycle Advances Festival Advances Other Advance to Staff CTD	1,31,052.00	67820.00 2,95,832.00 20,10,699.00
(iv) BHEP, Balimela	PRD (GPF) PRD (Bank loan) Salary Payable Unpaid Salary Payable TA Payable Others Deduction (Employees) Provision for Ex-gratia		64,436.00 43,929.00 24,44,898.00 7,766.00 3,97,010.00 6,28,840.00 1,14,178.00
	Total	4,67,963.00	60,75,408.00

On account of such non adjustment Advances to Staff as well as Profit for the year is understated by Rs 56,07,445.00 (net amount).

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

9 **FINANCIAL LIABILITIES**

Refer Note No:-22 TRADE PAYABLES:- Rs.2,68,23,477.00

(a) SUNDRY CREDITORS FOR SUPPLY OF MATERIALS:- Rs.1,71,23,120.00

It includes the following balances continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable proposed by the unit for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	1,48,99,112.00
BHEP, Balimela	11,51,799.00
Total	1,60,50,911.00

On account of such non-write back. Trade Payable is overstated by Rs.1,60,50,911.00 and profit for the year is understated is by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

(b) SUNDRY CREDITORS FOR WORKS:- Rs.76,00,887.00
it includes the following balances continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	11,61,339.00
BHEP, Balimela	36,21,779.00
	47,83,118.00

On account of such non-write back. Trade Payable is overstated by Rs.47,83,118.00 and profit for the year is understated is by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

10 **CURRENT LIABILITIES :-**

(a) Refer Note No:-23

OTHERS:- Rs.5,59,50,25,496.00

EMPLOYEES LIBILITIES:- Rs.78,25,834.00

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

Particulars	Amount (Rs.)
Wages Payable	16,57,877.00
Salary Payable	27,96,550.00
Total	44,54,427.00

On account of such non-write back. Current liabilities is overstated by Rs.44,54,427.00 and profit for the year is understated is by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

(b) SECURITY DEPOSIT FROM CONTRACTORS / SUPPLIERS:-Rs.5,55,37,766.00

It includes the following amount continue in the books of different units since long lying un-reconciled, un-confirmed and unpaid, no longer refundable but not written back

Name of the Unit	Amount (Rs.)
UKHEP, Bariniput	7,99,840.00
BHEP, Balimela	30,967.00
UIHEP, Mukhiguda	1,67,823.00
Total	9,98,630.00

On account of such non-write back, current liabilities are overstated by Rs.998630.00 and profit for the year is understated by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



(c) SECURITY DEPOSITS FROM EMPLOYEES:- Rs.6,67,781.00

It includes the following balances continuing in books since long lying un-reconciled, un-confirmed, balance no longer refundable, proposed by the units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Khatiguda	20,434.00
UIHEP, Mukhiguda	63,666.00
Total	84,100.00

On account of such non-write back, current liabilities are overstated by Rs.84,100.00 and profit for the year is understated by similar amount.

(d) OTHER SECURITY DEPOSITS:- Rs.20,35,193.00

It includes the following amount continuing in books since long lying un-reconciled, un-confirmed balance no longer refundable, proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP Mukhiguda	8,88,304.00
UIHEP (Khatiguda)	2,14,470.00
Total	11,02,774.00

On account of such non-write back, current liabilities are overstated by Rs.11,02,774.00 and profit for the year is understated by similar amount.

(e) EMD FROM CONTRACTORS:- Rs.1,44,10,584.00

It includes the following amount continue in books since long lying un-reconciled, un-confirmed no longer refundable suggested by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Mukhiguda	2,25,869.00
BHEP, Balimela	3,17,241.00
UKHEP, Bariniput	6,55,347.00
HHEP, Burla	5,50,022.00
Total	17,48,479.00

On account of such non-provision, current liabilities are overstated and profit for the year is understated by similar amount.

(f) WITH HELD/RETENTION MONEY:- Rs.12,05,67,201.00

It includes the following amount continue in the books of accounts of different units since long lying un-reconciled, un-confirmed no longer refundable proposed by units for write back but not written back.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



Name of the units	Amount (Rs.)
CHEP, Chipilima	58,05,650.00
BHEP, Balimela	1,023.00
UIHEP, Mukhiguda	43,72,452.00
UIHEP, Khatiguda	5,00,439.00
	1,06,79,564.00

On account of such non-write back, current liabilities are overstated by Rs.1,06,79,564.00 and profit for the year is understated by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

**11 Refer Note No:-24
ADVANCE AGAINST SALE OF SCRAP Rs.74,64,136.00
OTHER CURRENT LIABILITIES Rs.74,64,136.00**
The above amount continues in accounts of different units since last few years remains un confirmed, un-reconciled and un-adjusted on account of certain disputes. The facts of such dispute and non-adjustment thereof has not been adequately disclosed.

Noted

12 PROVISION Rs.1,04,37,19,315.00
**(a) Refer Note No.25: PROVISION FOR OTHERS:-
Rs.4,66,59,810.00**
It includes a sum of Rs.99,33,853.00 in respect of Khatiguda unit being old, unclaimed, un-reconciled, and un-confirmed balance no longer payable proposed by the unit for write back but not written back.

(b) OTHERS PAYABLE:-
A sum of Rs.2,15,00,000.00 is payable to BHEL under Central Plan since 2000-2001 lying in the books of corporate office as un-confirmed, un-reconciled and unadjusted.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee.



13	<p>OTHERS (TERMINAL BENEFITS) In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company, receivable from GRIDCO and corresponding amount payable to APGENCO. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.</p>	Noted.
14	<p>Ref. Note No:-41: <u>COMMITMENT & CONTINGENT LIABILITIES</u> Estimated amount of contracts remaining to be executed on capital account (net of advances and Lc, opened) UIHEP, Mukhiguda & HHEP Burla has been stated at Rs.634.15 crores. It does not include amount relating to the parties to whom capital advances are paid by different units as well as corporate office shown under Advances to suppliers and Advance to contractors. In absence of details produced, amount to be disclosed could not be ascertained.</p>	Noted
a	<p>B. QUALIFIED OPINION (ANNEXURE-C) The company did not have an appropriate internal control system to ensure that correct or adequate provisions made pending receipt of bills/utilisation certificates from Vendors/Contractors/ Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and timely non-adjustment of advances.</p>	<p>Before finalization of accounts of OHPC, OHPC is issuing Circular every year to all Units / Division / Wings to submit the details of bill towards supply of materials or services which have been completed by 31st March. After receipt of details from different division / wings, necessary account entry is passed at the year end debiting to different head of accounts and crediting to outstanding liability / provisions for others. So OHPC has an appropriate internal control system to ensure correct or adequate provisions made for pending bills.</p>



b The company did not have an appropriate internal control system to obtain yearend balance confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors /Advance to Others Trade Payable, Liabilities to Suppliers, Contractors and others and consequential reconciliation. This could potentially result into inaccurate reporting of assets and liabilities and some changes in financial statements.

Every year, OHPC before finalization of accounts issue letter to all suppliers /contractors to obtain year end balance confirmation certificate which are being followed consistently. So inaccurate reporting of assets / liabilities and charges in financial statements may not arise at the year end.

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

Sd/- 27.10.2017
CA NARAD P.SAHU
Partner
M. No.055224

For and on behalf of the Board of Directors

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

Place: Bhubaneswar
Date : 11.01.2018



ANNEXURE TO DIRECTOR'S REPORT

REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS OF THE STATUTORY AUDITORS (CONSOLIDATED) FOR THE FINANCIAL YEAR 2016-17.

Sl. No.	Observation of the Statutory Auditors	Replies of the Management																				
1	<p>A. BASIS OF QUALIFIED OPINION</p> <p>NON-CURRENT ASSETS:- Rs.20,32,52,78,758.00 Refer Note No-3:-</p> <p>CAPITAL WORK-IN-PROGRESS:- Rs. 69,12,54,130.00 It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the statement of profit & loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.23,38,02,864.00.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 35%;">Particulars of Projects/Assets</th> <th style="width: 20%;">Units/Corporate Office</th> <th style="width: 40%;">Amount(Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(i)</td> <td>Land, Building, Roads, Bridges, Water Supply installation, Plant & Machinery Construction Vehicles and other Fixed Assets.</td> <td>Potteru (UKHEP)</td> <td style="text-align: right;">22,89,09,479.00</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>Expenditure on DPR (Sindol Project)</td> <td>Corporate Office, Bhubaneswar</td> <td style="text-align: right;">28,77,905.00</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>Office Building & Staff Quarters.</td> <td>Corporate Office, Bhubaneswar</td> <td style="text-align: right;">20,15,480.00</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">Total (Rs.)</td> <td style="text-align: right;">23,38,02,864.00</td> </tr> </tbody> </table>		Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)	(i)	Land, Building, Roads, Bridges, Water Supply installation, Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00	(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00	(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00			Total (Rs.)	23,38,02,864.00	<p>The observed projects are running projects and yet to be commissioned. OHPC have appointed professional Chartered Accountant Firms for physical verification of Fixed Assets and certification regarding impairment of assets. OHPC have received the physical verification report as well as certificate that there is no impairment of Asset.</p>
	Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)																			
(i)	Land, Building, Roads, Bridges, Water Supply installation, Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00																			
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00																			
(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00																			
		Total (Rs.)	23,38,02,864.00																			
2	<p>Refer Note No- 7</p> <p>OTHER NON-CURRENT ASSETS:- Rs.52,40,37,736.00 CAPITAL ADVANCES:-(HOLDING COMPANY) Rs. 30,51,758.00</p> <p>(a) The following advances paid either for acquisition of Plant & Machinery or for construction of building or expenditure incurred in connection with certain capital assets taking a long period have not been presented under “Capital Advance” (Other Non-Current Assets) but shown under Advance to Suppliers or Advance to Contractors and classified by the management as Current Assets.</p>	<p>Noted</p>																				



Particulars	Amount (Rs.)	Unit	Purpose
Advance to WAPCOS Ltd. (Shown under Advance to Suppliers)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP, Balimela.
Advance to WAPCOS Ltd. (Shown under Advance to Contractors)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP Balimela.
Advance to BHEL (Shown Under Advance to Contractors)	20,07,106.00	RHEP, Rengali	Paid during 2012-13 & 2013-14 & Rs.920000.00 in 2016-17
OCC Ltd (50% Advance for erection & stop log gate) (Shown Under Advance to Contractors)	16,78,446.00	RHEP, Rengali	50% Advance for erection & stop log gate.
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	4,77,80,365.00	CHEP, Chipilima	Paid against over hauling and maintenance of Unit-3 of Chipilima Power House
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	11,85,15,623.00	HHEP, Burla	Supply of imported equipments with insurance & customs duty in respect of Unit 5 & 6 of HHEP, Burla.
BHEL, Secunderabad (Shown Under Advance to Contractors)	73,60,000.00	UKHEP, Bariniput	20% mobilisation Advance paid for capital maintenance of Unit IV.
WAPCOS (Shown under Advance to Contractors)	1,94,52,728.00	Corporate Office Bhubaneswar	For pump storage plant of UKHEP, UIHEP.
Total	19,82,15,208.00		

Consequently, Capital Advance (**Other Non-Current Assets**) is understated by Rs.19,82,15,208.00 and **Advance to Suppliers** and **Advance to Contractors** (Current Assets) are overstated by Rs.16,70,06,458.00 and Rs.3,12,08,750.00 respectively.

(b) It includes a sum of Rs.18,00,000.00 paid to OCC Ltd. during the financial year 2003-14 by BHEP, Balimela towards over hauling and maintenance of stop log gates, sewage gates with arrangement including supply of materials/spares and consumables, erection, testing and commissioning, not yet completed but lying in damaged condition have not been written off. Consequently, Capital Advance (Non-Current Assets) as well as profit for the year is overstated by Rs.18,00,000.00.

OHPC has issued work orders to M/s OCC Ltd. to undertake different maintenance work of different units of OHPC. Now the details work already undertaken, amounts of Advance paid



		are under reconciliation with OCC Ltd. After the reconciliation is over necessary accounting entry shall be passed.
3	<p>Refer Note No-8:- INVENTORIES:- (HOLDING COMPANY) Rs.42,28,02,068.00</p> <p>a) Inventories have been stated to be valued at lower of cost and net realisable value but net realisable value in none of the items has been determined for the purpose of valuation of inventories rather it is valued at cost. Thus requirement of Ind-AS-2 has not been complied with.</p>	<p>The inventories of stores, spares and consumables are utilized in power house for maintenance of the machine. These inventories are not meant for sale. Therefore, the market value / net realizable value is not required. Accordingly, the same is booked as per the cost price. The policy under note-1.5.8 is disclosed correctly which has been shown consistently since inception of OHPC</p>
	<p>b) It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in values has not been made in the accounts. It impact over Inventories as well as statement of profit & loss for the year is not ascertainable.</p>	<p>The work for valuation of obsolete / unserviceable / damaged items of all units have been assigned to M/s MECON Ltd. So after receipt of report, necessary accounting entry shall be passed.</p>
	<p>c) In respect of UKHEP, Bariniput inventories does not include stock of Rs.30,49,988.00 received from BHEL for capital maintenance work during the year. Consequently Inventories as well as Trade Payables (Current Liabilities) are understated by Rs.30,49,988.00.</p>	<p>Stock of Rs.30,49,988/- procured from M/s BHEL towards capital maintenance work of Unit-4 of UKHEP, Bariniput has been charged to P & L A/c under the head R & M to Plant & Machinery vide JVNo.390 dtd.29.11.2016. These spares are capital spares in nature and are to be utilized for Unit-4 only.</p>

		<p>Since, these spares are already shown as expenditure, there is no need of showing again in stock account. Hence inventories as well as trade payables are not understated</p>
<p>4</p>	<p>FINANCIAL ASSETS Refer Note no-9 TRADE RECEIVABLES:-(HOLDING COMPANY) Rs.1,25,22,72,809.00</p> <p>a) It includes a sum of Rs.6,96,150.00 receivable from M/s Rathi Steels Ltd. towards charges for withdrawal of water since the financial year 2010-11. The said unit is reported to be closed down. Hence, chances of realisation is remote. However, the same has been considered as good debts and shown as debts outstanding for a period exceeding six months from the due date of payment. Provision for bad and doubtful debts on expected credit loss has not been made in accounts</p>	<p>Noted.</p>
	<p>b) Similarly, it includes a sum of Rs.11,93,36,326.00 receivable from GRIDCO Ltd. and Rs.1,76,66,639.00 from Chhatisgarh State Power Distribution Company Limited (CSPDCL) respectively on account of sale of energy relating to different past period continue in accounts without any recovery, again not accepted by the parties to be payable but has been considered as good debts, presented under debts outstanding for a period less than six months from the due date of payment without considering allowance for bad and doubtful debts and expected credit loss.</p> <p>On account of such non-provision, for both[(a and b)], above “Trade Receivable” shown under Current Financial Assets as well as profit for the year is overstated by Rs.13,76,99,115.00.</p>	<p>The reconciliation of Debtor account with G R I D C O for Rs.11,93,36,326/- is in process. OHPC & GRIDCO have already seated two times. So after reconciliation is over, necessary accounting entry shall be passed.</p> <p>As regards CSPDCL, CSPDCL has nowhere mentioned regarding non-acceptance of outstanding dues of Rs.1.77 crores. The outstanding dues of Rs.1.77 crores mainly relates to the difference of the audited Cost of Generation claimed by OHPC and the respective years of OERC rate (paid by CSPDCL). This is</p>



purely on provisional basis. In a meeting dtd.28.10.2014 at CSPDCL office, it is provisionally agreed by both OHPC & CSPDCL that OHPC shall file application before Hon'ble OERC for fixation of tariff for sale of energy to CSPDCL from the FY 2006-07 to 2014-15 which has been assigned to an outside Agency called M/s Feedback Infra Private Ltd. and the work is under process. The final revised bill shall be raised only after fixation of final tariff by OERC and any difference found thereafter shall be reversed in the year of raising final invoice in favour of CSPDCL. So provision of Bad & doubt full debt at present is not required.

5 Refer Note No-10
CASH & CASHEQUIVALENTS Rs.12,09,91,64,537.00
OTHER BANK BALANCE:- Rs.10,29,27,572.00
Refer Note No-11:- BANK BALANCE
OTHER THAN ABOVE: Rs.46,39,00,000.00

Balances with banks in current account, bank deposits with original maturity up to 3 months, more than three months and more than 12 months are not disclosed appropriately under cash and cash equivalents or bank balances other than above as required under INDAS.

Noted

6 Refer Note No-13:-
CLAIM RECEIVABLE:- (HOLDING COMPANY)
Rs.5,59,07,198.00

It includes a sum of Rs.3,31,99,160.00 comprising of Electricity Duty of Rs.5,26,441.00 for the period from Feb 15 to March 15 and Water Cess of Rs.3,26,72,719.00 respectively for the period



from September 14 to March 15 recoverable from GRIDCO Ltd continuing in accounts without any recovery again not accepted by the party to be payable Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. (On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.3,31,99,160.00.

The statement of reimbursement of ED & Water Cess upto the Financial Year 2016-17 has been submitted to GRIDCO for reconciliation which is under process & expected to be completed during the financial year 2017-18. So after reconciliation necessary accounting entry shall be passed.

7

Refer Note No-14:-

OTHER CURRENT ASSETS:- Rs.1,52,42,36,160.00

OTHER ADVANCES:- Rs.17,80,38,053.00

(a) ADVANCE TO SUPPLIERS:- (HOLDING COMPANY)

(i) It includes the following un-reconciled and unconfirmed balances carried forward in accounts since past several years, no longer recoverable/ adjustable proposed by the units for write off but not written off.

Name of units	Amount (Rs)
(UIHEP) Khatiguda	2,13,74,304
HHEP, Burla	1,05,94,829
CHEP, Chipilima	66,655
Total	3,20,35,788

(ii) Similarly, following balances are payable to different suppliers set off against advance paid to parties continues in accounts since past several years, lying un-reconciled, unconfirmed, without any payment or adjustment, proposed by different units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	10,50,000
UIHEP, Mukhiguda	26,863,199
Total	27,913,199

On account of such non write off/ write back, Advance to Suppliers (Current Assets) as well as Profit for the year is overstated by Rs 41,22,589/-.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



(b) ADVANCE TO CONTRACTORS:- (HOLDING COMPANY)
Rs.4,83,75,501.00

It includes the following balances pertaining to different units continuing in accounts since past several years lying unreconciled, unconfirmed and unadjusted, proposed by the units for write off but not written off.

Name of units	Amount (Rs.)
UIHEP(Khatiguda)	16,163,302
CHEP(Chipilima)	1,37,350
	1,63,00,652

On account of such non-write off, Advances to Contractors as well as Profit for the year is overstated by Rs 1,63,00,652/-.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

(c) ADVANCE TO OTHERS:-
(HOLDING COMPANY) Rs.2,72,34,785.00

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

Name of the units	Amount(Rs)	Remarks
UIHEP,Mukhiguda	36,00,945.00	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	83,03,100.00	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20,06,400.00	RWSS division, Talcher
Corporate office, Bhubaneswar	6,82,500.00	E.E OPTCL, National Safety Council
	1,45,92,945.00	

On account of such non adjustment, Advances to Contractors under Current Assets as well as Profit for the year is overstated by Rs.1,45,92,945/-

As per decision taken in 121st Board of Director's Meeting held on 10.06.2014 based on the recommendation of Audit Committee, the expenditure incurred towards salary of deputed staff to GEDCOL and other incidental expenses shall be debited to GEDCOL A/c and accordingly it is correctly debited to GEDCOL accounts.

The amount has been released to different units towards CSR activities of the Corporation. The concerned units have requested to the different agency to submit their utilization certificate and after receipt of the same, it shall be booked to concerned expenditure accounts.

(d) ADVANCE TO STAFF:- (HOLDING COMPANY)
Rs.2,57,98,221.00

It includes following various old balances given to staff either retired or left the company but shown as either recoverable or payable towards different dues continuing in accounts since past several years remaining unreconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back.



Name of the units	Heads of Account	Debit(Rs)	Credit(Rs)
(i) Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2,32,398.00	
(ii) UKHEP, Bariniput	Arrear pay Advance GPF Advance	25,000.00 79,513.00	
(iii) HHEP, Burla	Motor Cycle Advances Festival Advances Other Advance to Staff CTD	1,31,052.00	67820.00 2,95,832.00 20,10,699.00
(iv) BHEP, Balimela	PRD (GPF) PRD (Bank loan) Salary Payable Unpaid Salary Payable TA Payable Others Deduction (Employees) Provision for Ex-gratia		64,436.00 43,929.0 0 24,44,898.00 7,766.0 0 3,97,010.00 00 6,28,840.00 1,14,178.00
	Total	4,67,963.00	60,75,408.00

On account of such non adjustment Advances to Staff as well as Profit for the year is understated by Rs 56,07,445.00 (net amount).

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

8 FINANCIAL LIABILITIES Refer Note No:-23
TRADE PAYABLES:- Rs.61,03,38,670.00
(a) SUNDRY CREDITORS
FOR SUPPLY OF MATERIALS:- (HOLDING COMPANY)
Rs.1,71,23,120.00

It includes the following balances continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable proposed by the unit for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	1,48,99,112.00
BHEP, Balimela	11,51,799.00
Total	1,60,50,911.00

On account of such non-write back. Trade Payable is overstated by Rs.1,60,50,911.00 and profit for the year is understated is by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

(b) SUNDRY CREDITORS
FOR WORKS:- (HOLDING COMPANY) Rs.76,00,887.00

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

Name of the units	Amount (Rs.)
CHEP, Chipilima	11,61,339.00
BHEP, Balimela	36,21,779.00
	47,83,118.00

On account of such non-write back. Trade Payable is overstated by Rs.47,83,118.00 and profit for the year is understated is by similar amount.

Necessary steps are being taken by the management to write off/back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



CURRENT LIABILITIES :-**a) Refer Note No:-24****OTHERS:- Rs.5,80,96,16,784.00****EMPLOYEES LIABILITIES:-(HOLDING COMPANY)
Rs.78,25,834.00**

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

Particulars	Amount (Rs.)
Wages Payable	16,57,877.00
Salary Payable	27,96,550.00
Total	44,54,427.00

On account of such non-write back. Current liabilities is overstated by Rs.44,54,427.00 and profit for the year is understated is by similar amount.

(b) SECURITY DEPOSIT**FROM CONTRACTORS/SUPPLIERS:-(HOLDING COMPANY)
Rs.5,55,37,766.00.**

It includes the following amount continue in the books of different units since long lying un-reconciled, un-confirmed and unpaid, no longer refundable but not written back.'

Name of the Unit	Amount (Rs.)
UKHEP, Bariniput	799840.00
BHEP, Balimela	30967.00
UIHEP, Mukhiguda	167823.00
Total	9,98,630.00

On account of such non-write back, current liabilities are overstated by Rs.998630.00 and profit for the year is understated by similar amount.

c) SECURITY DEPOSITS**FROM EMPLOYEES:-(HOLDING COMPANY) Rs.6,67,781.00**

It includes the following balances continuing in books since long lying un-reconciled, un-confirmed, balance no longer refundable, proposed by the units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Khatiguda	20,434.00
UIHEP, Mukhiguda	63,666.00
Total	84,100.00

On account of such non-write back, current liabilities are overstated by Rs.84,100.00 and profit for the year is understated by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during - the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

**(d) OTHER SECURITY DEPOSITS:-(HOLDING COMPANY)
Rs.20,35,193.00.**

It includes the following amount continuing in books since long lying un-reconciled, un-confirmed balance no longer refundable, proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP Mukhiguda)	8,88,304.00
UIHEP (Khatiguda)	2,14,470.00
Total	11,02,774.00

On account of such non-write back, current liabilities are overstated by Rs.11,02,774.00 and profit for the year is understated by similar amount.

**(e) EMD FROM CONTRACTORS:-(HOLDING COMPANY)
Rs.1,44,10,584.00**

It includes the following amount continue in books since long lying un-reconciled, un-confirmed no longer refundable suggested by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Mukhiguda	2,25,869.00
BHEP, Balimela	3,17,241.00
UKHEP, Bariniput	6,55,347.00
HHEP, Burla	5,50,022.00
Total	17,48,479.00

On account of such non-provision, current liabilities are overstated and profit for the year is understated by similar amount.

(f) WITH HELD/RETENTION MONEY:-(HOLDING COMPANY) Rs.12,05,67,201.00

It includes the following amount continue in the books of accounts of different units since long lying un-reconciled, un-confirmed no longer refundable proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	58,05,650.00
BHEP, Balimela	1,023.00
UIHEP, Mukhiguda	43,72,452.00
UIHEP, Khatiguda	5,00,439.00
	1,06,79,564.00

On account of such non-write back, current liabilities are overstated by Rs.1,06,79,564.00 and profit for the year is understated by similar amount.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.

Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.



10	<p>Refer Note No:-25 ADVANCE AGAINST SALE OF SCRAP Rs.74,64,136.00 OTHER CURRENT LIBILITIES Rs.74,64,136.00 The above amount continues in accounts of different units since last few years remains un confirmed, un-reconciled and un-adjusted on account of certain disputes. The facts of such dispute and non-adjustment thereof has not been adequately disclosed.</p>	Noted
11	<p>PROVISION Rs. 1,05,69,36,810.00 (a) Refer Note No.26:- PROVISION FOR OTHERS:-(HOLDING COMPANY) Rs.4,66,59,810.00 It includes a sum of Rs.99,33,853.00 in respect of Khatiguda unit being old, unclaimed, un-reconciled, and un-confirmed balance no longer payable proposed by the unit for write back but not written back consequently, provision is overstated and profit understated by Rs.99,33, 853.00.</p> <p>(b) OTHERS PAYABLE:- :- (HOLDING COMPANY) A sum of Rs.2,15,00,000.00 is payable to BHEL under Central Plan since 2000-2001 lying in the books of corporate office as un-confirmed, un-reconciled and unadjusted.</p>	<p>Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee and the Committee constituted at Unit Level.</p> <p>Necessary steps are being taken by the management to write off / back of unreconciled balances which are carried forward since inception during -the financial year 2017-18 after being approved by Board based on the recommendation of Audit Committee.</p>
12	<p>OTHERS (TERMINAL BENEFITS) (HOLDING COMPANY) In accordance with the practice being followed by the company in earlier years, terminal benefits of employees deputed to Machhkund has been erroneously taken as expenses of the company, receivable from GRIDCO and corresponding amount payable to APGENCO. The amount could not be provided by the management. Pending ascertainment the same its impact over current years' profit as well as accumulated Profit & Current Assets, Current Liabilities couldn't be ascertained.</p>	Noted.



Sl. No.	Observation of the Statutory Auditors	Replies of the Management
(B) BASIS FOR QUALIFIED OPINION		
1	<p>GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD. (SUBSIDIARY COMPANY)</p> <p>The Company's Capital Work in Progress is carried in the Balance Sheet at 19794166.00 for Small Hydro Projects(SHEP) which is paid towards the consultancy fees such as preparation of PRE, DPR etc. If we go by the provisions of the “Indian Accounting Standard (IndAS) 38: Intangible Assets”, Overhead Expenditures in the nature of consultancy Fees should have been charged as revenue expenses instead of capitalising them as certain criteria for capitalization such as (i) intention to complete (ii) ability to use or sell the intangible assets (iii) probable future economic benefits are absent, Therefore the Management should have charged the Consultancy Fees shown as Capital Works in Progress in the statement of profit & loss instead of capitalising them which constitutes a departure from the Accounting Standards referred to in sub section (1) of section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's records indicates that had the Management stated the Administrative and Overheads Expenditures in the statement of profit and loss, then an amount of R. 1,97,94,166/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs.1,94,94,166/- and net profit would have been increased by Rs. 1,97,94,166/- and net profit and other equity would have been reduced by Rs. 1,97,94,166/-.</p>	<p>The expenditures under question are mainly incurred towards consultancy charges for preparation of PFRs and DPRs of small SHEPs. The said PFR and DPRs are saleable documents. Hence the company has shown the expenditures under Capital Work in Progress for Rs.1,97,94,166/- in line with the provisions of (IndAS)-38.</p>
2	<p>The Company's Other Current Liabilities state a figure of Rs.19,55,79,257/- which includes a figures of Rs.17,83,45,200/- under the sub head “withheld Amount”. But as the same is deducted from the bill of contractors, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,83,45,200/- and net profit and shareholders' funds would have been increased by Rs.17,83,45,200/-</p>	<p>Since the contracts with BHEL, WAPCOS & MECON are yet to be closed, it is shown under the Current Liability under the sub-head “Withheld Amount”.</p>



Sl. No.	Observation of the Statutory Auditors	Replies of the Management
	B. QUALIFIED OPINION (ANNEXURE-C)	
a	The Holding company did not have an appropriate internal control system to ensure that correct or adequate provisions made pending receipt of bills/utilisation certificates from Vendors/Contractors/ Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and timely non-adjustment of advances.	Before finalization of accounts of OHPC, OHPC is issuing Circular every year to all Units / Division / Wings to submit the details of bill towards supply of materials or services which have been completed by 31 st March. After receipt of details from different division / wings, necessary account entry is passed at the year end debiting to different head of accounts and crediting to outstanding liability / provisions for others. So OHPC has an appropriate internal control system to ensure correct or adequate provisions made for pending bills.
b	The Holding company did not have an appropriate internal control system to obtain yearend balance confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors/Advance to Others Trade Payable, Liabilities to Suppliers, Contractors and others and consequential reconciliation. This could potentially result into inaccurate reporting of assets and liabilities and some changes in financial statements.	Every year, OHPC before finalization of accounts issue letter to all suppliers / contractors to obtain year end balance confirmation certificate which are being followed consistently. So inaccurate reporting of assets / liabilities and charges in financial statements may not arise at the year end.

**For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E**

For and on behalf of the Board of Directors

Sd/- 27.10.2017
CA NARAD P.SAHU
Partner
M. No.055224

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

Place : Bhubaneswar
Date : 11.01.2018



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ODISHA HYDRO POWER CORPORATION LIMITED

Report on the Stand alone IND AS Financial Statements

We have audited the accompanying standalone IND AS financial statements of **ODISHA HYDRO POWER CORPORATION LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Standalone IND AS financial statements”).

Management's Responsibility for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that



give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone INDAS financial statements.

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

BASIS OF QUALIFIED OPINION

NON-CURRENT ASSETS:- Rs.19,37,43,62,508.00

1. Refer Note No:-3:-'CAPITAL WORK-IN-PROGRESS:- Rs. 67,14,59,964.00

It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the statement of profit & loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.23,38,02,864.00.

	Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)
(i)	Land ,Building, Roads, Bridges, Water Supply installation,Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00
(ii)	Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00
(iii)	Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00
		Total (Rs.)	23,38,02,864.00

2. Refer Note No.-4:- NON-CURRENT INVESTMENTS:- Rs.2,92,52,47,000.00

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

Name of the Company	Extent of Holding/int erest	Investment Amount (Rs)	Accumulated loss as at 31.03.2017 (Rs)	Share of Accumulated loss % with Amount (Rs)
Baitarani West Coal Company Limited (Joint Venture)	33.33% (1/3 rd)	10,00,00,000.00	17,62,464.00	5,87,488.00

On account of such non-provision, non-current Investments as well as profit for the year is overstated by Rs.5,87,488.00.



3. Refer Note No. – 7: OTHER NON-CURRENT ASSETS:- Rs. 52,40,37,736.00
CAPITAL ADVANCES:- Rs. 30,51,758.00

(a) The following advances paid either for acquisition of Plant & Machinery or for construction of building or expenditure incurred in connection with certain capital assets taking a long period have not been presented under “Capital Advance” (Other Non-Current Assets) but shown under Advance to Suppliers or Advance to Contractors and classified by the management as Current Assets.

Particulars	Amount (Rs.)	Unit	Purpose
Advance to WAPCOS Ltd. (Shown under Advance to Suppliers)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP, Balimela.
Advance to WAPCOS Ltd. (Shown under Advance to Contractors)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP Balimela.
Advance to BHEL (Shown Under Advance to Contractors)	20,07,106.00	RHEP, Rengali	Paid during 2012-13 & 2013-14 & Rs.920000.00 in 2016-17
OCC Ltd (50% Advance for erection & stop log gate) (Shown Under Advance to Contractors)	16,78,446.00	RHEP, Rengali	50% Advance for erection & stop log gate.
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	4,77,80,365.00	CHEP, Chipilima	Paid against over hauling and maintenance of Unit-3 of Chipilima Power House
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	11,85,15,623.00	HHEP, Burla	Supply of imported equipments with insurance & customs duty in respect of Unit 5 & 6 of HHEP, Burla.
BHEL, Secunderabad (Shown Under Advance to Contractors)	73,60,000.00	UKHEP Bariniput	20% mobilisation Advance paid for capital maintenance of Unit IV.
WAPCOS (Shown under Advance to Contractors)			For pump storage plant of UKHEP, UIHEP.
Total	19,82,15,208.00		



Consequently, Capital Advance (**Other Non-Current Assets**) is understated by Rs.19,82,15,208.00 and **Advance to Suppliers and Advance to Contractors** (Current Assets) are overstated by Rs.16,70,06,458.00 and Rs.3,12,08,750.00 respectively.

- (b) It includes a sum of Rs.18,00,000.00 paid to OCC Ltd. during the financial year 2003-14 by BHEP, Balimela towards over hauling and maintenance of stop log gates, sewage gates with arrangement including supply of materials/spares and consumables, erection, testing and commissioning, not yet completed but lying in damaged condition have not been written off. Consequently, Capital Advance (Non-Current Assets) as well as profit for the year is overstated by Rs.18,00,000.00.

4. Refer Note No.-8:- INVENTORIES:- Rs.42,28,02,068.00

- a. Inventories have been stated to be valued at lower of cost and net realisable value but net realisable value in none of the items has been determined for the purpose of valuation of inventories rather it is valued at cost. Thus requirement of **Ind-AS-2** has not been complied with.
- b. It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in values has not been made in the accounts. **It impact over Inventories as well as statement of profit & loss for the year is not ascertainable.**
- c. In respect of UKHEP, Bariniput inventories does not include stock of Rs.30,49,988.00 received from BHEL for capital maintenance work during the year. Consequently Inventories as well as Trade Payables (Current Liabilities) are understated by Rs.30,49,988.00.

FINANCIAL ASSETS

5. Refer Note no.-9:- TRADE RECEIVABLES:- Rs.1,25,22,72,809.00

- a. It includes a sum of Rs.6,96,150.00 receivable from M/s Rathi Steels Ltd. towards charges for withdrawal of water since the financial year 2010-11. The said unit is reported to be closed down. Hence, chances of realisation is remote. However, the same has been considered as good debts and shown as debts outstanding for a period exceeding six months from the due date of payment. Provision for bad and doubtful debts on expected credit loss has not been made in accounts.
- b. Similarly, it includes a sum of Rs.11,93,36,326.00 receivable from GRIDCO Ltd. and Rs.1,76,66,639.00 from Chhatisgarh State Power Distribution Company Limited (CSPDCL) respectively on account of sale of energy relating to different past period continue in accounts without any recovery, again not accepted by the parties to be payable but has been considered as good debts, presented under debts outstanding for a period less than six months from the due date of payment without considering allowance for bad and doubtful debts and expected credit loss.

On account of such non-provision, for both[(a and b)], above “Trade Receivable” shown under Current Financial Assets as well as profit for the year is overstated by Rs.13,76,99,115.00.

6. Refer Note No.-10 CASH & CASHEQUIVALENTS:- Rs.11,19,44,89,047.00

OTHER BANK BALANCE:- Rs. 12,46,13,795.00

Refer Note No:-11:- BANK BALANCE

OTHER THAN ABOVE Rs.46,39,00,000.00

Balances with banks in current account, bank deposits with original maturity up to 3 months, more than three months and more than 12 months are not disclosed appropriately under cash and cash equivalents or bank balances other than above as required under INDAS.



7 (a) Refer Note No.-12(b): LOANS TO RELATED PARTIES:- Rs.81,50,00,000.00

	Amount(Rs.)
GEDCOL (100% subsidiary Company.)	30,50,00,000.00

(b) Refer Note No.-13: INTEREST RECEIVABLE FROM OTHERS:-Rs.10,58 36,560.00

	Amount(Rs.)
Interest Receivable from GEDCOL	2,20,21,575.00 (including Rs.1,16,83,904.00 for the current year 2016-17)

In absence of any execution of any agreement by the company with the above subsidiary and without any stipulation of schedule of repayment of principal as well as payment of interest to be made by subsidiary and further non-payment of principal as well as interest by the subsidiary of earlier period till date classification and presentation of **Loans to Related Parties** as well as Interest Receivable under Current Assets instead of Non-Current Assets is not proper. Consequently Current Assets is overstated and Non-Current Assets is understated by Rs.32,70,21,575.00.

(c) Refer Note No.-13: CLAIM RECEIVABLE:- Rs.5,59,07,198.00

It includes a sum of Rs.3,31,99,160.00 comprising of Electricity Duty of Rs.5,26,441.00 for the period from Feb 15 to March 15 and Water Cess of Rs.3,26,72,719.00 respectively for the period from September 14 to March 15 recoverable from GRIDCO Ltd continuing in accounts without any recovery again not accepted by the party to be payable Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. (On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.3,31,99,160.00.

8. Refer Note No.-14: OTHER CURRENT ASSETS:- Rs.1,37,83,00,178.00

OTHER ADVANCES:- Rs. 17,80,38,053.00

(a) ADVANCE TO SUPPLIERS:-

(i) It includes the following un-reconciled and unconfirmed balances carried forward in accounts since past several years, no longer recoverable/ adjustable proposed by the units for write off but not written off.

Name of units	Amount (Rs)
(UIHEP) Khatiguda	2,13,74,304
HHEP,Burla	1,05,94,829
CHEP, Chipilima	66,655
Total	3,20,35,788

(ii) Similarly, following balances are payable to different suppliers set off against advance paid to parties continues in accounts since past several years, lying un-reconciled, unconfirmed, without any payment or adjustment, proposed by different units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	10,50,000
UIHEP, Mukhiguda	26,863,199
Total	27,913,199



On account of such non write off/ write back, Advance to Suppliers(Current Assets) as well as Profit for the year is overstated by Rs 41,22,589/-

(b) ADVANCE TO CONTRACTORS:- Rs.4,83,75,501.00

It includes the following balances pertaining to different units continuing in accounts since past several years lying un-reconciled, unconfirmed and unadjusted, proposed by the units for write off but not written off

Name of units	Amount (Rs.)
UIHEP(Khatiguda)	16,163,302
CHEP(Chiplim a)	1,37,350
	1,63,00,652

On account of such non-write off, Advances to Contractors as well as Profit for the year is overstated by Rs 1,63,00,652/-

(c) ADVANCE TO OTHERS: Rs.2,72,34,785.00

- It includes a sum of Rs 1,08,10,433.00 (including Rs 53,04,165.00 paid during the year) to GEDCOL towards salary of deputationists and other expenses up to 31st March 2017. In our opinion, it is in nature of interest free loan/advance. Specific approval for such payment to subsidiary company either by Board of Directors or by Audit Committee of the company has not been obtained.
- Further it includes the following advances given to different parties which remained unadjusted due to non-submission of utilisation certificate.

Name of the units	Amount(Rs)	Remarks
UIHEP,Mukhiguda	36,00,945.00	DRDA Kalahandi& WESCO
UIHEP, Khatiguda	83,03,100.00	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali	20,06,400.00	RWSS division, Talcher
Corporate office,Bhubaneswar	6,82,500.00	E.E OPTCL, National Safety Council
	1,45,92,945.00	

On account of such non adjustment, Advances to Contractors under Current Assets as well as Profit for the year is overstated by Rs.1,45,92,945/-.

(d) ADVANCE TO STAFF:-Rs.2,57,98,221.00

It includes following various old balances given to staff either retired or left the company but shown as either recoverable or payable towards different dues continuing in accounts since past several years remaining unreconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back.

Name of the units	Heads of Account	Debit(Rs)	Credit(Rs)
(i)Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2,32,398.00	
(ii) UKHEP, Bariniput	Arrear pay Advance	25,000.00	
	GPF Advance	79,513.00	
(iii)HHEP,Burla	Motor Cycle Advances		67820.00
	Festival Advances		
	Other Advance to Staff		2,95,832.00
			20,10,699.00
	CTD	1,31,052.00	



(iv) BHEP, Balimela	PRD (GPF)	64,436.00
	PRD (Bank loan)	43,929.00
	Salary Payable	24,44,898.00
	Unpaid Salary Payable	7,766.00
	TA Payable	3,97,010.00
	Others Deduction (Employees)	6,28,840.00
	Provision for Ex-gratia	1,14,178.00
	Total	4,67,963.00
		60,75,408.00

On account of such non adjustment Advances to Staff as well as Profit for the year is understated by Rs 56,07,445.00 (net amount).

FINANCIAL LIABILITIES

9. Refer Note No:-22 TRADE PAYABLES:- Rs.2,68,23,477.00

(a) SUNDRY CREDITORS FOR SUPPLY OF MATERIALS:- Rs.1,71,23,120.00

It includes the following balances continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable proposed by the unit for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chiplima	1,48,99,112.00
BHEP, Balimela	11,51,799.00
Total	1,60,50,911.00

On account of such non-write back. Trade Payable is overstated by Rs.1,60,50,911.00 and profit for the year is understated is by similar amount.

(b) SUNDRY CREDITORS FOR WORKS:- Rs.76,00,887.00

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

Name of the units	Amount (Rs.)
CHEP, Chiplima	11,61,339.00
BHEP, Balimela	36,21,779.00
	47,83,118.00

On account of such non-write back. Trade Payable is overstated by Rs.47,83,118.00 and profit for the year is understated is by similar amount.

10. CURRENT LIABILITIES:-

(a) Refer Note No:-23 OTHERS:- Rs.5,59,50,25,496.00

EMPLOYEES LIABILITIES:- Rs. 78,25,834.00

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



Particulars	Amount (Rs.)
Wages Payable	16,57,877.00
Salary Payable	27,96,550.00
Total	44,54,427.00

On account of such non-write back. Current liabilities is overstated by Rs.44,54,427.00 and profit for the year is understated is by similar amount.

(b) SECURITY DEPOSIT FROM CONTRACTORS/SUPPLIERS:- Rs.5,55,37,766.00

It includes the following amount continue in the books of different units since long lying un-reconciled, un-confirmed and unpaid, no longer refundable but not written back.

Name of the Unit	Amount (Rs.)
UKHEP, Bariniput	799840.00
BHEP, Balimela	30967.00
UIHEP, Mukhiguda	167823.00
Total	9,98,630.00

On account of such non-write back, current liabilities are overstated by Rs.998630.00 and profit for the year is understated by similar amount.

(c) SECURITY DEPOSITS FROM EMPLOYEES:- Rs.6,67,781.00

It includes the following balances continuing in books since long lying un-reconciled, un-confirmed, balance no longer refundable, proposed by the units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Khatiguda	20,434.00
UIHEP, Mukhiguda	63,666.00
Total	84,100.00

On account of such non-write back, current liabilities are overstated by Rs.84,100.00 and profit for the year is understated by similar amount.

(d) OTHER SECURITY DEPOSITS:- Rs.2035193.00

It includes the following amount continuing in books since long lying un-reconciled, un-confirmed balance no longer refundable, proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP Mukhiguda)	8,88,304.00
UIHEP (Khatiguda)	2,14,470.00
Total	11,02,774.00

On account of such non-write back, current liabilities are overstated by Rs.11,02,774.00 and profit for the year is understated by similar amount.

(e) EMD FROM CONTRACTORS:- Rs.1,44,10,584.00

It includes the following amount continue in books since long lying un-reconciled, un-confirmed no longer refundable suggested by units for write back but not written back.



Name of the units	Amount (Rs.)
UIHEP, Mukhiguda	2,25,869.00
BHEP, Balimela	3,17,241.00
UKHEP, Bariniput	6,55,347.00
HHEP, Burla	5,50,022.00
Total	17,48,479.00

On account of such non-provision, current liabilities are overstated and profit for the year is understated by similar amount.

(f) WITH HELD/RETENTION MONEY:- Rs.12,05,67,201.00

It includes the following amount continue in the books of accounts of different units since long lying un-reconciled, un-confirmed no longer refundable proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chiplima	58,05,650.00
BHEP, Balimela	1,023.00
UIHEP, Mukhiguda	43,72,452.00
UIHEP, Khatiguda	5,00,439.00
	1,06,79,564.00

On account of such non-write back, current liabilities are overstated by Rs.1,06,79,564.00 and profit for the year is understated by similar amount.

11. Refer Note No:-24 ADVANCE AGAINST SALE OF SCRAP Rs.74,64,136.00

OTHER CURRENT LIABILITIES Rs.74,64,136.00

The above amount continues in accounts of different units since last few years remains un confirmed, un-reconciled and un-adjusted on account of certain disputes. The facts of such dispute and non-adjustment thereof has not been adequately disclosed.

12. PROVISION Rs. 1,04,37,19,315.00

(a) Refer Note No.25: PROVISION FOR OTHERS:- Rs.4,66,59,810.00

It includes a sum of Rs.99,33,853.00 in respect of Khatiguda unit being old, unclaimed, un-reconciled, and un-confirmed balance no longer payable proposed by the unit for write back but not written back.

(b) OTHERS PAYABLE:-

A sum of Rs.2,15,00,000.00 is payable to BHEL under Central Plan since 2000-2001 lying in the books of Corporate Office as un-confirmed, un-reconciled and unadjusted.

13. OTHERS (TERMINAL BENEFITS)

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

14. Ref. Note No:-41: COMMITMENT & CONTINGENT LIABILITIES

Estimated amount of contracts remaining to be executed on capital account (net of advances and Lc, opened) UIHEP, Mukhiguda & HHEP, Burla has been stated at Rs.634.15 crores. It does not include amount relating to the parties to whom capital advances are paid by different units as well as



Corporate Office shown under Advances to suppliers and Advance to contractors. In absence of details produced, amount to be disclosed could not be ascertained.

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated in the point **4(b) & 13 of our report** on the Standalone IND AS financial statements of the Company for the year ended on 31st March 2017. We further state that without considering the impact of items stated in preceding para, the effect of which could not be determined, Had the observations made by us in point Nos 1 to 14 been considered in the Standalone IND AS financial statements, profit before Tax for the year would have been Rs.166,90,12,059.00 as against the reported figure of 2,05,56,73,571.00 in the Statement of Profit and Loss and figures reported in balance sheet under Non- Current Assets, Current Assets, other equity Current Liabilities would have been as under:-

Ref. in point no. covered in our above observations	Heads	Ref. of note no. financial statements	Reported figures (in Rs.)	Figures would have been in view of effects of qualification (Rs.)
	Non-Current Assets			
1	Capital work -in-progress	3	67,14,59,964.00	43,76,57,100.00
	Financial Assets			
2	Investment (Non - Current) (BWCCCL)	4	10,00,00,000.00	9,94,12,512.00
7	Loans	5	85,97,064.00	31,35,97,064.00
	Other non -current assets	7		
3	Capital Advance		30,51,758.00	19,94,66,966.00
7	Interest Receivable from subsidiary			2,20,21,575.00
	Current Assets			
4	Inventories	8	42,28,02,068.00	42,58,52,056.00
5	Trade Receivable	9	1,25,22,72,809.00	1,11,45,73,694.00
7	Loans	12	83,83,00,178.00	53,33,00,178.00
	Others	13		
	Claims Receivable		5,59,07,198.00	2,27,08,038.00
7	Interest Receivable from others		10,58,36,560.00	8,38,14,985.00
8	Other Current Assets	14		
	Advance to Suppliers		17,80,38,053.00	69,09,006.00

	Advance to contractors		4,83,75,501.00	8,66,099.00
	Advance to others		2,72,34,785.00	1,26,41,840.00
	Advance to staff		2,57,98,221.00	3,14,05,666.00
	Other Equity	16		
	Profit before Tax for the year (Tax effect not considered)		2,05,56,73,571.00	1,66,90,12,059.00
9	Trade Payable	22		
	Sundry creditors for Supply of materials		1,71,23,120.00	41,22,197.00
	Sundry Creditors for Works		76,00,887.00	28,17,769.00
	Others	23		
10	Employees Liabilities		78,25,834.00	33,71,407.00
11	Security Deposit, EMD, and Retention Money etc.		19,32,18,525.00	17,86,04,978.00
12	Provision	24		
	Provision for others		4,66,59,810.00	3,67,25,957.00

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph**, the Standalone IND AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (IND AS), of the state of affairs (financial position) of the Company as at 31st March, 2017 and its Profit (financial performance including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following notes on the Standalone IND AS financial statements being matters pertaining to Odisha Hydro Power Corporation Limited requiring emphasis by us. Our opinion is not qualified in respect of these matters:

- 1. Refer Note No.45(c):-** Sale of energy of 16.3750 MU to CSPDCL @ INR 1.9564 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhatisgarh and the same may be revised in future.
- 2. Refer Note No.45(d):-** Energy sold to GRIDCO reconciled both in quantity and value till 2014-15 and non-reconciliation of sales of energy for the period from financial year 2015-16 & 2016-17 and consequential adjustment required in revenue for the year in accounts.
- 3. Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts.**



Other Matters

The financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rule, 2006 (as amended) which were audited by previous auditors, on which they have expressed their unmodified opinion dated August 26, 2016 and July 30, 2015, respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure - 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(5) of the Act, we give in **Annexure – 'B'**, a statement on the matters specified by the Comptroller and Auditor-General of India for the Company.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement the books of account;
 - (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act (e).
 - (e) In view of the Government notification No. GSR 463 (E) dated 5th June 2015, government companies are exempt from the applicability of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, **Refer to our separate report in "Annexure C"**.
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - (i) The Company has disclosed the impact of pending litigations, wherever quantifiable, on its financial position in its Standalone IND AS financial statements. **Refer Note no. 41 to the Standalone IND AS financial statements.**



- (ii) The Company is not required to make any provision for any material foreseeable losses under any law or accounting standards on long terms contracts. Also the Company is not dealing into derivatives contracts.
- (iii) No amount is required to be transferred to the Investor, Education and Protection Fund during the year.
- (iv) The Company has provided requisite disclosures in the Standalone IND AS financial statements as to holding as well as dealings in specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representations, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management. **(Refer Note No. 57 to the Standalone IND AS financial statements).**

FOR GNS & ASSOCITES
Chartered Accountants
FRN-318171E

PLACE: BHUBANESWAR
DATE : 27th October 2017

CA NARAD P. SAHU
Partner
M NO-55224



REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF ODISHA HYDRO POWER CORPORATION LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment **excepting lands, building under different nomenclature/ description, Transmission lines and Distribution lines.**
 - (b) All movable assets/immovable assets (**excepting lands and building, Transmission lines and Distribution lines**) have been verified by the management through outside agencies during the year. The frequency of verification in our opinion, is reasonable. No material discrepancies were noticed on such verification.
 - (c) Title deeds of most of the immovable properties recorded in the books of the company are not held in the name of the company **excepting** a part of the free hold lands i.e. 90.79 Acres held by UKHEP, Bariniput and 4.780 Acres of lease hold land held by Corporate Office, Bhubaneswar respectively.
- ii) The inventories have been physically verified during the year by the management/outside agencies .In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material **excepting** a discrepancy of Rs 30,49,988/- between book balance and physical balance due to non accounting of stock by of UKHEP, Bariniput found at the time of verification during the year.
- iii) According to the information and explanations given to us, the Company has granted unsecured loans of Rs. 30.50 Crores to Green Energy Development Corporation of Odisha Limited, its subsidiary and Rs.51.00 Crores to Odisha Coal &Power Limited, an associate company, respectively up to the period ending 31st March 2017 covered in the register maintained under Section 189 of the Companies Act 2013. No stipulation regarding terms and conditions of grant of such loan including schedule of repayment of principal and payment of interest has been made. However, Odisha Coal and Power Limited has repaid the entire amount of principal along with interest as on date.

Apart from above, a sum of Rs.1,08,10,433.31 including Rs.53,04,165.81 during the year has been paid to GEDCOL up to 31st March 2017. In our opinion, it is an interest free loan in nature, not recorded in the register maintained under Section 189 of the Companies Act 2013. However it is contended by the management that the amount has been paid to GEDCOL towards salary of deputationists and payment of other expenses the same is paid in the ordinary course of business, it is therefore not in the nature of loan or advance.

 - (b) In absence of any loan agreement between the company and the parties with respect to the terms and conditions of the grant of such loans and in absence of schedule of repayment of principal and payment of interest by the party. We are not in a position to comment to what extent it is prejudicial to the interest of the Company.

- c) **Subject to our comments given in (iii)(a) and (iii)(b)** above, in absence of any stipulation of repayment, overdue amount for more than ninety days and extent of steps required by the Company for recovery of the principal and interest could not be commented upon.
- iv) Section 185 of the Act regarding loans to directors is not applicable to the company by virtue of notification No GSR 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India.

In our opinion and according to the information and explanations given to us, the company **has not complied with the sub clause 7 of Section 186 of the Act** since there is no stipulation made by the Company regarding fixing of tenor of the loan/guarantee given to subsidiary and associate company.

- v) The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provision of the Act.
- vi) We have broadly reviewed the books and records maintained by the company as specified by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act 2013 in respect of the activities and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view of determine whether they are accurate and complete.
- vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. We have been informed that, Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid statutory dues was in arrears, as at 31st March 2017 for a period of more than six months from the date they became payable **except the following:-**

Name of the Statue/Authority	Particulars	Name of the Units/corporate office	Amount (Rs)
Govt. of Odisha	Pay Roll Deduction(GPF)	BHEP, Balimela	64,436.00
Employee Provident Fund & miscellaneous provision (Amendment Act 1988)	E.P.F	CHEP,Chiplima	5,601.00



Odisha State Tax on Profession, Trades, Calling and Employments Act, 2000	Professional Tax	CHEP, Chipilima	11,291
Income Tax Act 1961	TDS Salary Payable	CHEP, Chipilima	19,457
Income Tax Act 1961	TDS Contractors Payable	CHEP, Chipilima	23,144
Odisha Entry Tax Act 1999	Entry Tax Payable	HHEP, Burla	93,516
Finance Act 1994	Service Tax Payable	Corporate Office Bhubaneswar	91,070

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

- (b) According to the information and explanations given to us and as per the records of the Company following dues of income tax, sales tax/VAT, duty of custom, service tax, or other statutory dues have not been deposited on account of dispute.

Nature of the statue	Nature of Dues	Amount(Rs.)	Year to which it pertains to	Forum at which case is pending
Odisha Entry Tax Act 1999	Entry Tax(BHEP)	73,852	2000-01	Commissioner of Commercial Tax, Cuttack
Income Tax Act 1961	Income Tax	2.18 Crores	2007-08	Income Tax Appellate Tribunal, Cuttack
Income Tax Act 1961	Income Tax	5.45 Crores	2014-15	Income Tax Appellate Tribunal, Cuttack



- viii) Based on our audit procedures and as per the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowings to any financial institution and Government of Odisha.
- ix) In our opinion and as per the information and explanation given to us by the management, the Company has applied the money raised by way of debt instrument and however, the Company has not availed any term loan during the year.
- x) Based on our audit procedures and as per the information and explanation given to us by the management, no fraud by the Company or any fraud on the Company, by its officers or employees, has been noticed or reported during the year.
- xi) In view of exemption given vide in terms of Notification No. G.S.R. 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Govt. of India the provision of Section 197 read with schedule V regarding managerial remuneration, are not applicable to the Company.
- xii) According to the information and explanations given to us by the management, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us by the management and on the basis of our examination of the records of the Company transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable and the details of such transactions have been adequately disclosed in notes to the financial statements as required by the applicable accounting standards.
- xiv) Based on our audit procedures and as per the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of Clause 3(xiv) of the order are not applicable to the Company.
- xv) In our opinion and as per the information and explanations given to us by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him. Therefore, the provisions of Clause 3(xv) of the order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provision of clause 3(xvi) of the order are not applicable to the Company.

PLACE-BHUBANESWAR
DATED-27th October 2017

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

CA NARAD P. SAHU
Partner
M. NO.55224



REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF ODISHA HYDRO POWER CORPORATION LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

***Report on the Directions issued by CAG under Section 143(5) of the Companies Act 2013
for the financial year 2016-17***

As per the revised direction under Section 143(5) of the Companies Act, 2013 vide letter No-ES-1(T)/Dir/143(5)/2015-16/263 dated 17.10.16, ***we report that:***

SI NO.	PARTICULARS	OUR COMMENTS									
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?	<p>The company is in the process of identifying leasehold and freehold land separately. In almost all the cases the company including all the units does not have clear Title deeds / lease deeds for freehold/leasehold lands respectively <i>excepting the following in respect of which title deeds/lease deeds are available with the units / corporate office Bhubaneswar</i></p> <table border="1"> <thead> <tr> <th>Name of the units of the company</th> <th>Title Deeds for free hold lands available(Area) with the Company</th> <th>Lease Deeds for lease hold land available(Area) with the Company</th> </tr> </thead> <tbody> <tr> <td>1.Upper Kolab Hydro Electric Project:- (Bariniput)</td> <td>90.79 Acres</td> <td>N.A</td> </tr> <tr> <td>2. Corporate Office Bhubaneswar</td> <td>N.A</td> <td>4.780 Acres of lease hold land at Chandrasekharpur New Capital Bhubaneswar.</td> </tr> </tbody> </table>	Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company	1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A	2. Corporate Office Bhubaneswar	N.A	4.780 Acres of lease hold land at Chandrasekharpur New Capital Bhubaneswar.
Name of the units of the company	Title Deeds for free hold lands available(Area) with the Company	Lease Deeds for lease hold land available(Area) with the Company									
1.Upper Kolab Hydro Electric Project:- (Bariniput)	90.79 Acres	N.A									
2. Corporate Office Bhubaneswar	N.A	4.780 Acres of lease hold land at Chandrasekharpur New Capital Bhubaneswar.									

2. Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.

Details to write off of debts /loans/interest along with reasons therefor and amount involved as under:

	Particulars	Amount Written off(Rs)	Reasons
Corporate Office Bhubaneswar	Pay Roll Deduction (Motor Car Advance)	15,600.00	According to management. Advances are irrecoverable. Hence Written off.
-do-	Pay Roll Deduction (GPF)	6,51,870.00	-do-
-do-	TA Advance	8,216.00	-do-
-do-	Imprest Advance	2,752.00	-do-
-do-	Temporary Advance	976.00	-do-
-do-	Other Advance	7,000.00	-do-
		6,86,414.00	

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants (s) from the Government or other authorities.
- Proper records with respect to certain assets like building and equipments including civil works, electrical work and Assets (Tools & Equipments) received as Gift from DIFD for the purpose of Training Centre are maintained by the Company.

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

SI NO	PARTICULARS	OUR COMMENTS
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided	In almost all the cases (excepting reported in SI no-1 above) detailed full particulars of land including idle land owned by the Company under encroachment/under litigation, not put to use or land declared surplus have not been furnished to us by the management, Therefore adequacy of steps taken by the



management to prevent encroachment of Idle land could not be commented.

However as explained to us, 4.78 acres of lease hold land at Chandrasekharpur Bhubaneswar held by corporate office Bhubaneswar allotted at a cost Rs14.34 Crores by **G.A Department Govt. of Odisha to OHPC, out of which 3.180 Acres of land presently are under encroachment by the management. The matter being pursued and it is under process.**

2 Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and a transparent manner in all cases. The cases of deviation may please be detailed.

As explained to us, the company is not involved in the land acquisition for setting up new projects.

3 Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?

Yes the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards.

4 How much cost has been incurred on abandoned projects and out of this how much cost has been written off?

To the best of our information and explanation given to us, no projects have been abandoned during course of our audit **excepting**.

(i) In respects of Potteru Project, which has already been abandoned total expenditure incurred and shown under **Capital Work-in-Progress** as at 31.03.2017 is Rs 22,89,09,479/- **not yet written off**. Again revenue expenditure of Potteru Unit for Rs 3,622,520/- charged to statement Profit & loss of Upper Kolab Hydro Electric Project, Barinipat during the year 2016-17.

(ii) In respect of Sindol Project, which has already been abandoned total cost incurred and booked under **Capital Work-in-Progress** but not yet Written off is Rs 28,77,905/-



SI NO.	PARTICULARS	OUR COMMENTS
1.	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regards, may be checked and commented upon.	Not applicable as the company generates power through Hydro Electric Projects.
2.	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pithe ads and it adequately protects the financial interest of the company?	Not Applicable.
3.	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	Not Applicable.
4.	How much share of free power was due to the state government and whether the same calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms.	As explained to us, the company does not supply any free power from its existing Power Station to the State Government, so there is no free power due to State Government of Odisha.
5.	In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	Water discharge from the reservoirs are carried at directly by DOWR, Govt. of Odisha consisting the need for flood control, irrigation, supply of drinking water and maintaining bio-diversity. The Company does not have any role in this regard. Therefore non maintenance of bio-diversity causing or resulting imposition of penalty is not applicable to the Company.

PLACE-BHUBANESWAR
DATED- 27th October 2017

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

CA NARAD P. SAHU
Partner
M-NO-055224



REFERRED TO IN PARAGRAPH 3(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF ODISHA HYDRO POWER CORPORATION LIMITED ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

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

We have audited the internal financial controls over financial reporting of ODISHA HYDRO POWER CORPORATION LIMITED (“the Company”) as of 31st March 2017 in conjunction with our audit of the stand alone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:

(a) The company did not have an appropriate internal control system to ensure that correct or adequate provisions made pending receipt of bills/utilisation certificates from Vendors/Contractors/Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and timely non-adjustment of advances.

(b) The company did not have an appropriate internal control system to obtain yearend balance confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors/Advance to Others Trade Payable, Liabilities to Suppliers, Contractors and others and consequential reconciliation. This could potentially result into inaccurate reporting of assets and liabilities and some changes in financial statements

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material. In our opinion, **except for the effects / possible effects of the material weaknesses described above** on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone Financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

BHUBANESWAR
DATED-27th October 2017

FOR GNS&ASSOCITES
Chartered Accountants
FRN-318171E
CA NARAD P. SAHU
Partner
M NO-55224



Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Standalone Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2017.

The preparation of financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2017 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated : 27 October 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A Comments on Financial Position

Balance Sheet

Equity and Liabilities

Current Liabilities

Trade Payable (Note-22)

Sundry Creditors for supply of materials: Rs.1.71 crore

1. The above does not include Rs.14.36 crore being the amount payable to the M/s Voith Hydro Private Limited towards materials supplied during September 2016 to March 2017 for the work of renovation and modernisation with new Turbine Generator of Unit-3, Chiplima Power House and Unit-5 & 6 with related auxiliary of Hirakud Hydro Electric Project, Burla. This has resulted in understatement of the above head as well as understatement of Capital work in progress (Plant & Machinery, Generation) by Rs.14.36 crore.

Assets

Other non-Current Assets (Note-07) - Rs.52.40 Crore.

2. The above does not include Rs.10 crore paid as an interim payment to OPTCL towards construction of Shakti Bhawan, Capital work in progress denotes works undertaken by the entity itself. Ind AS 16 on accounting for plant, property and equipment permits such accounting only if an identifiable asset is created. Merely paying an advance does not create an identifiable asset. The amount should continue to be disclosed as advances for capital goods till such time the asset is delivered. Hence, the account of the same under Capital work in progress has resulted in overstatement of Capital work in progress - Office building and understatement of above head by Rs.10 crore.



Current Financial Assets

Trade Receivables (Note-09)-Rs.125.16 crore

- 3 The above includes Rs.13.70 crore disclosed as outstanding for a period of less than six months from due date of payment whereas the outstanding dues pertains to period exceeding six months from due date of payment.

The above age wise clarification is deficient to this extent.

B Comments on Disclosure.

- 4 The performance guarantee of Rs.6 crore bank guarantee on behalf of GEDCOL, being invoked and proceeds remitted by bank to SECI on 09.06.2017. Being a case of non-adjusting event for which disclosure is required to be made as per Ind AS 10. Non-disclosure of the same is in contravention of the provision of IndAS-10.

For and on behalf of
Comptroller & Auditor General of India

Place : Bhubaneswar
Date : 29.12.2017

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL



Celebration of 22nd OHPC Foundation Day on 21.04.2018



Dignitaries on Dias



Lighting of Lamp by S.J. Susanta Singh, Hon'ble Minister, Energy and Labour & ESI, Govt. of Odisha

ODISHA HYDRO POWER CORPORATION LIMITED



AUDITED STANDALONE FINANCIAL STATEMENTS 2016-17

JANPATH, BHOINAGAR,
BHUBANESWAR-751022



Odisha Hydro Power Corporation Limited
Standalone Balance Sheet as at 31st March 2017

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

SI No	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	ASSETS :				
(1)	Non-current Assets				
(a)	Property, plant & equipment	2	9,05,50,20,744	10,16,31,36,390	10,98,85,89,334
(b)	Capital work-in-progress	3	67,14,59,964	39,32,29,639	50,40,23,120
(c)	Financial Assets				
(i)	Investments	4	2,92,52,47,000	1,74,54,92,000	1,74,11,92,000
(ii)	Loans	5	85,97,064	1,07,09,099	1,00,08,146
(iii)	Others	6	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
(d)	Other non - current assets	7	52,40,37,736	77,85,16,809	1,21,63,75,716
			19,37,43,62,508	19,28,10,83,937	20,65,01,88,316
(2)	Current Assets				
(a)	Inventories	8	42,28,02,068	39,92,99,752	40,65,04,019
(b)	Financial Assets				
(i)	Trade receivables	9	1,25,22,72,809	1,06,42,11,022	1,42,03,87,042
(ii)	Cash & cash equivalents	10	11,19,44,89,047	10,95,36,39,720	8,81,46,96,002
(iii)	Bank balance other than (ii) above	11	46,39,00,000	31,00,00,000	31,00,00,000
(iv)	Loans	12	83,83,24,854	46,85,00,511	1,77,48,413
(v)	Others	13	53,21,69,732	53,12,24,666	66,12,77,965
(c)	Other current assets	14	1,37,83,00,178	1,42,48,54,263	81,84,59,857
			16,08,22,58,688	15,15,17,29,934	12,44,90,73,298
	TOTAL ASSETS		35,45,66,21,196	34,43,28,13,871	33,09,92,61,614
	EQUITY AND LIABILITIES :				
	Equity				
(a)	Equity share capital	15	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
(b)	Other equity	16	8,93,77,04,266	8,34,41,82,440	9,06,96,24,255
			15,87,42,11,266	14,73,06,89,440	12,46,76,31,255
	Liabilities				
(1)	Non-current Liabilities :				
(a)	Financial Liabilities				
(i)	Borrowings	17	10,77,20,90,000	11,07,43,90,000	11,54,21,96,737
(ii)	Others	18	10,02,588	14,20,840	4,90,761
(b)	Provisions	19	33,39,75,668	52,72,27,455	43,67,64,792
(c)	Deferred tax liabilities (Net)	20	1,65,93,09,250	1,79,80,82,426	46,90,53,548
			12,76,63,77,506	13,40,11,20,721	12,44,85,05,838
(2)	Current Liabilities				
(a)	Financial Liabilities				
(i)	Borrowings	21	14,30,00,000	14,30,00,000	14,30,00,000
(ii)	Trade payables	22	2,68,23,477	2,83,05,426	5,07,94,747
(iii)	Others	23	5,59,50,25,496	5,29,75,63,809	7,61,59,76,783
(b)	Other current liabilities	24	74,64,136	80,61,005	80,72,926
(c)	Provisions	25	1,04,37,19,315	82,40,73,470	36,52,80,065
			6,81,60,32,424	6,30,10,03,710	8,18,31,24,521
	TOTAL EQUITY AND LIABILITIES		35,45,66,21,196	34,43,28,13,871	33,09,92,61,614

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

N P Sahu
Partner
M. No.55224

P K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521



Odisha Hydro Power Corporation Limited
Standalone Statement of Profit and Loss for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

Particulars	Notes	For the year ending 31st March 2017	For the year ending 31st March 2016
INCOME			
I Revenue from operations	26	4,32,49,04,919	4,19,12,74,796
II Other income	27	1,66,85,37,763	1,96,35,46,179
III Total Income (I+II)		5,99,34,42,682	6,15,48,20,975
IV Expenses :			
Repair & maintenance expenses	28	45,13,80,633	47,96,54,613
Operational expenses	29	9,33,86,329	9,85,94,281
Employee benefits expense	30	1,29,18,56,735	1,23,18,12,172
Administrative & general expenses	31	15,47,33,495	16,91,82,444
Finance costs	32	78,69,06,214	84,24,65,972
Depreciation and amortization expense	33	1,15,73,57,396	1,37,58,58,773
Total Expenses (IV)		3,93,56,20,801	4,19,75,68,256
V Profit before exceptional items & tax (III-IV)		2,05,78,21,881	1,95,72,52,719
VI Exceptional items	34	21,48,310	1,93,924
VII Profit before tax (V-VI)		2,05,56,73,571	1,95,70,58,795
VIII Tax expense:			
(a) Current tax		70,09,17,181	72,64,97,466
(b) Deferred tax		6,36,14,661	(2,25,95,307)
Total Tax Expenses	36	76,45,31,842	70,39,02,159
IX Profit for the year (V - VI)		1,29,11,41,729	1,25,31,56,636
X Other comprehensive income			
Items that will not be reclassified to profit or loss		(58,48,00,730)	(57,08,37,145)
Income tax relating to items that will not be reclassified to profit or loss		20,23,87,837	19,75,55,319
Total comprehensive income for the period		90,87,28,836	87,98,74,810
Earnings per equity share (of ₹ 1000 each)			
Basic and Diluted (in ₹)	37	201.45	231.19

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521

Place: Bhubaneswar
Date: 27.10.2017



Odisha Hydro Power Corporation Limited
Standalone Statement of Cash Flow for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

	For the year ended	
	31st March 2017	31st March 2016
Cash flow from operating activities		
Profit for the year	2,05,56,73,571	1,95,70,58,795
<i>Adjustments for :</i>		
Depreciation & amortization	1,15,73,57,396	1,37,58,58,773
Finance costs	78,69,06,214	84,24,65,972
Finance income	(1,49,45,47,033)	(1,78,39,21,985)
Loss on sale of property, plant and equipment	2,72,200	56,24,511
Operating cash flows before working capital changes	2,50,56,62,348	2,39,70,86,067
<i>Changes in operating assets and liabilities</i>		
Inventories	(2,35,02,315)	72,04,267
Trade receivables	(18,80,61,787)	35,61,76,020
Other assets	(1,48,20,171)	(11,29,96,573)
Trade payables	(14,81,949)	(2,24,89,321)
Other liabilities	(1,06,09,90,563)	(3,68,11,71,670)
Other financial liabilities - Current	(1,05,99,75,441)	(3,68,20,89,828)
Other current liabilities	(5,96,869)	(11,921)
Other financial liabilities - Non Current	(4,18,252)	9,30,079
Provisions - Current	24,52,26,130	4,29,53,263
Provisions - Non Current	(19,32,51,788)	9,04,62,662
Net cash provided by operating activities before taxes	1,26,87,79,904	(92,27,75,285)
Income tax Adjustment	4,57,29,534	-
Income taxes paid	(72,64,97,466)	(78,21,87,319)
Net cash provided by operating activities	58,80,11,972	(1,70,49,62,604)
Cash flow from investing activities		
Purchase of property, plant and equipment	(33,09,39,480)	(44,85,12,223)
Proceeds from sale of property, plant and equipment	31,95,206	40,75,364
Investment in Bank Deposits	(15,39,00,000)	-
Investment in shares, debentures and other securities	(1,17,97,55,000)	(43,00,000)
Finance income received	1,39,60,13,453	1,87,77,13,301
Net cash generated/(used) in investing activities	(26,53,85,821)	1,42,89,76,441
Cash flow from financing activities		
Increase in share capital	55,00,00,000	2,98,85,00,000
Dividend paid including DDT	(31,52,07,013)	(5,61,37,119)
Repayment of long term loan	(30,23,00,000)	(46,78,06,737)
Finance cost paid	(1,42,69,811)	(4,96,26,263)
Net cash generated/(used) in financing activities	(8,17,76,824)	2,41,49,29,881
Net increase in cash and cash equivalents	24,08,49,328	2,13,89,43,718
Cash and cash equivalents at the beginning of the period	10,95,36,39,720	8,81,46,96,002
Cash and cash equivalents at the end of the period (Note 10)	11,19,44,89,048	10,95,36,39,720

Explanatory Notes to Standalone Statement Of Cash Flows

1. Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands, Postal orders & Stamps, Remittance in transit and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash & Cash equivalents as per Note 10 of the Balance Sheet is as under:

	31st March 2017	31st March 2016
Cash and cash equivalents	11,19,44,89,048	10,95,36,39,720
Cash and Cash equivalents comprises of the following:		
Earmarked Balance with Bank	11,06,84,00,000	10,87,63,31,847
Other Bank Balance	12,46,13,795	7,71,72,239
Cash on hand	2,08,365	1,29,712
Postal Orders & Stamps	16,887	5,922
Remittance in transit	12,50,000	-

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
FRN-318171E

Place: Bhubaneswar
Date: 27.10.2017

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521



Odisha Hydro Power Corporation Limited
Statement of change in equity for the year as at 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

a Equity share capital

Particulars	Opening Balance as at 31st March 2016	Equity shares issued during the year	Closing Balance as at 31st March 2017
Equity Share	6,38,65,07,000	55,00,00,000	6,93,65,07,000

Other equity

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 1st April 2015	1,00,00,00,000	1,32,14,00,000	6,74,82,24,255	-	9,06,96,24,255
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,00,00,00,000	1,32,14,00,000	6,74,82,24,255	-	9,06,96,24,255
Total Comprehensive Income for the year			1,25,31,56,636	(37,32,81,826)	87,98,74,810
Dividends			(5,61,37,119)	-	(5,61,37,119)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified):			(1,54,91,79,504)		1,54,91,79,504
Balance as at 31st March 2016	1,00,00,00,000	1,32,14,00,000	6,39,60,64,268	(37,32,81,826)	8,34,41,82,442

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 01st April 2016	1,00,00,00,000	1,32,14,00,000	6,39,60,64,268	(37,32,81,826)	8,34,41,82,442
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,00,00,00,000	1,32,14,00,000	6,39,60,64,268	(37,32,81,826)	8,34,41,82,442
Total Comprehensive Income for the year			1,29,11,41,729	(38,24,12,893)	90,87,28,836
Dividends			(31,52,07,013)	-	(31,52,07,013)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified):			-		-
Balance as at 31st March 2017	1,00,00,00,000	1,32,14,00,000	7,37,19,98,985	(75,56,94,719)	8,93,77,04,265

As per the Order No. 3060 dtd. 31.03.2015 & subsequent DoE Notification No5843 dtd. 03.07.2015, a sum of Rs. 100 crores has been shown under the head capital reserve towards dam share of UIHEP, Khatiguda.

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
FRN 348471C

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521

Place: Bhubaneswar
Date: 27.10.2017



Odisha Hydro Power Corporation Limited

Company information, Significant accounting policies and notes to the accounts for the financial year ended 31st March 2017

1.

Company Overview

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

1.1 **Significant Accounting Policies**

Basis of preparation of financial statements

1.2 **Statement of compliance**

The Company has adopted Ind AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These financial statements are prepared to comply in all material aspects in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified) the provisions of the Electricity Act 2003 to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The Company has adopted all the Ind AS standards applicable to OHPC and the adoption was carried out in accordance with Ind AS 101 i.e. first time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note No. 60 (C).

1.3 **Basis of Measurement**

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

- (a) certain financial assets and liabilities measured at fair value
- (b) Plan assets of defined benefit obligation

The financial statements are presented in Indian rupees.

1.4 **Use of estimate**

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



1.5 Summary of significant accounting policies

1.5.1 Revenue recognition

Revenue is recognized on accrual basis as per energy sale bills raised on GRIDCO in accordance with Odisha Electricity Regulatory Commission. In case of energy sales to CSPDCL, Revenue is recognized as per provisional bills raised on the basis of rates approved by OERC separately for HHEP, Burla. The energy bill is raised at the feeder point on net exchange basis.

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

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

- (i) Interest on delayed payment on energy bills paid by GRIDCO.
- (ii) Cash discount from PFC for timely repayment of loan.
- (iii) Electricity charges billed to Water Resources Department and other department.
- (iv) Recovery of compensation for loss of energy due to drawl of water by nearby Industrial Units.
- (v) Sale of scrap.
- (vi) Interest on security deposit with Discoms.
- (vii) Insurance claim and interest on house building advance.
- (viii) Recovery of House Rent.

1.5.2 Other income

Interest income

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

Dividend income

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

1.5.3 Property, plant and equipment

i) Recognition and measurement

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

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

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



ii) Depreciation

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

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

iii) Subsequent costs.

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognized as a separate component is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss as incurred.

iv) Spare parts

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

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

1.5.4 Investment properties.

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

1.5.5 Intangible assets

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



1.5.6 **Capital work in progress**

Capital work in progress is stated at cost. Projects under which assets are not ready for their intended use are disclosed under capital work in progress.

1.5.7

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

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

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

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

As a lessor

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

1.5.8 **Inventories**

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

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

Financial asset

i) Initial measurement

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

ii) Classification and subsequent measurement

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

- 1) financial assets measured at amortized cost.



- 2) financial assets measured at fair value through other comprehensive income.
- 3) financial assets measured at fair value through profit and loss and The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortized cost:

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments measured at fair value through other comprehensive income

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

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

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

Financial instruments measured at fair value through profit and loss

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

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

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



iii) De-recognition of financial assets

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

The rights to receive cash flows from the asset have been transferred, or

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

Financial liability

i) Initial measurement

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

ii) Classification and subsequent measurement

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

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

Financial liabilities at amortized cost:

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

1.5.10 Investments

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

1.5.11 Trade receivables

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

1.5.12 Loans and borrowings

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

1.5.13 Trade and other payables

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



1.5.14 **Impairment**

a) Financial assets

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

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

Expected credit losses are measured through a loss allowance at an amount equal to:
(i) the 12 months expected credit loss (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)

(ii) full time expected credit loss (expected credit loss that results from all possible default events over the life time of the financial instruments)

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

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

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

b) Non-financial assets

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

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

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

1.5.15 **Taxes**

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

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be



applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

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

1.5.16 **Employee benefits**

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

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

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Liability towards Gratuity is made on the basis of actuarial valuation. For meeting the service gratuity liability, the Corporation has taken two group gratuity insurance policy with LIC of India.

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

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

1.5.17 **Provisions, Contingent Liabilities & Contingent Assets**

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that



reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

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

1.5.18 **Cash and cash equivalents**

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

1.5.19 **Foreign currency transactions**

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

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

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

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

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

1.5.20 **Borrowing cost**

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

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



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

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

1.5.21 **Government Grants**

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

1.5.22 **Earnings per Share (EPS)**

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

1.5.23 **Statement of Cash flow**

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

1.5.24 **Dividend Paid**

Dividends paid are included in the Company financial statement in the period in which the related dividends are actually paid, in respect of the Company's final dividend for the year, approved by shareholder.

1.5.25 **Others**

- (i) Liabilities for Goods in transit / capital works executed but not certified are not provided for, pending inspection & acceptance by the Corporation.
- (ii) Corporate Office income over expenditure is allocated among the generating units on the basis of sales turn over ratio.
- (iii) Dam maintenance cost for the current year has been made based on the bills submitted by DOWR on provisional / actual basis followed by reconciliation.
- (iv) Expenditures upto DPR for new projects are charged to P & L A/c (Survey and investigation) and thereafter where the new projects seems to be viable are capitalized.
- (v) Prior Period Expenses / income of items of INR 1,00,000/- and below are charged to respective heads of account.

1.5.26 **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

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

Figures have been rounded off to the nearest rupee.



Odisha Hydro Power Corporation Limited
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2. Property, plant & equipment

SNo.	Description	As at 31.03.16				Depreciation				Net Block	
		As to 01.04.15	Additions	Transfer/ Adj	As at 31.03.16	For the Year	Adjustment	Deletion	Up to 31.03.16	As at 31.03.16	As at 31.03.15
1	Land	1,08,98,07,819		-	1,08,98,07,819	17,04,867			17,04,867	1,08,81,02,952	1,08,98,07,819
2	Power House Civil Work	1,46,39,09,147		-	1,46,39,09,147	13,24,57,995			13,24,57,995	1,33,14,51,152	1,46,39,09,147
3	Power House Electric Mechanical Work	6,97,81,42,204	48,21,01,733	-59,86,468	7,45,42,57,469	1,12,55,83,619	-1,66,697		1,12,54,16,922	6,32,88,40,547	6,97,81,42,204
4	Civil Building/ Township	1,33,64,56,208	6,69,27,190	-	1,40,33,83,398	10,31,59,217			10,31,59,217	1,30,02,24,181	1,33,64,56,208
5	Vehicles	1,26,63,983	39,22,337	-33,53,647	1,32,32,672	17,30,098			17,30,098	1,15,02,574	1,26,63,983
6	Furniture & Fixtures	91,98,960	2,84,545	-3,34,842	91,48,663	7,38,592			7,38,592	84,10,071	91,98,960
7	Office Equipment	2,55,58,790	21,58,097	-11,102	2,77,05,785	33,62,360			33,62,360	2,43,43,425	2,55,58,790
8	Misc. Assets	1,86,61,166	50,009	-	1,87,11,175	19,20,622			19,20,622	1,67,90,553	1,86,61,166
9	Electric Installation	1,92,70,301	21,99,201	-13,217	2,14,56,285	17,21,271			17,21,271	1,97,35,013	1,92,70,301
10	Water Supply Installation	3,39,91,936	23,72,217	-	3,63,64,153	35,14,591			35,14,591	3,28,49,562	3,39,91,936
11	Training Course Equipment	9,28,823	90,374	-599	10,18,598	1,32,835	-599		1,32,236	8,86,361	9,28,823
	Total	10,98,85,89,336	56,01,05,703	(96,99,875)	11,53,89,95,164	1,37,60,26,069	(1,67,296)	-	1,37,58,58,773	10,16,31,36,391	10,98,85,89,336

	Net Block												
	As to		Additions	Transfer/ Adj	As at		Upto	For the Year	Adjustment	Deletion	Up to		
	01.04.16				31.03.17						31.03.17	31.03.17	As at
1	Land	1,08,98,07,819	-	-	1,08,98,07,819	17,04,867	17,04,867	-	-	-	34,09,734	1,08,63,98,085	1,08,81,02,952
2	Power House Civil Work	1,46,39,09,147	-	-	1,46,39,09,147	13,24,57,995	13,25,06,534	-	-	-	26,49,64,529	1,19,89,44,618	1,33,14,51,152
3	Power House Electric Mechanical Work	7,45,42,57,469	1,98,23,503	(37,15,524)	7,47,03,65,448	1,12,54,16,922	90,77,30,870	-	-15,28,679	-	2,03,16,19,114	5,43,87,46,334	6,32,88,40,547
4	Civil Building/ Township	1,40,33,83,398	1,32,10,632	-	1,41,65,94,030	10,31,59,217	10,18,22,900	-	-	-	20,49,82,117	1,21,16,11,913	1,30,02,24,181
5	Vehicles	1,32,32,672	56,09,748	(19,55,231)	1,68,87,190	17,30,098	17,32,381	(1,25,372)	-	-1,25,371	32,11,736	1,36,75,453	1,15,02,574
6	Furniture & Fixtures	91,48,663	22,51,682	3,90,273	1,17,90,618	7,38,592	8,32,650	-	-	-	15,71,242	1,02,19,376	84,10,071
7	Office Equipment	2,77,05,785	49,88,592	17,518	3,27,11,895	33,62,360	40,10,944	-	-	-	73,73,304	2,53,38,591	2,43,43,425
8	Misc. Assets	1,87,11,175	1,38,896	-	1,88,50,071	19,20,622	18,92,740	-	-	-	38,13,362	1,50,36,709	1,67,90,553
9	Electric Installation	2,14,56,285	18,51,455	16,136	2,33,23,876	17,21,271	16,06,413	-	-	-	33,27,684	1,99,96,191	1,97,35,013
10	Water Supply Installation	3,63,64,153	44,05,062	-	4,07,69,215	35,14,591	33,82,314	-	-	-	68,96,905	3,38,72,310	3,28,49,562
11	Training Course Equipment	10,18,598	4,29,584	-	14,48,182	1,32,236	1,34,783	-	-	-	2,67,019	11,81,162	8,86,361
	Total	11,53,89,95,164	5,27,09,154	(52,46,828)	11,58,64,57,490	1,37,58,58,773	1,15,73,57,396	(1,25,372)	(16,54,050)	(16,54,050)	2,53,14,36,747	9,05,50,20,743	10,16,31,36,391

a. (i)	Land consists of those transferred from the erstwhile OSEB / State Govt. to the Corporation with effect from 1st April 1996 and procurement of Industrial land from IDCO for construction of training centre and staff quarters. In case of UIHEP, land consists of transfer value of land and reservoir from State Govt. as on 01.04.1996 and subsequent additions at cost after 01.04.1996 to the date of Balance Sheet. In case of Balimela HEP, leasehold lands are still in the name of OSEB. The title deeds of all the lands are yet to be registered in favour of the Company. The company is in the process of identifying leasehold and freehold land separately.
(ii)	An amount of Rs.17, 04,867/- has been amortised during the year for leasehold land at Chandrasekharpur held by Corporate Office since 16.01.2012. Such amortisation has been made considering the lease period of 90 years.
b. (i)	The fixed assets registers are maintained on the basis of transfer price of the assets from State Govt. and at cost in respect of the assets procured after the date of transfer.
(ii)	The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.
(iii)	The value of fixed assets includes cost of machinery & vehicles declared surplus / obsolete for which necessary verification and fixing of upset price is in process. Necessary accounting treatment will be made in the subsequent period after final disposal of the same.



Odisha Hydro Power Corporation Limited
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Note	Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
3	Capital work-in-progress			
(a)	Land (Development of 7 & 8th Unit of Extension Project)	3,03,111	3,03,111	3,03,111
(b)	Building	8,70,25,725	7,64,27,924	11,82,38,452
(c)	Road, Bridge, Culvert & Other Civil Works	2,30,47,593	1,35,35,297	1,34,65,998
(d)	Water Supply Installati on	1,09,804	1,09,804	1,09,804
(e)	Plant & Machinery (Construction)	11,48,03,211	11,53,80,509	11,56,19,005
(f)	Plant & Machinery (Generation)	29,04,13,373	7,57,91,583	68,44,288
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	3,92,35,637	4,68,66,570	3,92,35,637
(h)	Substation Equipments	64,06,238	62,45,021	3,20,97,715
(i)	Transmission Lines	3,86,978	3,86,978	3,86,978
(j)	Vehicles	6,63,140	6,63,140	6,63,140
(k)	Furniture & Fixture	1,37,685	1,37,685	1,37,685
(l)	Office Equipments	4,43,751	4,43,751	4,43,751
(m)	Electrical Installations	2,00,689	2,00,689	2,00,689
(n)	Miscellaneous assets	14,326	14,326	14,326
(o)	Capital WIP - Kolab Unit	16,85,318	5,15,17,080	17,00,30,516
(p)	Sindol Project	28,77,905	28,77,905	28,77,905
(q)	Office Building	10,16,34,875	16,34,875	29,73,515
(r)	Staff Quarters	3,80,605	6,93,391	3,80,605
(s)	ERP	16,90,000	-	-
		67,14,59,964	39,32,29,639	50,40,23,120
	Non-Current Financial Asset			
4	Non Current Investments			
	Investments in Equity Instruments;			
A.	Subsidiary Companies - Unquoted			
(a)	Green Energy Development Corporation of Odisha Ltd. (GEDCOL) (A 100% subsidiary company of OHPC) 503,200 fully paid equity shares of Rs.1000/- each	50,32,00,000	50,32,00,000	49,89,00,000
B.	In Joint Ventures			
(a)	Odisha Thermal Power Corporation (A Joint venture company between OMC & OHPC 50% each share holding) 1,342,047 shares of INR.1000/- each	1,34,20,47,000	1,14,20,47,000	1,14,20,47,000
(b)	Baitarni West Coal Company Limited (A Joint Venture company between OHPC, GPCL & KSEB with 1/3 each share holding) 100,000 shares of INR 1000/- each	10,00,00,000	10,00,00,000	10,00,00,000
(c)	Odisha Coal & Power Limited (A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC) 9,80,00,000 shares of INR 10/- each	98,00,00,000	2,45,000	2,45,000
		2,92,52,47,000	1,74,54,92,000	1,74,11,92,000

	(a) Aggregate amount of quoted investments and market value thereof;			
	(b) Aggregate amount of unquoted investments;	2,92,52,47,000	1,74,54,92,000	1,74,11,92,000
	(c) Aggregate amount of impairment in value of investments.			
5	Loans			
(a)	Security Deposits			
	Unsecured , considered good	85,97,064	1,07,09,099	1,00,08,146
		85,97,064	1,07,09,099	1,00,08,146
6	Others			
	Debt Securitization of GRIDCO Dues	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
	The GRIDCO dues of INR. 619 Crores as on 31.03.2013 has been securitized at simple interest of 8% which shall be repaid by GRIDCO within 10 years including 3 years moratorium period which will start from May 2017.	6,19,00,00,000.00	6,19,00,00,000.00	6,19,00,00,000
7	Other non - current assets			
(a)	Capital advances			
	Unsecured, considered good	30,51,758	30,51,758	38,51,758
(b)	Advances other than capital advances			
	Unsecured, considered good			
	Plan Assets (employees)	52,09,85,978	77,54,65,051	1,21,25,23,958
		52,40,37,736	77,85,16,809	1,21,63,75,716
8	Inventories			
	(valued at lower of cost and net realizable value)			
(a)	Stores and spares	42,18,87,583	39,84,00,761	40,55,72,832
(b)	Loose Tools	8,77,762	8,77,762	9,31,187
(c)	Inventory in transit			
	-stores & spares	36,723	21,229	-
		42,28,02,068	39,92,99,752	40,65,04,019
	Current Financial Asset			
9	Trade receivable			
(a)	Outstanding for a period exceeding six months from due date of payment			
	Unsecured, considered good	6,96,150	28,08,66,677	40,91,18,104
	Unsecured, considered doubtful		-	-
		6,96,150	28,08,66,677	40,91,18,104
(b)	Outstanding for a period less than six months from due date of payment			
	Unsecured, considered good	1,25,15,76,659	78,33,44,345	1,01,12,68,938
	Less : Provision for doubtful trade receivables < 6 months	-	-	-
		1,25,15,76,659	78,33,44,345	1,01,12,68,938
		1,25,22,72,809	1,06,42,11,022	1,42,03,87,042
10	Cash and cash equivalents			
(a)	Balances with banks			
	(i) Earmarked Balance with Bank	11,06,84,00,000	10,87,63,31,847	8,73,85,70,000
	(ii) Other Bank Balance	12,46,13,795	7,71,72,239	7,59,38,927
(b)	Cash on hand	2,08,365	1,29,712	1,68,981
(c)	Others			
	Postal Orders & Stamps	16,887	5,922	18,094
	Remittance in transit	12,50,000		
		11,19,44,89,047	10,95,36,39,720	8,81,46,96,002
	(I) Earmarked balance with banks for the following purpose			
	Terminal liabilities	62,00,00,000	35,00,00,000	6,00,00,000
	Loan repayments	30,23,00,000	45,23,00,000	78,00,00,000
	JV & new project	5,34,61,00,000	5,29,72,31,847	5,49,85,70,000
	RMU & new project	4,80,00,00,000	4,77,68,00,000	2,40,00,00,000
		11,06,84,00,000	10,87,63,31,847	8,73,85,70,000



11	Bank balance other than cash and cash equivalents			
	(i) Held as margin money	46,39,00,000	31,00,00,000	31,00,00,000
	Cr. with Panjab & Sind Bank, Ashok Nagar Branch, Bhubaneswar towards its 1/3rd share of margin for facilitating the JV company BWCCCL to provide BG of Rs.75,00,00,000/- in favour of Ministry of Coal, Govt. of India. (b) Fixed deposit of Rs.6.00 Crs. with Axis Bank, Basua Ghai Branch, Bhubaneswar towards performance Bank Guarantee on behalf of GEDCOL. (c) Fixed deposit of Rs.15.39 Crores with Yes Bank, Bhubaneswar towards Bank Guarantee on behalf of OCPL.	46,39,00,000	31,00,00,000.00	31,00,00,000
12	Loans			
(a)	Security Deposits			
	Unsecured, considered good			
	Deposit with Others	2,33,24,854	1,85,00,511	1,77,48,413
(b)	Loans to related parties			
	Unsecured, considered good			
	GEDCOL(100% subsidiary Company)	30,50,00,000	15,00,00,000	-
	<i>(receivable with interest @ FD rate in the month of Drawl +1%)</i>			
	OCPL (49% Joint Venture Company)	51,00,00,000	30,00,00,000	-
	<i>(receivable with interest @ FD rate in the month of Drawl +1%)</i>			
		83,83,24,854	46,85,00,511	1,77,48,413
13	Others			
	Claims Receivables	5,59,07,198	6,74,90,028	4,75,32,199
	Receivable from GRIDCO on Machhakund	13,46,58,960	11,34,27,737	2,75,64,831
	Dam Share Receivable from W.R.Department on accounts of Indravati	24,30,329	10,96,67,235	25,17,49,952
	Interest Accrued but not due on bank deposit	23,33,36,685	18,61,03,258	33,39,53,087
	Interest Receivable from others	10,58,36,560	5,45,36,408	4,77,896
		53,21,69,732	53,12,24,666	66,12,77,965
14	Other current assets			
	Advances other than capital advances			
(a)	Other Advances			
	(i) Advance to supplier	17,80,38,053	19,23,50,192	3,55,78,211
	(ii) Advance to contractors	4,83,75,501	4,34,56,482	5,49,02,570
	(iii) Advance to other	2,72,34,785	2,25,90,397	2,70,70,386
	(iv) Advance to staff	2,57,98,221	2,85,16,615	3,06,72,370
(b)	Other Advances			
	(i) Advance income tax (TDS)	53,90,19,206	51,91,06,500	43,96,90,505
	(ii) Advance income tax	54,56,57,760	61,13,00,000	21,91,86,000
	(iii) Advance sales tax	5,152	5,152	5,92,326
	(iv) Advance income tax (TCS)	21,492	-	-
	Others			
	(i) OHPC rehabilitation assistance trust fund	10,000	10,000	10,000
	(ii) Pre-paid expenses	1,34,78,841	68,33,450	1,03,06,540
	(iii) Other misc. asset	61,568	6,82,884	4,49,165
	(iv) Other receivable from staff	39,599	2,591	1,784
	(v) OHPC gratuity fund	5,60,000	-	-
		1,37,83,00,178	1,42,48,54,263	81,84,59,857

15	Equity share capital			
(a)	Authorized share capital			
	Equity shares of INR1000/-each (Nos)	1,00,00,000	1,00,00,000	1,00,00,000
	Equity shares of INR1000/- each (Rs.)	10,00,00,00,000	10,00,00,00,000	10,00,00,00,000
(b)	Issued, subscribed and fully paid up			
	Equity shares of INR 1000/-each (Nos)	69,36,507	63,86,507	33,98,007
	Equity shares of INR1000/- each (Rs.)	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
		6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
(c)	Reconciliation of shares at the beginning and at the end of reporting period			
	Equity shares			
	At the beginning of the year in Nos	63,86,507	33,98,007	32,08,007
	Issued during the year in Nos	5,50,000	29,88,500	1,90,000
	Outstanding at the end of the year in Nos	69,36,507	63,86,507	33,98,007
	Equity shares			
	At the beginning of the year in INR	6,38,65,07,000	3,39,80,07,000	3,20,80,07,000
	Issued during the year in INR	55,00,00,000	2,98,85,00,000	19,00,00,000
	Outstanding at the end of the year in INR	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
(d)	Shares held by each share holder holding more than 5 % shares			
	Governor of Odisha represented by DoE (Nos)	69,36,507	63,86,507	33,98,007
	% of holding	100%	100%	100%
(e)	Shares issued for consideration other than cash (last five years)			
	As per Dept. of Energy, Government of Odisha order no. 3060 dtd.31/03/2015 and subsequent DoE Notification No. 5843 dtd. 03/07/2015 total loan of INR 821.4690 crores is divided into two parts i.e., 298.85 crores as equity and balance as loan. Accordingly, 2,988,500 equity shares of 1000 each was issued during 2015-16 to convert into Equity from loan.			
(f)	Terms/rights attached to equity shares			
	The company has only one class of equity shares having par value of INR1,000 per share. 100% of the shares are held by Government of Odisha represented by DoE.			
16	Other equity			
(i)	Other reserves			
	(a) Capital reserve			
	Balance as per last financial statements Dam sharing reserve	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
	Add: Transfer from surplus balance in profit & loss	-	-	-
	Closing balance	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
	Reserves representing unrealized gains/losses			
	(a) Equity instruments through other comprehensive income	-	-	-
	Less: Deferred tax	-	-	-
	(b) Remeasurements of the net defined benefit plans	(37,32,81,826)	-	-
	Add: During the year	(58,48,00,730)	(57,08,37,145)	-
	Less: Deferred tax (OCI)	20,23,87,837	19,75,55,319	-
	Closing balance	(75,56,94,719)	(37,32,81,826)	-



(ii)	Retained earnings			
(a)	Surplus at the beginning of the year	7,71,74,64,269	8,06,96,24,254	5,68,13,58,494
	Add : Profit for the year	1,29,11,41,729	1,25,31,56,635	15,59,44,174
	Less : Transfer to general reserve	-	-	-
	Less : Dividend paid	(26,18,91,970)	(4,67,83,252)	-
	Less : Tax on Dividend	(5,33,15,043)	(93,53,867)	-
	Less : Deferred tax liabilities not charged in previous years		(1,54,91,79,504)	
	Transition date adjustment	-	-	91,09,21,587
(iii)	Deemed Equity	-	-	1,32,14,00,000
		-	-	-
	Total	8,69,33,98,985	7,71,74,64,266	8,06,96,24,255
	Non- Current : Financial Liabilities	8,93,77,04,266	8,34,41,82,440	9,06,96,24,255
17	Borrowings			
	Term loans			
	From other parties unsecured			
(a)	Foreign Currency loan from PFC		-	16,55,06,737
	a) this loan is guaranteed by Govt. of Odisha			
	(i) the loan availed from PFC for RM & U of Unit-3 & 4 of HHEP, Burla has been full repaid during the year and there is no outstanding of PFC loan for HHEP,Burla.			
	(ii) the foreign currency loan availed by BHEP, Balimela for extension project (unit 7 & 8) is repaid half-yearly on 15th of June & December.			
	b) there is no default in repayment of above loan during the year. A sum of Rs. 1,00,944/- is received from PFC as cash discount for prompt repayment which is shown as deduction from finance cost.			
(b)	Indian rupee loan from Government of Odisha			
	UIHEP-TL (I)	3,11,00,90,000	3,41,23,90,000	3,71,46,90,000
	As per Dept. of Energy, Govt. of Odisha order No.3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015 the total loan of Rs.821.47 Crs. is divided into two parts i.e. Rs.298.85 Crs. as equity included in Note-15 and balance of Rs.522.62 Crs. as loan with 7% interest payable w.e.f. 01.04.2006. This loan is payable in 15 equal annual instalments w.e.f. 2010-11 with 4 years moratorium. OHPC, out of the said loan amount of R 522.62 Crs., repaid Rs.211.61 Crs. till 31.03.2017 & balance loan amount of R 311.01 Crs is shown as above.			
	There is no default as on balance sheet date in repayment of borrowings and interest will be paid after repayment of principal is over as approved by Hon'l OERC in tariff order dtd.20.03.2013			
	Loan for old project			
	As per Dept. of Energy, Govt. of Odisha order No. 3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015, the total bond amount of Rs.766.20 Crs. issued as per original Notification No.SRO250 dtd.01.04.1996, is now treated as loan @ 7% interest which is payable from the Financial Year 2015-16 & shown accordingly i.e. Rs.766.2 crores loan as above and R 107.268 Crore interest payable to State Govt. of Odisha is shown at current-other financial liabilities.	7,66,20,00,000	7,66,20,00,000	7,66,20,00,000

	Government notification is silent regarding term of repayment of loan, OHPC considers 15 years equal installment as repayment of loan in line with UIHEP loan and accordingly claims it in its ARR. Since Principal & Interest payment as claimed is not allowed hence there is no default.			
		10,77,20,90,000	11,07,43,90,000	11,54,21,96,737
18	Others			
	Security Deposits from contractors/ suppliers	10,02,588	14,20,840	4,90,761
		10,02,588	14,20,840	4,90,761
19	Provisions			
	(a) Provision for employee benefits	33,39,27,068	52,71,78,855	43,13,45,571
	(b) Others	48,600	48,600	54,19,221
		33,39,75,668	52,72,27,455	43,67,64,792
20	Deferred tax liabilities (Net)			
	Deferred tax liabilities			
	Deferred tax liabilities / (assets) at the beginning of the year	1,79,80,82,426	46,90,53,548	-
	Deferred tax liabilities / (assets) during the year on account of temporary difference	(13,87,73,176)	1,32,90,28,878	46,90,53,548
	MAT Credit	-	-	-
	Deferred tax liabilities / assets at the end of the year	1,65,93,09,250	1,79,80,82,426	46,90,53,548
21	Borrowings			
	From other parties			
	Loans repayable on demand (unsecured) -from Government of Odisha			
	POTTERU	14,30,00,000	14,30,00,000	14,30,00,000
		-	-	-
		14,30,00,000	14,30,00,000	14,30,00,000
	No interest is payable on this loan since 01.04.2001 as per the decision of Govt. vide DoE notification dt.29.01.2003 & DoE letter No. 2404 dt. 21.03.2011.			
22	Trade payables			
	Sundry creditors for supply of materials	1,71,23,120	1,98,22,047	2,85,74,643
	Sundry creditors for works	76,00,887	79,05,522	1,96,88,117
	Sundry creditors for others	20,99,470	5,77,857	25,31,987
		2,68,23,477	2,83,05,426	5,07,94,747
	Current : Financial Liabilities			
23	Others			
(a)	Current maturities of long term debt	-	14,06,92,027	16,48,55,358
(b)	Interest accrued but not due on PFC Loan	-	25,70,897	60,99,488
(c)	Employees liabilities	6,92,54,642	8,21,14,567	6,17,11,280
(d)	OHPC PF trust	78,25,834	1,71,45,917	3,80,98,255
(e)	Liability to others	28,82,52,205	44,46,95,876	74,80,99,374
(f)	Security deposit from contractors / suppliers	5,55,37,766	5,48,68,158	5,69,44,473



(g)	EMD from contractors / suppliers	1,44,10,584	1,89,02,429	1,69,58,999
(h)	Other security deposit	20,85,193	22,70,050	21,11,923
(i)	Retention money / withheld a/c	12,05,67,201	11,04,82,197	12,37,43,517
(j)	Payable to APGENCO on Machhakunda a/c	17,23,28,961	28,30,67,493	11,56,90,955
(k)	Payable to Machhakund	20,029	20,029	20,029
(l)	State Govt. loan converted to equity pending for allotment	-	-	2,98,85,00,000
(m)	Security deposit from employees	6,67,781	6,59,242	6,43,432
(n)	Interest payable on UIHEP Govt. loan	3,79,13,95,300	3,55,25,28,000	3,29,24,99,700
(o)	Interest on State Government loan (own projects)	1,07,26,80,000	53,63,40,000	-
(p)	Branch adjustment account	-	5,12,06,927	-
		5,59,50,25,496	5,29,75,63,809	7,61,59,76,783
	<p>The management of 30% share of Government of Odisha in Machhkund Joint Hydro Electric Project was transferred to OHPC vide Department of Energy, Govt. of Odisha Notification No.6052, dt.29.03.97 with effect from 01.04.1997. The erstwhile OSEB now GRIDCO and APSEB now APGENCO are the beneficiaries of this project. APGENCO has raised provisional bill towards O & M cost and cost of power for the current year. After reconciliation upto the FY 2015-16 both OHPC & GRIDCO did not agree to pay interest on working capital and accordingly, OHPC considered the O & M cost and cost of power during the current year details of which are given below:</p>			
	30% share of O & M cost	16,36,51,048		
	Cost of Power beyond 30% share	1,02,61,448		
		17,39,12,496		
	<p>OHPC received an amount of R 13,48,87,735/- in 2016-17 from GRIDCO including arrear dues of APGENCO for 2015-16 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to Rs17,23,28,961/- as on 31.03.2017. As the Odisha share of assets and liabilities have not been quantified and transferred to OHPC, the receipts and payments on account of Machhakund project are not shown in the statement of profit and loss account of OHPC</p>			
24	Other current liabilities			
	Advance against sale of scrap	74,64,136	80,61,005	80,72,926
		74,64,136	80,61,005	80,72,926
25	Provisions			
(a)	Provision for employee benefits			
	(i) Provision for arrear salary	-	-	21,54,985
	(ii) Provision for bonus	10,89,000	9,16,000	3,74,742
	(iii) Provision for leave encashment of employees	29,40,38,398	4,54,92,090	1,31,29,038
(b)	Other Provisions			
	(i) Provision for income tax	70,09,17,181	72,64,97,466	31,06,57,324
	(ii) Provision for others	4,66,59,810	5,11,67,914	3,89,63,976
	(iii) Provision for loss of asset	10,14,926	-	-
		1,04,37,19,315	82,40,73,470	36,52,80,065

Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

Note No.	Particulars	As at 31st March 2017	As at 31st March 2016
		Ind AS	Ind AS
26	Revenue from operations		
	Sale of Electricity (Sale of Electricity is the net sale after Rebate)	4,31,16,82,308	4,09,18,42,256
		4,31,16,82,308	4,09,18,42,256
	Other Operating Revenue	1,32,22,611	9,94,32,540
		1,32,22,611	9,94,32,540
		4,32,49,04,919.00	4,19,12,74,796
27	Other income		
	Interest on Employees advances	12,000	1,100
	Interest on Bank Deposits	94,20,61,676	92,30,61,719
	Interest on others	5,72,73,352	1,48,92,493
	Interest in lieu of DPS from GRIDCO	49,52,00,004	84,59,66,672
	Sale of tender paper	25,83,047	37,00,000
	House rent recovery	22,42,749	14,82,940
	Vehicle charges recovery	4,15,999	4,66,008
	Electricity charges recovery– Employees	2,74,788	5,82,861
	Electricity charges recovery– Contractors	2,63,594	1,09,33,044
	Guest house charges recovery	2,73,163	2,09,095
	Sale of scrap	26,800	24,70,468
	Other miscellaneous receipt	35,68,066	69,14,755
	Recovery from Penalties	11,76,224	10,49,412
	Receipt from RTI	3,844	3,371
	Insurance Claim Receipts	2,78,914	49,500
	Forfeiture of EMD/SD	28,21,440	95,506
	Dam Share from DOWR	9,66,17,779	10,96,67,235
	Recovery of foreign exchange fluctuation loss	3,71,00,000	4,20,00,000
	Profit on sale of Inventory	1,03,000	-
	Provisions written back	2,62,41,324	-
		1,66,85,37,763	1,96,35,46,179
28	Repair & maintenance expenses		
	R&M to Plant and Machinery	13,34,64,752	17,84,95,983
	R&M to Building	4,94,50,670	4,91,34,406
	R&M to Civil Works	4,49,06,502	4,13,37,580
	R&M to Hydraulic Works	2,91,20,225	36,07,080
	R&M to Line Cables Networks	22,67,061	30,83,186
	R&M to Vehicles	35,03,490	8,48,125
	R&M to Furniture & Fixture	64,809	43,169
	R&M to Office Equipments	10,39,124	13,67,807
	R&M to Electrical Installation	64,51,628	49,05,989



	R&M to Water Supply Installation	41,69,247	33,90,276
	R&M to Misc. Assets	1,150	2,94,760
	R&M to Substation Equipment	47,61,364	1,45,43,064
	R&M to Dam Maintenance	17,21,80,611	17,86,03,188
		45,13,80,633	47,96,54,613
29	Operational expenses		
	Power and fuel	91,62,620	96,00,778
	Insurance charges	1,06,72,852	1,26,09,500
	Oil, Lubricant & Consumables	1,25,69,639	2,11,99,135
	Transportation charges	12,584	10,58,926
	Hire charges of vehicles/machineries	1,45,45,979	1,29,75,507
	Refreshment(Operation)	2,39,474	1,59,871
	Other Operation expenses	48,387	14,012
	Watch & Ward of Power House	4,61,34,794	4,09,76,552
		9,33,86,329	9,85,94,281
30	Employee benefits expense		
	Salaries & Allowances	49,90,05,676	48,73,80,119
	Wages & Allowances	46,92,00,615	44,20,61,758
	Overtime	9,84,473	14,95,013
	Bonus	23,81,045	9,44,378
	Payment to Apprentices & Trainees	84,39,776	85,31,022
	Contribution to PF and other Funds	14,27,70,571	(5,70,11,284)
	Employees welfare expenses	7,80,14,102	8,50,15,543
	Other employee benefit expenses	9,10,60,478	26,33,95,623
		1,29,18,56,735	1,23,18,12,172
31	Administrative & general expenses		
	Rent	70,96,278	73,58,984
	Rates and taxes	10,53,902	6,76,227
	Fees & subscriptions	7,50,660	14,18,607
	Insurance charges	6,07,117	8,67,064
	Communication expenses	79,81,616	52,14,932
	Traveling & conveyance expenses	2,06,97,209	1,89,90,389
	Printing & stationery	54,74,253	44,01,307
	Bank charges	31,230	25,867
	Electricity & water charges	1,58,32,816	5,46,01,266
	Legal expenses	21,92,218	19,14,683
	Professional & consultancy charges	33,96,742	46,52,670
	Audit fees & expenses	29,69,860	28,92,807
	Advertisement & Publicity	36,67,499	38,43,268
	Training, Seminar & Conference	83,87,153	58,67,979
	Office upkeep & Maintenance	22,55,864	16,02,447
	Watch & ward charges	2,04,09,297	1,94,69,153
	Repair & Maintenance others	53,343	31,171
	Recruitment expenses	16,07,126	92,729
	Meeting expenses	18,56,140	26,17,686
	Transit house expenses	11,33,495	5,79,523
	Electrical Accessories	1,25,609	960

	Loss of Assets	2,72,200	56,24,511
	Survey & Inspection Exp. for Pump Storage Project	1,35,87,300	-
	Loss on Inventories	-3,43,167	18,10,862
	Corporate Social Responsibility Expenses	32,00,000	30,37,959
	Other Administrative & General expenses	3,04,37,736	2,15,89,394
		15,47,33,495	16,91,82,444
32	Finance costs		
	Interest on Bank loan	-	2,39,726
	Interest on PFC loan	75,12,497	2,06,64,916
	Interest on Gov. loan	23,88,67,300	26,00,28,300
	Interest on Gov. loan - Old power house	53,63,40,000	53,63,40,000
	Cash discount (PFC interest)	0	(1,00,944)
	Guarantee co mmission	7,03,460	1,08,12,000
	Foreign exchange fluctuation loss	34,82,957	1,44,81,974
		78,69,06,214	84,24,65,972
33	Depreciation and amortization expense		
	Depreciation of tangible assets	1,15,73,57,396	1,37,58,58,773
		1,15,73,57,396	1,37,58,58,773
34	Exceptional items		
	Voluntary separation scheme payment	21,48,310	1,93,924
		21,48,310	1,93,924
35	Payments to auditor		
	Statutory audit fees	4,00,000	4,04,000
	Statutory audit expenses	1,52,551	2,67,845
	Other audit fees	15,37,609	15,31,905
	Other audit ex penses	8,79,700	6,89,057
		29,69,860	28,92,807



Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

36	Income tax expense	31st March 2017	31st March 2016
	i) Income tax recognised in profit or loss		
a)	Current tax expense		
	Current year	70,09,17,181	72,64,97,466
	Deferred tax expense		
	Origination and reversal of temporary differences	6,36,14,661	(2,25,95,307)
	Reduction in tax rate		
	Total income tax expense	76,45,31,842	70,39,02,159
	ii) Income tax recognised in OCI		
		31st March 2017	31st March 2016
	Remeasurements of defined benefit plans	(20,23,87,837)	(19,75,55,319)
	Total income tax expense relating to OCI items	(20,23,87,837)	(19,75,55,319)
b)	Reconciliation of tax expense and accounting profit		
		31st March 2017	31st March 2016
	Accounting profit before tax from continuing operations	2,05,56,73,571	1,95,70,58,795
	Accounting profit before tax from discontinued operations		-
	Accounting profit before tax	2,05,56,73,571	1,95,70,58,795
	Tax using the Company's domestic tax rate	34.608%	34.608%
	Adjustments in respect of current income tax of previous years	71,14,27,509	67,72,98,908
	Utilization of previously unrecognized tax losses	-	-
	Exceptional item not considered for tax purpose	-	-
	Income not considered for tax purpose	-	-
	Expense not allowed for tax purpose	2,72,200	56,24,511
	Carried forward tax losses utilized	-	-
	Other temporary differences	(3,06,41,848)	13,65,34,985
	At the effective income tax rate of 34.608% (31 March 2016: 34.608%)	(1,05,10,328)	4,91,98,558
	Income tax reported in the statement of profit and loss	70,09,17,182	72,64,97,466
	Income tax attributed to discontinued operations	-	-
	Total	70,09,17,182	72,64,97,466
c)	Amounts recognised directly in equity		
		31st March 2017	31st March 2016
	Current tax	-	-
	Deferred tax	-	1,54,91,79,504
	Total	-	1,54,91,79,504

d)	Deferred tax assets and liabilities			
	Deferred tax relates to the following:			
		31st March 2017	31st March 2016	1st April 2015
	Accelerated depreciation for tax purposes	(10,78,27,492)	(20,66,40,703)	-
	Leave	(1,44,51,214)	(4,12,90,819)	-
	On actuarial gain and losses - employee expense	-	(5,89,02,770)	(43,47,16,516)
	Adjustment to PPE from stores consumption, inventory, major overhaul expense, repairs and maintenance expenses and corresponding depreciation	(1,64,94,470)	10,29,23,774	15,41,471
	On prior period adjustments	-	(4,44,07,009)	(3,58,78,504)
	Other items giving rise to temporary differences	-	2,81,66,900	-
	Total	(13,87,73,176)	(22,01,50,626)	(46,90,53,548)
e)	Reconciliation of deferred tax assets / liabilities			
		31st March 2017	31st March 2016	1st April 2015
	Opening balance	1,79,80,82,426	46,90,53,548	-
	Deferred tax recognized for the first time	-	1,54,91,79,504	-
	Tax income/expense during the period recognised in profit or loss	(13,87,73,176)	(22,01,50,626)	46,90,53,548
	Tax income/expense during the period recognised in profit or loss from discontinued operations	-	-	-
	Closing balance	1,65,93,09,250	1,79,80,82,426	46,90,53,548
37	Earnings Per Share:			
	The Earnings Per Share (Basic and Diluted) are as under:			
	Particulars		2016-17	2015-16
	Opening Balance (A)		63,86,507	33,98,007
	Weighted average number of equity shares issued during the year (B)		22,603	20,22,355
	Weighted average number of equity shares outstanding for the year (A+B)		64,09,110	54,20,362
	Profit for the year attributable to equity shareholders		1,29,11,41,729	1,25,31,56,636
	EPS		201.45	231.19



Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31st March 2017
 (All amounts in Indian rupees, except share data and unless otherwise stated)

38 1. Financial instruments

A. Accounting classification and fair values

31st March 2017 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	11,19,44,89,047	11,19,44,89,047	-	-	-	11,19,44,89,047
Bank balance other than above	-	-	46,39,00,000	46,39,00,000	-	-	-	46,39,00,000
Non-current Financial Asset: Loans	-	-	85,97,064	85,97,064	-	-	-	85,97,064
Current Financial Assets: Loans	-	-	83,83,24,854	83,83,24,854	-	-	-	83,83,24,854
Trade and other receivables	-	-	1,25,22,72,809	1,25,22,72,809	-	-	-	1,25,22,72,809
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current Financial Asset	-	-	53,21,69,732	53,21,69,732	-	-	-	53,21,69,732
	-	-	20,47,97,53,506	20,47,97,53,506	-	-	-	20,47,97,53,506
Financial liabilities								
Long term borrowings	-	-	10,77,20,90,000	10,77,20,90,000	-	-	-	10,77,20,90,000
Short term borrowings	-	-	14,30,00,000	14,30,00,000	-	-	-	14,30,00,000
Trade and other payables	-	-	2,68,23,477	2,68,23,477	-	-	-	2,68,23,477
Other Non-Current financial liabilities	-	-	10,02,588	10,02,588	-	-	-	10,02,588
Other Current financial liabilities	-	-	5,59,50,25,496	5,59,50,25,496	-	-	-	5,59,50,25,496
	-	-	16,53,79,41,561	16,53,79,41,561	-	-	-	16,53,79,41,561
31 March 2016								
INR	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	10,95,36,39,720	10,95,36,39,720	-	-	-	10,95,36,39,720
Bank balance other than above	-	-	31,00,00,000	31,00,00,000	-	-	-	31,00,00,000
Non-current Financial Asset: Loans	-	-	1,07,09,099	1,07,09,099	-	-	-	1,07,09,099
Current Financial Assets: Loans	-	-	46,85,00,511	46,85,00,511	-	-	-	46,85,00,511
Trade and other receivables	-	-	1,06,42,11,022	1,06,42,11,022	-	-	-	1,06,42,11,022
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current Financial Asset	-	-	53,12,24,666	53,12,24,666	-	-	-	53,12,24,666
	-	-	19,52,82,85,018	19,52,82,85,018	-	-	-	19,52,82,85,018
			(1,43,54,92,000)					
Financial liabilities								
Long term borrowings	-	-	11,07,43,90,000	11,07,43,90,000	-	-	-	11,07,43,90,000
Short term borrowings	-	-	14,30,00,000	14,30,00,000	-	-	-	14,30,00,000
Trade and other payables	-	-	2,83,05,426	2,83,05,426	-	-	-	2,83,05,426



Other Non-Current financial liabilities	-	-	14,20,840	14,20,840	-	-	-	14,20,840
Other Current financial liabilities	-	-	5,29,75,63,809	5,29,75,63,809	-	-	-	5,29,75,63,809
	-	-	16,54,46,80,075	16,54,46,80,075	-	-	-	16,54,46,80,075

1 April 2015 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	8,81,46,96,002	8,81,46,96,002	-	-	-	8,81,46,96,002
Bank balance other than above	-	-	31,00,00,000	31,00,00,000	-	-	-	31,00,00,000
Non- current Financial Asset: Loans	-	-	1,00,08,146	1,00,08,146	-	-	-	1,00,08,146
Current Financial Assets: Loans	-	-	1,77,48,413	1,77,48,413	-	-	-	1,77,48,413
Trade and other receivables	-	-	1,42,03,87,042	1,42,03,87,042	-	-	-	1,42,03,87,042
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current financial asset	-	-	66,12,77,965	66,12,77,965	-	-	-	66,12,77,965
	-	-	17,42,41,17,568	17,42,41,17,568	-	-	-	17,42,41,17,568
Financial liabilities								
Long term borrowings	-	-	11,54,21,96,737	11,54,21,96,737	-	-	-	11,54,21,96,737
Short term borrowings	-	-	14,30,00,000	14,30,00,000	-	-	-	14,30,00,000
Trade and other payables	-	-	5,07,94,747	5,07,94,747	-	-	-	5,07,94,747
Other Non-Current financial liabilities	-	-	4,90,761	4,90,761	-	-	-	4,90,761
Other Current financial liabilities	-	-	7,61,59,76,783	7,61,59,76,783	-	-	-	7,61,59,76,783
	-	-	19,35,24,59,028	19,35,24,59,028	-	-	-	19,35,24,59,028

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

B. Measurement of fair values

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

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



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39 Financial risk management objective and policies

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

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

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

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

Credit Risk

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

Trade receivables

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

Investment

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

Cash and cash equivalents

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

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

	31st March 2017	31st March 2016	1st April 2015
Trade and other receivables	1,25,22,72,809	1,06,42,11,022	1,42,03,87,042
Investments	2,92,52,47,00	1,74,54,92,000	1,74,11,92,000
Cash and cash equivalents	11,19,44,89,047	10,95,36,39,720	8,81,46,96,002

Ageing analysis

	31st March 2017	31st March 2016	1st April 2015
Upto 3 months	99,60,78,299	78,33,44,345	97,37,81,803
3-6 months	25,54,98,360	28,01,70,527	-
More than 6 months	6,96,150	6,96,150	44,66,05,239
	1,25,22,72,809	1,06,42,11,022	1,42,03,87,042

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

Liquidity risk

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

Financing arrangements

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

	31 st March 2017	31 st March 2016	1 st April 2015
At fixed rate	-	32,31,71,173	55,17,08,115

Maturities of financial liabilities

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

As at 31 st March 2017	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings			9,26,05,90,000	10,77,20,90,000
Short term borrowings	30,23,00,000	1,20,92,00,000	-	14,30,00,000
Trade and other payables	14,30,00,000	-	-	2,68,23,477
Other non current financial liabilities	2,68,23,477	-	-	10,02,588
Other current financial liabilities	-	10,02,588	-	5,59,50,25,496
	5,59,50,25,496	-	-	
	6,06,71,48,973	1,21,02,02,588	9,26,05,90,000	16,53,79,41,561
As at 31 st March 2016	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings			9,56,28,90,000	11,07,43,90,000
Short term borrowings	30,23,00,000	92,00,000	-	14,30,00,000
Trade and other payables	14,30,00,000	-	-	2,83,05,426
Other non current financial liabilities	2,83,05,426	-	-	14,20,840
Other current financial liabilities	9,528	14,11,312	-	5,29,75,63,809
	5,29,75,63,809	-	-	
	5,77,11,78,763	1,21,06,11,312	9,56,28,90,000	16,54,46,80,075



As at 1 April 2015	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings			9,86,51,90,000	11,54,21,96,737
Short term borrowings	30,23,00,000	1,37,47,06,737	-	14,30,00,000
Trade and other payables	14,30,00,000	-	-	5,07,94,747
	5,07,94,747	-	-	4,90,761
Other non current financial liabilities	-	4,90,761	-	7,61,59,76,783
Other current financial liabilities	7,61,59,76,783	-	-	
	8,11,20,71,530	1,37,51,97,498	9,86,51,90,000	19,35,24,59,028

Market risk

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

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

Foreign currency risk

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

(a) Foreign currency risk exposure:

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

	31 st March 2017	31 st March 2016	1 st April 2015
Financial Liabilities			
Foreign currency loan from PFC	-	14,06,92,027	33,03,62,095
Other financial Liability	-	25,70,897	60,99,488
Net exposure to foreign currency risk (liabilities)	-	14,32,62,924	33,64,61,583

b) Sensitivity analysis

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

Interest rate risk

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

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



a) Interest rate risk exposure

	31st March 2017	31st March 2016	1st April 2015
Fixed rate borrowings	10,77,20,90,000	11,07,43,90,000	11,54,21,96,737

b) Sensitivity analysis

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

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40 A) Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. OERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the OERC.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

	<i>Amount in INR</i>		
	31st March 2017	31st March 2016	1st April 2015
Total liabilities	19,58,24,09,930	19,70,21,24,431	20,63,16,30,359
Less : Cash and cash equivalent	(11,19,44,89,047)	(10,95,36,39,720)	(8,81,46,96,002)
Adjusted net debt	8,38,79,20,882	8,74,84,84,711	11,81,69,34,357
Total equity	15,87,42,11,266	14,73,06,89,440	12,46,76,31,255
Net debt to equity ratio	0.53	0.59	0.95

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

b) Dividends

Equity Shares

	31st March 2017	31st March 2016
Final dividend for the year ended 31 March 2016 of INR 37.755 (31 March 2015 INR 7.325) per fully paid shares	-	4,67,83,252
DDT on final dividend	5,33,15,043	93,53,867

Dividends not recognized at the end of the reporting period

	31st March 2017	31st March 2016
In addition to the above, since year end the directors have recommended the payment of final dividend of INR 37.755 per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting		26,18,91,970
DDT on proposed dividend		5,33,15,043



41. Other Explanatory Notes to Accounts

Commitment & Contingent Liabilities

(a)	Commitment		(INR. in crores)
	As at 31.03.2017	As at 31.03.16	As at 31.03.15
(a) (i) Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda & HHEP, Burla	634.15	184.78	33.05
(ii) Estimated amount to be required for CATP	0	13.58	0
(b) Claims against the Company not acknowledged as debt:			
(i) Stamp duty on bonds of INR.766.20 crores issued to GoO on account of up-valuation of assets which has been kept in abeyance.	5.75	5.75	5.75
(ii) EPF & Sales Tax liability of UIHEP, Khatiguda	0.32	0.32	0.32
(iii) Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	65.57	65.57	65.57
(iv) Workman compensation pending before the Hon'ble High Court of Odisha. (CHEP)	0.06	0.06	0.06
(v) Claim of Dam Division, Rengali Dam site under water Resources Department towards water rent in respect of residential & non-residential building of OHPC (RHEP)	0.15	0.16	0.15
(vi) Entry Tax, appeal before the commissioner of commercial Taxes, Cuttack (BHEP).	0.01	0.01	0.01
(vii) Wrong assessment of water cess by Department of Water Resources and interest charged thereon.	0.01	0.01	0.01
(viii) 50% of the Fixed deposit of INR.25 CINR. pledged for the BG of BWCCCL in favour MOC, GoI.	12.5	12.5	12.5
(ix) (i) Pending cases on account of Income Tax demand raised by AO with different appellate authority for the Assessment Year 2007-08 and 2014-15 amounting to INR.2.18 CINR. and INR.5.45 CINR. respectively.	7.63	33.44	60.03
(x) (ii) Pending cases at High Court on account of refund of Income Tax for RM & U of Unit-I & II, HHEP, Burla.	3.57	3.57	3.57
(xi) Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 and 2015-16 & 2016-17 for an amount of INR.9.27 CINR and 12.61 CINR respectively.	21.88	9.27	0
	751.6	329.02	181.02

(b) Against the claim of INR.65.57 CINR. Of M/s TSS stated at (iii) above, OHPC has lodged a claim of INR. 135.87 Crore on the said contractor. The arbitration is in process.

(c) BHEP, Balimela unit has deposited INR.40,000/- under protest during the year against the assessed entry Tax of INR. 1,13,852/- for the year 2000-01 stated at (VI) above. Against this demand, the unit has filed an appeal before the commissioner of commercial Taxes, Cuttack.

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

(e) The Tax Recovery Officer, Income Tax Department, Sambalpur had raised a demand of INR.4.48 cINR towards TDS in respect of supply and erection of plant & machinery of RM&U of Unit 1&2, Burla which was disputed by OHPC. Pending settlement of the dispute now in appeal before Hon'ble High Court of Odisha, Cuttack, the above amount has been deposited with Income Tax Authorities in the year 1996-97 to 2003-04. As per the order of the CIT (A), Sambalpur dtd. 08.11.2005 and 04.04.2006, the ITO, Sambalpur rectified the mistake for INR.0.33 lakhs and issued refund order of INR 0.58 lakhs. After adjustment of the said amount, the balance amount of INR 3.57 CINR. has been shown under the head advance income tax (TDS).

(f) As against the Bank Guarantee value of INR.153.92 Crores required by M/s Odisha Coal & Power Limited (OCPL) being the Associates of OHPC, it extends its share (49%) of INR.75.42 Crores i.e. INR.15.39 Crores as fixed deposit in Yes Bank and Balance INR.60.03 Crores as Corporate Guarantee to OCPL.

42. The book value of stores & spares partly not available due to theft, fire and shortages in both civil stores & Electrical Store Mukhiguda and Central Stores Khatiguda of Civil wing as per the stock verification report of M/s. JBMT Associates, C.A., Bhubaneswar for the year ending 31.03.2017 are as follows :-

Particulars.	Civil Stores Mukhiguda (INR).	Central Store Khatiguda (INR.)	Total Amount (INR.)
Theft	2,73,311.79	13,75,322.50	16,48,634.29
Fire Damage	0	1,55,12,500.10	1,55,12,500.10
Shortages during 2011-12.	18,86,899.76	5,80,938.98	24,67,838.74
Total Loss of Stores up to 31.03.12	21,60,211.55	1,74,68,761.58	1,96,28,973.13
Theft during 2012-13	17,08,318.33	0	17,08,318.33
Shortages during 2012-13	3,81,310.38	71,799.75	4,53,110.13
Shortages written off in 2016-17	0	-2,80,089.00	-2,80,089.00
Total loss of stores as on 31.03.2017	42,49,840.26	1,72,60,472.33	2,15,10,312.59

(a) The value of inventory of Hirakud HEP as on 31st March,2017 includes the cost of spares theft in the year 2008, amounting to INR.4,15,350/-. Out of the said amount, INR.2,18,344/- has been received from insurance company as full and final settlement of the claim in the year 2010-11 and provision has been made for balance amount of INR.1,97,006/- in the accounts 2011-12 which is yet to be written off.

(b) The value of inventory of RHEP, Rengali includes INR.18,10,862/- towards shortage due to theft amounting to INR.2,89,458/- and unserviceable stores amounting to INR.15,21,404/- which has been provided & charged to P & L account in the year 2015-16. The same shall be written off after approval of Competent Authority.

(c) Out of INR.5,81,279.23 shortage during 2011-12 INR.2,80,089/- being the shortage of HSD oil against late M. Sudhakar, Ex-JE (Mech.) has been written off as per Corporate Office Lr. No.1308 dtd.25.02.2017.

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

The outstanding Energy Charges of INR 27,38,046/- of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2017 were issued on 25.04.2017 by Regd. post but confirmations were not received viz.

Amount in INR		Amount in INR
E.E., Left Canal Divn. 4,43,464/	SDO, BSNL,Nabarangpur	9,47,376/-
	SDO, BSNL,Dharamgarh	12,11,191/-
	SBI, Jaipatna	1,36,015/-
Total Receivable from DOWR:4,43,464/	Total Receivable from BSNL&Banks: 2294,582/-	

44. Operating Segment

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

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



45.

A). The sale of energy compared to the design energy for sale during the year 2016-17 are as under:

Power stations	Actual sale of Energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	1472.077	1942.38
RHEP, Rengali	531.919	519.75
BHEP, Balimela	983.306	1171.17
UKHEP, Upper Kolab	603.53	823.68
HHEP, Burla	522.301	677.16
CHEP, Chiplima	196.89	485.1
Total	4310.023	5619.24

B). As per the OERC tariff order dt. 21.03.2016, the tariff for the year 2016-17 for energy sold to GRIDCO is as follows.

Name of Power Station	Energy charge Rate (Paisa per Unit)	Capacity charges (Rupees in Crs.)
RHEP	58.039	30.166
UKHEP	27.434	22.597
BHEP	45.261	53.008
HHEP	70.013	47.41
UIHEP	37.679	73.187
CHEP	26.848	13.024
TOTAL		239.392

C). The sale of energy includes 16.3750 MU to CSPDCL @INR.1.9564 per unit as provisionally approved by OERC which has been decided in a joint meeting held on 28.10.2014 between OHPC & CSPDCL at Raipur, Chhatisgarh.

D) The energy sold to GRIDCO has been reconciled both in quantity & value till 2014-15. Necessary rectification entries relating to sale of energy have been passed by the respective units.

46. During the year INR.10,78,093/- has been paid and adjusted to SOUTHCO towards electricity charges for power consumed in UIHEP.

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

48. 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.

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

Power Stations	Installed Capacity (MW)	Gross Generation (MU)	Sale of Power (MU)	Auxiliary consumption (MU)	Transformation loss (MU)	Internal consumption (MU)
CHEP	72.00	200.807	196.89	0.7422	3.1749	-
HHEP	275.50	535.632	522.301	2.894	10.437	-
RHEP	250.00	553.0844	531.919	1.2619	8.032	11.8715
UKHEP	320.00	619.472	603.53	2.961	12.981	-
BHEP	450.00	1001.5666	983.3062	4.896	7.189	6.1754
UIHEP	600.00	1522.634	1472.077	2.875	41.587	6.095
Total	1967.50	4433.1961	4310.0232	15.6301	83.4009	24.1419
Previous year	2027.50	4262.8775	4120.6445	15.5298	102.0255	24.6844

50. Mobilization advance of INR 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 INR1.00 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 INR 50 Lakhs was recovered from the bills of LCB 1/1997-98 Agreement (Depletion sluice Gate of Benakhamar Bye pass tunnel) and INR150 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 accounted for during the current financial year by deducting from the Gross Block with corresponding deduction from cumulative depreciation under the sub head " Hydro Works, Dam, Penstock and Main Head" Power House Electro Mechanical Work".

51. Deposit with others

(I) Mukhiguda

The Deposit with Others amounting INR 48,06,873/- at UIHEP, Mukhiguda represents security deposit of INR 2,000/- with BSNL, Bhawanipatna towards Mobile Phone of S.G.M. (Electrical) vide MDB Sl. No.134 of 9/2004, with SOUTHCO for INR 45,10,436/- for 8 Nos. of New 11 KV metering at Khatiguda Unit & INR 59,537/- with WESCO for 2 Nos 11 MV metering at Intake & Surge shaft respectively. INR 2,34,900/- deposited with EE, Testing & Calibration-cum-DEI, Bhubaneswar.

(II) An amount of INR104 Lakhs was deposited under protest with CTO, Koraput Circle-I, Jeypore and INR 54.03 Lakhs was deposited with CTO, Bhawanipatna by stores & Mechanical division, Khatiguda & Mukhiguda respectively during 1994-96.

INR In Lakhs		INR In Lakhs	
23.03.1994	40	1994-95	40
28.03.1994	30	1994-98	0.03
31.03.1995	22	28.06.96	14.03
15.03.1996	12		
	104		54.06



Out of INR.1,04,00,000/-, a sum of INR.5,20,986/- has been refunded by CTO, Koraput (now Nabarangpur) through challan vide BRV No.1333 dtd.24.03.2012 after finalization of appeal. So total deposit of INR.1,52,82,127/- is with Sales Tax Authorities. The sales Tax tribunal has directed the concerned CTOs for re-assessment of Sales Tax & the matter is dealt by E.E., Stores & mechanical Divn.

52. I) OHPC has lodged a insurance claim of INR 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 INR 5.00 crores in two spells i.e. INR 3.50 crores in May 95 and INR 1.50 crores in Feb 98 and shown as income in the respective year. The insurance company intimated OHPC on 21.9.2005 the final net settlement value of INR 95.98 lacs which was not accepted by OHPC. OHPC invoked the arbitration clause, and referred the matter to arbitration. In the process of Arbitration the Hon'ble Arbitrator in the interim order dtd 26.07.2009 directed the Insurance Company to pay INR 95.58 lacs. The said amount received from the Insurance Company has been shown as income in the year 2009-10. Now the Arbitral award is delivered on dated 13.06.2013 and directed to M/s. United India Insurance Company Ltd. to pay INR.74023445/- within two months of the order dated.

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

II) Insurance claim for INR.2,76,666/- has been lodged to National Insurance Company on 09.06.2015 for unit-V, CB & CT. (b) Insurance claim of INR.31,47,840/- has been lodged to national insurance Company on 02.07.2015 for damage of assets of Conference Hall & other equipments due to fire against which an amount of INR.1,39,914/- has been settled by Insurance Company. (c) Insurance claim of INR.7,21,712/- has been lodged to National Insurance company on 16.12.2015 for theft of store materials.

53. It was decided in 105th Board of directors meeting held on 11th March 2011 to make valuation of the Assets of Potteru Small Hydro Electric project after government approval for disposal of the project on "as-is-where-is basis which is still pending for Cabinet approval.

54. The consolidate financial statement has been prepared separately taking the Audited Accounts of OHPC, GEDCOL, OTPCL, BWCCL & OCPL with Generally Accepted Accounting Principles as per Companies Act 2013. Inadvertent omissions or errors if any will be rectified in the accounts of year of identification.

55. The Company spent INR 32.00 lakhs towards CSR i.e. INR 30.00 lakhs towards promoting education & others and INR 2.00 lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013.:

Rs. In Laks

Year	2013-14	2014-15	2015-16	2016-17
Net profit before tax as per Section 198	1112.32	4668.14	19570.58	-
Average profit for last 3 years	-	-	-	8450.35
2% of average profit	-	-	-	169
Expenditure made during the year	-	-	-	32



Amount spent during the year on: INR In Lakhs.

	In cash\ Cheque	Yet to be paid in cash	Total
Construction/acquisition of any asset.	-	-	-
On purposes other than (i) above	32	-	32

56. Foreign currency transactions:

Particulars	2016-17 (INR.)	2015-16 (INR.)
(a) Value of Imports calculated on CIF basis in respect of components and spare parts through LC.(¥ 113673600)	NIL	6,47,46,491
(b) Value of Imports calculated on CIF basis in respect of capital goods (HHEP, Burla € 21112.60 & \$ 86506.60 and CHEP, Chiplima € 9659.40 & \$ 70353.60)	NIL	1,27,74,437
Total expenses	NIL	7,75,20,928

57. Specified Bank Notes (SBN)

Particulars	SBNs*	Other Denomination notes	Total
Closing cash in hand as on 08th November 2016	2,13,000.00	55,225.72	268225.72
(+) Permitted receipts	3,500.00	16,16,034.00	1619534
(-) Permitted payments	15,000.00	10,26,466.00	1041466
(-) Amount deposited in Banks	2,01,500.00	2,93,500.00	495000
Closing cash in hand as on 30th December 2016	-	3,51,293.72	351293.72

* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs No. S.O. 3407(E), dated 08th November 2016.



Odisha Hydro Power Corporation Limited
Notes to Standalone Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

58	Related Party Disclosures are given below:					
	(a) Interest in Subsidiaries:					
				Proportion of Ownership interest as at		
	Name of Companies	Principal place of operation	Principal activities	31-03-2017	31-03-2016	31-03-2015
	Green Energy Development Corporation LTD	India	Power Generation	100%	100%	100%
	(b) Interest in Joint Ventures:					
				Proportion of Ownership interest as at		
	Name of Companies	Principal place of operation	Principal activities	31-03-2017	31-03-2016	31-03-2015
	Odisha Thermal Power Corporation LTD	India	Power Generation	50%	50%	50%
	Baitarni West Coal Company LTD	India	To own, acquire, develop , operate and carry on the business of coal mining and coal washeries etc.	33.33%	33.33%	33.33%
	(c) Interest in Associates Company:					
				Proportion of Ownership interest as at		
	Name of Companies	Principal place of operation	Principal activities	31-03-2017	31-03-2016	31-03-2015
	Odisha Coal and Power Limited	India	Extraction of Coal	49%	49%	49%
	(d) List of Other Related Parties:					
	Name of Related Parties	Principal place of operation	Nature of Relationship			
	OHPC PF Trust Fund	India	Post-employment benefit plan of OHPC			
	OHPC Pension Truést Fund	India	Post-employment benefit plan of OHPC			
	OHPC Gratuity Trust Fund	India	Post-employment benefit plan of OHPC			
	OHPC Rehabilitation Trust	India	In service death benefit plan of OHPC			

(e) Key Management Personnel:		
	Name	Position Held
	Sh Hemant Sharma, IAS,	CMD w.e.f 10.02.2017
	Sh Rajesh Verma, IAS,	CMD upto 09.02.2017
	Sh Hemant Sharma, IAS,	Director upto 09.02.2017
	Sh Vijay Arora, IAS,	Director
	Sh D K Jena, IAS,	Director
	Sh Pravakar Mohanty,	Director (Finance) w.e.f 25.10.2016
	Sh S C Bhadra,	Independent Director
	Sh R C Tripathy,	Independent Director
	Mrs. Saveeta Mohanty,	Independent Director
	Sh. Rajesh Sharma,	Director (HRD) Upto 31.07.2016
	Late Sh S K Jena,	independent director upto 23.01.2017
	Sh A.K Mishra, CGM(EI.)	Director (Operation)
	Sh B.K Behera, OFS(SAG),FA-cum-Addl. Secy., DoE	Director (Finance) Upto 24.10.2016
	Sh S. Nayak, OAS(SAG), Special Secretary, DoE, Department of Energy	Director HRD w.e.f 01.08.2016
	Sh P.P Sahu	CFO
	Sh P.K Mohanty	Company Secretary
(f) Name and Nature of Relationship with Government:		
	Name of the Government	Nature of Relationship with OHPC
	Government of Odisha	Shareholder having control over company
(g) Key Management Personnel (KMP) compensation:		
	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Particulars		
i) Short Term Employee Benefits	6829354	4459586
ii) Post-Employment Benefits	1328853	1909113
Other Transactions with KMP	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Sitting Fees and other reimbursements to non-executive/ Independent directors	729800	713731
(h) Transactions with Related Parties-Following transactions occurred with related parties :		
	During the FY 2016-17	During the FY 2015-16
Particulars		
(I) Transaction with Government that has control over company (OHPC) State Govt.		
Guarantee commission Due	7,03,460.00	1,08,12,000.00
Interest on Govt Loan Due	77,52,07,300.00	79,63,68,300.00
Loan Repaid	30,23,00,000.00	30,23,00,000.00
Guarantee commission paid	8,03,77,918.00	7,22,37,397.00



(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)	During the FY 2016-17	During the FY 2015-16
Sale Of Goods (Electricity)	4,27,96,46,146.00	4,08,55,05,969.00
Service Received by the Company (SLDC)	1,51,92,876.00	1,78,35,360.00
Service Received by the Company (Rent)	69,42,720.00	68,32,520.00
(III) Transaction with Subsidiaries	During the FY 2016-17	During the FY 2015-16
Loan Given To GEDCOL	30,50,00,000.00	15,00,00,000.00
Interest receivable for the year	1,16,83,904.00	1,03,37,671.00
Fixed deposit pledged with Axis Bank towards performance Bank Guarantee on behalf of GEDCOL	6,00,00,000.00	6,00,00,000.00
Advance to others (Salary & Other Expenses paid for GEDCOL)	53,04,166.00	55,06,268.00
(IV) Transaction with joint ventures		
Fixed deposit pledged with Punjab and Sindh Bank, BBSR towards margin money on behalf of BWCCCL	25,00,00,000.00	25,00,00,000.00
Advance to others (Other Expenses paid for BWCCCL)	-	4,726.00
(V) Transaction with Associates	During the FY 2016-17	During the FY 2015-16
Loan Given To OCPL	51,00,00,000.00	30,00,00,000.00
Interest receivable for the year	4,55,73,435.00	41,49,316.00
Fixed deposit pledged with Yes Bank towards Bank Guarantee on behalf of OCPL	15,39,00,000.00	0.00
Corporate Guarantee	60,03,00,000.00	0.00
(VI) Transaction with Trust created for Post employment Benefit plans of OHPC		
1. PF Trust	During the FY 2016-17	During the FY 2015-16
Contribution to Trusts	12,06,43,120.00	12,76,46,652.00
2. Gratuity Trust		
Contribution to Trusts	19,11,757.00	1,00,000.00
3. Rehabilitation Trust		
Contribution to Trusts	41,50,000.00	40,00,000.00
4. Pension Trust		
Contribution to Trusts	34,05,21,985.00	5,98,58,703.00
Total of transactions with above trusts	46,72,26,862.00	19,16,05,355.00

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31st March 2017

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

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

(a) Description of plans

(I) Provident Fund

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

(ii) Pension :

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

(iii) Gratuity

The Corporation has taken a group Gratuity Insurance Policies with LIC of India w.e.f. 01.01.2005 and 01.04.2014. The Corporation has a defined benefit gratuity plan. The ceiling limit of Gratuity is fixed as per payment of Gratuity Act 1972 for the employees covered under EPF Act. As per this, an employee rendering service of five years or more are entitled to get gratuity at 15 days salary (15 / 26 X last drawn basic salary plus DA) for each completed year of service subject to maximum of Rs.0.10 Crs. on superannuation, resignation, termination, disablement or on death. Further the ceiling limit of Gratuity for the employees transferred from Govt. / erstwhile OSEB covered under pension scheme and rendered continuous service of ten years or more are entitled to get gratuity equal to ¼ th of his last salary (Basic Salary + GP) for each completed six monthly period of qualifying services subject to maximum of 16 ½ times of the emoluments or Rs.7.50 lakhs whichever is lower on superannuation. But in case of death, the ceiling limit of gratuity is fixed depending upon the length of service corresponding to rate of gratuity as given below:

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

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

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

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



(v) Allowances on Retirement / Death :

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to his / her native place as recorded in Service Book where he / she may settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actual payment. In addition, the Corporation has a policy to pay Rs.15,000/- to the family of the deceased employee towards transportation paper of dead body and obsequies expenses.

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

The Corporation has a policy of providing Memento valuing Rs.4,500/- to employee on superannuation. The liability for the same is recognised on the basis of actual payment.

Disclosure of Balance Sheet amounts and sensitivity analysis of plans

(i) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015-16 and 2016-17 are as follows:

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2015-16	
Opening Balance as at 01.04.2015	58,57,86,344	65,07,73,665	(6,49,87,321)
Current Service Cost	2,63,51,520	-	2,63,51,520
Past Service Cost	-	-	-
Interest Expenses/ (Income)	4,68,62,908	5,20,61,893	(51,98,985)
Total Amount recognised in Profit or Loss	7,32,14,428	5,20,61,893	2,11,52,535
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	2,04,01,702	17,35,570	1,86,66,132
Total Amount recognised in Other Comprehensive Income	2,04,01,702	17,35,570	1,86,66,132
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(3,03,37,293)	(3,03,37,293)	-
Closing Balance as at 31.03.2016	64,90,65,181	67,42,33,835	(2,51,68,654)

Particulars	Amount in INR		
	Present Value of Obligation (i)	Fair value of Plan Assets (ii)	Net Amount iii=(i) -(ii)
	2016 -17		
Opening Balance as at 01.04.2016	64,90,65,181	67,42,33,835	(2,51,68,654)
Current Service Cost	2,73,41,995	-	2,73,41,995
Past Service Cost	-	-	-
Interest Expenses/ (Income)	5,19,25,214	5,39,38,707	(20,13,493)
Total Amount recognised in Profit or Loss	7,92,67,209	5,39,38,707	2,53,28,502
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1,80,26,339		1,80,26,339
Experience (gains)/Losses	(3,56,84,896)	9,74,422	(3,66,59,318)
Total Amount recognised in Other Comprehensive Income	(1,76,58,557)	9,74,422	(1,86,32,979)
Contributions: -	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(3,46,19,526)	(3,46,19,526)	-
Closing Balance as at 31.03.2017	67,60,54,307	69,45,27,438	(1,84,73,131)



The net liability disclosed above related to funded and unfunded plans are as follows:			
Particulars	31st March 2017	31st March 2016	1st April 2015
Present Value of funded obligations	67,60,54,307	64,90,65,181	58,57,86,344
Fair value of Plan Assets	69,45,27,438	67,42,33,835	65,07,73,665
Deficit/(Surplus) of funded plans	(1,84,73,131)	(2,51,68,654)	(6,49,87,321)
Unfunded Plans	-		
Deficit/(Surplus) before asset ceiling	(1,84,73,131)	(2,51,68,654)	(6,49,87,321)
Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:			

a) Impact of the change in discount rate		31st March 2017	31st March 2016
	Present Value of Obligation at the end of the period	67,60,54,307	64,90,65,181
a)	Impact due to increase of 0.50%	(1,80,30,020)	(1,78,76,815)
b)	Impact due to decrease of 0.50%	1,90,30,421	1,88,36,803
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	67,60,54,307	64,90,65,181
a)	Impact due to increase of 0.50%	1,90,30,421	1,89,26,763
b)	Impact due to decrease of 0.50%	(1,81,94,810)	(1,81,22,082)

(ii) **Pension:** The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015-16 and 2016-17 are as follows:

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
2015-16			
Opening Balance as at 01.04.2015	2,40,32,73,172	3,55,08,09,809	(1,14,75,36,637)
Current Service Cost	6,45,00,085	-	6,45,00,085
Past Service Cost	-	-	-
Interest Expenses/ (Income)	16,99,46,302	27,69,63,165	(10,70,16,863)
Total Amount recognised in Profit or Loss	23,44,46,387	27,69,63,165	(4,25,16,778)
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-

	(Gain)/loss from change in financial assumptions	-	-	-
	Experience (gains)/Losses	53,77,49,060	3,81,33,339	49,96,15,721
	Total Amount recognised in Other Comprehensive Income	53,77,49,060	3,81,33,339	49,96,15,721
	Contributions:-			
	-Employers		5,98,58,703	5,98,58,703
	-Plan participants			
	Benefit payments	(50,41,08,317)	(50,41,08,317)	
	Closing Balance as at 31.03.2016	2,67,13,60,302	3,42,16,56,699	(75,02,96,397)

	Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
		(i)	(ii)	iii=(i)-(ii)
		2015-16		
	Opening Balance as at 01.04.2016	2,67,13,60,302	3,42,16,56,699	(75,02,96,397)
	Current Service Cost	7,14,17,275	-	7,14,17,275
	Past Service Cost	-	-	-
	Interest Expenses/ (Income)	21,10,37,464	27,03,10,879	(5,92,73,415)
	Total Amount recognised in Profit or Loss	28,24,54,739	27,03,10,879	1,21,43,860
	Remeasurements			
	Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
	(Gain)/loss from change in demographic assumptions	-	-	-
	(Gain)/loss from change in financial assumptions	15,20,83,861	-	15,20,83,861
	Experience (gains)/Losses	46,72,23,779	4,31,45,965	42,40,77,814
	Total Amount recognised in Other Comprehensive Income	61,93,07,640	4,31,45,965	57,61,61,675
	Contributions:-			
	-Employers		34,05,21,985	34,05,21,985



	-Plan participants			
	Benefit payments	(54,49,39,040)	(54,49,39,040)	
	Closing Balance as at 31.03.2017	3,02,81,83,641	3,53,06,96,488	(50,25,12,847)
The net liability disclosed above related to funded and unfunded plans are as follows:				
	Particulars	31st March 2017	31st March 2016	1st April 2015
	Present Value of funded obligations	3,02,81,83,641	2,67,13,60,302	2,40,32,73,172
	Fair value of Plan Assets	3,53,06,96,488	3,42,16,56,699	3,55,08,09,809
	Deficit/(Surplus) of funded plans	(50,25,12,847)	(75,02,96,397)	(1,14,75,36,637)
	Unfunded Plans	-		
	Deficit/(Surplus) before asset ceiling	(50,25,12,847)	(75,02,96,397)	(1,14,75,36,637)
Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:				

a) Impact of the change in discount rate		31st March 2017	31st March 2016
	Present Value of Obligation at the end of the period	3,02,81,83,641	2,67,13,60,302
a)	Impact due to increase of 0.50%	(19,38,24,911)	(17,44,03,907)
b)	Impact due to decrease of 0.50%	20,20,30,223	18,17,87,808
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	3,02,81,83,641	2,67,13,60,302
a)	Impact due to increase of 0.50%	20,68,56,901	18,61,30,869
b)	Impact due to decrease of 0.50%	19,79,13,144	17,80,83,231

(iii) Earned Leave : The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015-16 and 2016-17 are as follows:

Particulars	Present Value of Obligation	
	2016-17	2015-16
Opening Balance as at 01.04.2016	57,24,29,565	44,38,68,199
Current Service Cost	2,78,82,502	5,83,37,304
Past Service Cost		
Interest Expenses/ (Income)	4,57,94,365	3,37,75,645
(Gain)/loss from change in financial assumptions	1,81,45,344	30,91,974
Experience (gains)/Losses	91,26,690	4,94,63,298
Total Amount recognised in Profit or Loss	10,09,48,901	14,46,68,221
Contributions:-		
-Employers		
-Plan participants		
Benefit payments	(4,56,54,360)	(1,61,06,855)
Closing Balance as at 31.03.2017	62,77,24,106	57,24,29,565



Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:			
a) Impact of the change in discount rate		31st March 2017	31st March 2016
	Present Value of Obligation at the end of the period	62,77,24,106	57,24,29,565
a)	Impact due to increase of 0.50%	(1,81,45,344)	(1,73,94,330)
b)	Impact due to decrease of 0.50%	1,92,22,402	1,79,54,287
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	62,77,24,106	57,24,29,565
a)	Impact due to increase of 0.50%	1,92,22,402	1,80,67,981
b)	Impact due to decrease of 0.50%	(1,83,11,003)	(1,75,34,734)

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31st March 2017

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

60 First time adoption of Ind AS

Transition Indian GAAP to Ind AS

The Company's first financial statements for the year ended 31 March 2017 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in accordance with the accounting policies notified in Note 1. Period upto and including the year ended 31 March 2016, the company had prepared its financial statements in accordance with Indian GAAP including Accounting Standard notified under Companies (Accounting Standards) Rules, 2006 under section 133 of the Act and other relevant provisions of the act ('previous GAAP').

The accounting policies as set out in Note No. 1 have been applied in preparing financial statements for the year ended 31 March 2017 including comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition date i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1st April 2015 and the comparative information for the year ended 31 March 2016, the company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flow is set out in the following tables & notes.

A. Exceptions:

- 1) Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except for actuarial valuation of employee liabilities and where estimates were required by Ind AS and not required by Indian GAAP.
- 2) The Company has classified financial assets and liabilities in accordance with Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



B. Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- 1) The Company has elected to apply the deemed cost option available under Para D7AA of appendix C to Ind AS 101 i.e. all items of property, plant and equipment have been recognized in the financial statements as at the date of transition to Ind AS at the carrying value measured as per previous GAAP.
- 2) The Company has elected to apply previous GAAP carrying amount to its investment in associates/JV at deemed cost as on the date of transition to Ind AS

C. Reconciliation:

- (i) Equity as at April 1, 2015 and March 31, 2016
- (ii) Total Comprehensive Income for March 31, 2016

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity & cash flow total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

- (i) **Reconciliation of total equity as at 31st March 2016 and 1st April 2015**

Particulars	Note	31st March 2016	1st April 2015
Equity under previous GAAP		12,17,62,59,265	10,17,91,72,549
Adjustments			
Classification of interest free perpetual loan into deemed equity		1,32,14,00,000	1,32,14,00,000
Change in policy for recognition of Property, plant and equipment and consequential effect of depreciation		29,28,63,719	(45,35,073)
Remeasurement of post employment benefit obligations*		1,10,87,54,284	1,27,89,54,150
Proposed dividend (including dividend distribution tax)		31,52,07,013	5,61,37,119
Prior period adjustments		(1,51,27,297)	10,55,56,058
Tax effect of adjustments made on transition to Ind AS		(46,86,67,544)	(46,90,53,548)
Total Adjustments		2,55,44,30,175	2,28,84,58,706
Total equity as per IND AS		14,73,06,89,440	12,46,76,31,255

- (ii) **Reconciliation of total comprehensive income for the year ended 31st March 2016**

Particulars	Note	31st March 2016
Profit after tax as per Previous GAAP		87,29,73,235
Change in policy for recognition of Property, plant and equipment and consequential effect of depreciation	2	29,73,98,792
Remeasurement of post employment benefit obligations*	3	40,06,37,279



Prior period adjustments	5	(12,06,83,355)
Tax effect of adjustments made on transition to Ind AS	6	(19,71,69,315)
Total Adjustment		38,01,83,401
Profit after tax as per Ind AS (A)		1,25,31,56,636
Other Comprehensive Income		
Remeasurement of post employment benefit obligations	3	(57,08,37,145)
Tax effect of adjustments made on transition to Ind AS	5	19,75,55,319
Other Comprehensive Income (B)		(37,32,81,826)
Total Comprehensive Income (A+B)		87,98,74,810

* reflects errors made under previous GAAP. Refer note 3.

Odisha Hydro Power Corporation Limited

Notes to Standalone Financial Statements for the year ended 31st March 2017

Explanation for reconciliations of Equity, Total Comprehensive Income and Cash Flow as previously reported under IGAAP to Ind AS

1. Interest Free Perpetual Loan

Perpetual loan having no contractual obligation ever to pay interest and no obligation to repay the principal has been treated as deemed equity as per the definition of equity under Ind AS 32 para 16. Consequently the total equity increased by 132,14,00,000 with a corresponding decrease in borrowings.

2. Property Plant & Equipment

Inventories that satisfies the definition and recognition criteria of PPE as per Ind AS 16 has been recognized as PPE. Also cost incurred towards any major overhauling and repairs and maintenance expenses which satisfies recognition criteria has been capitalized. Corresponding depreciation impact has also been considered.

Consequent to the above on transition to Ind AS, stores inventory amounting to 14,14,25,140 was capitalized and depreciation amounting to INR 45,35,077 was charged.

Subsequently for the year ended March 31, 2016 repairs and maintenance and major overhaul expense amounting to INR 35,98,17,241 was capitalized and the corresponding depreciation effect of the said adjustment was INR 6,24,18,449.

3. Remeasurement of Post Employment Benefit Obligations - error made under previous GAAP

Under Ind AS 19- Employee Benefits, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in OCI instead of the Statement of Profit or Loss. Indian GAAP required the entire amount to be booked under Profit and Loss account.

Errors reported under Indian GAAP - Further, under the previous GAAP the company did not provide for post employment benefits based on actuarial valuation (i.e. AS -15). This has resulted in additional adjustment on transitioning to Ind AS which is an error made under previous GAAP. The impact has been explained below:

On the transition date, an additional plan asset amounting to INR 127,89,54,150 was recognized on account of Pension and Gratuity. Subsequently for the year ended March 31, 2016, additional expense (PL + OCI) amounting to INR 170,199,866 was booked.



4. Proposed Dividend

Under previous GAAP, dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognized (along with the relevant dividend distribution tax) as liabilities at reporting date. Under Ind AS, dividend so proposed by the board are considered to be non-adjusting event. Accordingly provision for proposed dividend and dividend distribution tax recognized under previous GAAP has been revised

5. Prior Period Adjustments

Current principles require companies to disclose prior period items separately in the financial statements of the current period and do not require an adjustment to the previously reported numbers of the period to which the errors relate (i.e. a restatement of the previous periods is not required or permitted for such errors). Under Ind AS, material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods in which the error occurred. If the error occurred before the earliest period presented, the opening balance of equity/retained earnings for the earliest period presented are adjusted.

6. Deferred Tax adjustments

The various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

7. Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans,

8. Impact of Ind AS adoption on the cash flows for the year ended March 31, 2016

Under the previous GAAP, all the Bank Balances were part of Cash & Cash Equivalents. However, as per IND AS, only short term Bank Deposit with original maturity of less than three months shall be part of Cash & Cash Equivalent. Accordingly Bank deposits amounting to INR 310,000,000 which were classified as Cash & Cash Equivalents in Indian GAAP are classified as "Financial Assets - Current - Bank Balances Other than Cash & Cash Equivalents" under Ind AS.

9. Current and Non Current Classification - errors under Previous GAAP

The company has reassessed the current vs non current classification and has made significant reclassification.

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
F.R.N.- 318171E

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521

Place: Bhubaneswar
Date: 27.10.2017



04TH
ANNUAL
REPORT
2016-17



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD

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

OHPC Corporate Office, OSPH & W C Building

JANPATH, BHOINAGAR, BHUBANESWAR – 751022,

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

Web site : www.ohpcltd.com, E-mail : ohpc.co@gmail.com / info@gedcol.com

CIN : U40102OR2013SGC016747

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GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD

Board of Directors

Sh Hemant Sharma, IAS
Chairman-cum-Managing Director

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

COMPANY SECRETARY
Sh P K Mohanty

STATUTORY AUDITOR
BATRA SWAIN & ASSOCIATES,
Chartered Accountants

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

BANKERS
State Bank of India
Union Bank of India
Axis Bank

REGISTERED OFFICE
OHPC Corporate Office, OSPH & W Corporation Building, Janpath, Bhoinagar,
Bhubaneswar -751022.
Tel.: 91-674-2542922, 2542983, 2545526, 2542826, Fax : 0674-2542102,
Email :info@gedcol.com



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD
(A Wholly Owned Subsidiary of OHPC Ltd)
DIRECTORS' REPORT 2017

Dear Members,

Your Directors are pleased to present the 4th Annual Report of the Company on the business and operations of the Company along with the audited Financial Statement, Auditor's report, Report of the Secretarial Auditor and review of Financial Statement by the Comptroller and Auditor General of India for the financial year ended 31st March, 2017.

1. FINANCIAL PERFORMANCE :

The Financial results for the year ended 31st March, 2017 are summarized below.

Particulars	(Rs in Lakhs)	
	2016-17	*2015-16
INCOME		
Revenue from Operation	1482.97	49.26
Other Income	211.98	109.83
Total Income	1694.95	159.09
EXPENDITURE		
Employee Benefit Expenses	61.39	31.52
Operational Expenses	37.99	-
Other expenses	26.40	19.73
Total Expenditure	125.78	51.25
Profit before depreciation, Finance cost and Tax	1569.17	107.84
Depreciation	546.71	33.69
Profit after depreciation but before Finance cost and Tax	1022.46	74.15
Finance Cost	338.42	19.02
Profit after depreciation, Finance cost but before Tax	684.04	55.13
Tax	216.46	21.17
Profit after depreciation, Finance cost and Tax	467.58	33.96
Other comprehensive Income (OCI)	-	-
Total Comprehensive Income (TCI)	467.58	33.96

* Figures of financial year 2015-16 has been re-casted to make them IND-AS compliant.

1.1 REVENUE:

GEDCOL has generated total revenue of Rs.16.95 crore during Financial Year 2016-17.

1.2 EXPENSES:

The total expenditure during Financial Year 2016-17 was Rs.1.01 crore.



1.3 DIVIDEND:

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

2. COMMERCIAL PERFORMANCE:

20 MW Solar Project at Manmunda.

GEDCOL was allotted 20 MW Solar Power Plant at Manmunda in Boudh District under Jawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I. The project has been commissioned successfully during March' 2016 (15 MW) and June 2016 (5 MW). During the year under review, 27.01 Million Units (MU) were generated. The plant capacity utilization factor during F.Y. 2016-17 was 16.04 %. GEDCOL has generated revenue from this project for Rs. 14.72 crore.

3. Status of ongoing Projects:

3.1 Rooftop Solar Project.

MNRE has sanctioned 4 MW Solar Rooftop Project on the non-residential Govt. Buildings in twin city of Cuttack-Bhubaneswar through PPP mode. 199 nos. of buildings have been identified (126 in Bhubaneswar and 73 in Cuttack) for taking up Roof Top installations. M/s AZURE Power Ltd is executing the Project. The project has been implemented in the following Govt. Buildings:-

SI No.	Name of the Govt. Building	Capacity (KWp)	Date of synchronization
1.	Psychology & Public Admin Building, Utkal University.	47.12	12.05.2017
2.	Physics & Chemistry Building, Utkal University.	88.35	09.06.2017
3.	Gopabandhu & Madhusudan Hostel, Utkal University.	88.35	09.06.2017
4.	Jaydev Bhawan, Bhubaneswar.	55.80	22.08.2017
5.	Odisha State Secretariat, Bhubaneswar.	265.05	22.08.2017
6.	Nirman Soudh, Bhubaneswar.	114.70	22.08.2017
7.	Odisha University of Agriculture & Technology	176.70	22.08.2017

3.2 Solar Park.

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

IFC has been engaged as Transaction Advisor for the Solar Park project to be developed in a PPP mode.

The selection for land patch in various Districts are being explored for setting up Solar Park.

3.3 Replication Scheme in 15 (fifteen) towns.

On 32nd ECI Meeting held on 27.07.2016, it was decided to replicate roof top solar to the other cities of Odisha in this context. GEDCOL has engaged consultant M/s. IFC as Transaction Advisor for replication of roof top solar on the 15 other cities of Odisha-Sambalpur, Burla, Hirkud, Rourkela, Berhampur, Chatrapur, Jeypore, Koraput, Sunabeda, Nabarangpur, Balasore, Bhadrak, Baripada, Puri, Khurda.

IFC has conducted the primary surveys in 8(eight) cities and estimated capacity of solar roof top under net metering in 5600 KWp.

For the other 7(seven) nos. of cities survey work in under progress. Once the survey is completed the transaction structure shall be finalization along with bid documents.



3.4 Solar Projects in OPTCL Sub-station Premises:

GEDCOL is under process to develop Solar Plants on the un-utilized lands available inside OPTCL Grid Sub-stations at Duburi, Baripada, Bolangir, Koraput & Rairangpur including OHPC Power House at Mukhiguda. DPR has been prepared by Gujarat Energy Research & Management Institute (GERMI) for 16.4 MW capacity at these sites. Tender for selection of EPC contractor shall be published within 15 (fifteen) days.

3.5 Small Hydro Projects by GEDCOL:

Detailed Project Report (DPR) has been prepared for 3 MW (2 X 1.5MW), Jambhira SHEP in Mayurbhanj District and 4.2 MW (2 X 2.1 MW), Kanupur SHEP in Keonjhar District and submitted to Engineer in Chief (Electricity) for execution of "Implementation Agreement"

GEDCOL had requested State Technical Committee (STC) for allotment of 4 nos. SHEPs namely, Kharag - I, II, IIA and III (Kandhamal District) of capacity 96 MW in favour of GEDCOL for development. However, it has been decided to go for one or two project instead of 4 (four) SHEPs.

The proposal to take up Salki - 1, 2 & 3 (Kandhamal District) projects for a capacity of about 36 MW was proposed to be taken up. However, now it is decided to take up as a major SHEP with a provision of irrigation potential.

PFR for another SHEP namely, Garjan Khol (Angul District) of approx. 10 MW capacity is under preparation by M/s WAPCOS.

GEDCOL and Steel Authority of India Limited (SAIL), Rourkela have agreed to develop 10 MW, Mandira SHEP in Sundargarh District in Joint Venture mode. Preliminary survey has been completed by M/s MECON and site for installation of Power House has been finalized. DPR for the same is under preparation by M/s MECON. Approval from Govt. of Odisha has been sought for signing of the Shareholders' Agreement and formation of JV Company between GEDCOL and SAIL.

4. DEPOSITS:

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

5. LOAN, GUARANTEE OR INVESTMENTS:

Particulars of loans, guarantees or investments u/s 186 of Companies Act, 2013 are NIL.

6. RELATED PARTY TRANSACTIONS:

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

7. HOLDING COMPANY:

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

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

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



9. CSRACTIVITIES:

The disclosures pertaining to CSR activities as specified under section 135 of the Companies Act, 2013 are not applicable for the year under review.

10. EXTRACT OF ANNUAL RETURN:

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

11. STATUTORY AUDITOR:

The Comptroller & Auditor General of India, New Delhi have appointed M/s Batra, Swain and Associates, Chartered Accountants, Bhubaneswar as the Statutory Auditors of the Company for the fourth financial year ended 31st March 2017.

12. INTERNAL AUDITOR:

M/s B S Subudhi & Co, Chartered Accountants, Bhubaneswar has been appointed as Internal Auditor of the company in pursuant to the provisions of Section 138 of the Companies Act, 2013 for F.Y. 2016-17.

13. SECRETARIAL AUDITOR:

The Board has appointed M/s T K Satpathy & Co, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is placed at ANNEXURE-III.

14. AUDITORS REPORT:

The reports of the Statutory Auditors and comments of the Comptroller and Auditor General of India on the account of GEDCOL for the year ended 31st March, 2017 and the replies of the Management to the report of the Statutory Auditors is enclosed to this report.

15. BOARD OF DIRECTORS:

The Board of your Company comprised of following Directors:-

Sl No.	Name	Date of Appointment	Date of Cessation	Designation
1.	Sh Hemant Sharma, IAS (DIN:-01296263)	20.01.2014 10.02.2017	10.02.2017 -	MD CMD
2.	Sh Vishal Kumar Dev, IAS (DIN:-01797521)	22.08.2017	-	Director
3.	Sh Rajesh Verma, IAS (DIN:-01725746)	07.12.2015	10.02.2017	Chairman
4.	Sh C.R Pradhan (DIN: 00127539)	21.05.2013	-	Director
5.	Sh B B Acharya (DIN: 06567542)	21.05.2013	-	Director
6.	Sh S C Bhadra (DIN: 01896713)	21.05.2013	-	Director
7.	Sh S.K Tripathy (DIN:-07915634)	22.08.2017	-	Director
8.	Late S K Jena (DIN:-05169683)	15.04.2014	23.01.2017 (Death)	Director
9.	Sh A K Mishra (DIN:-07421760)	04.02.2016	31.07.2017 (Retirement)	Director



16. BOARD MEETINGS:

The Board Meetings are held normally at Bhubaneswar. During the financial year 2016-17, total 05 nos. of Board Meetings were held.

17. AUDIT COMMITTEE:

The Audit Committee comprises the following Members:

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

18. KEY MANAGERIAL PERSONNEL:

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

19. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts for the year ended March 31,2017, the applicable Accounting Standards read with requirements set out under Schedule-III to the Act, have been followed along with proper explanation relating to material departures; if any; had been followed by the Company along with proper explanation relating to material departures in the Notes to Accounts and Accounting Policies;
- b) the Directors have selected such accounting policies and applied them consistently except as disclosed in the Notes on reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2017 and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detection fraud and other irregularities.
- d) the Directors had prepared the annual accounts on a going concern basis.
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DECLARATION OF INDEPENDENCE:

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

21. GENERAL:

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



1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. There have been no Material Changes and Commitments subsequent to the Balance Sheet.
3. There are no Companies which have become or ceased as subsidiaries, joint ventures or associate companies during the Year.

22. Acknowledgments:

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

For and On behalf of the Board of Directors

Place: Bhubaneswar
Date:- 16.09.2017

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



Annexure to Director's Report

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken and on hand.

- a. Technical specifications of electronic equipments such as inverter, SCADA etc. have been formed to do away with the requirement of Air Conditioning.
- b. LED Lamps have been used for Internal Lighting.
- c. Provision has been made for rainwater harvesting.
- d. About 10 Acres of land which had trees was not used for installation of PV modules for the sake of maintaining green cover.

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

- NIL-

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

-NA-

-NIL-

B. TECHNOLOGY ABSORPTION

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING 2016-17

		(Rs. in Lakhs)	
		2016-17	2015-16
(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.	3.42	12.55



FORM No.MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

V. REGISTRATION AND OTHER DETAILS :

i)	CIN	U40102OR2013SGC016747
ii)	Registration Date	18 th April,2013
iii)	Name of the Company	Green Energy Development Corporation of Odisha Ltd.
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered Office and contact details	OHPC Corporate Office, Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar 751022
vi)	Whether listed Company Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

VI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and Description of main products /services	NIC Code of the Product /service *	% to total turnover of the Company
1.	Electric Power Generation using Solar Energy.	35105	30.96%

*As per classification under National Industrial classification, Central Statistical Organization, Ministry of Statistics and programme implementation, Government of India, New Delhi.

VII. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

Sr. No.	Name of the Company	Address	CIN/GLN	Holding / Subsidiary / Associate	% of shares held by the Company/Subsidiary/Associate Company	Applicable Section
1.	Odisha Hydro Power Corporation Ltd.	Vani Vihar Chhak, Janpath, Bhoi Nagar, Bhubaneswar-751022	U40101OR1995SGC003963	Holding	100.00	2(46)

VIII. HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Members	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual (Nominee)	0	600	600	0.12	0	600	600	0.12	0.00
b) Central Govt									
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	502600	502600	99.88	0	502600	502600	99.88	0.74
e) Banks /FI	0	0	0	0.00	0	0	0	0	0.00
f) Others	0	0	0	0.00	0	0	0	0	0.00
Sub-Total (A) (1):	0	503200	503200	100.00	0	503200	503200	100.00	100.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	0	503200	503200	100.00	0	503200	503200	100.00	0.74
B. Public Shareholding	0	0	0	0	0	0	0	0	0.00
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
a) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
b) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total public shareholding (B) = (B) (1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	503200	503200	100.00	0	503200	503200	100.00	0.74



(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	OHPC along with 6 nominees.	503200	503200	100.00	0	503200	503200	100.00
	Total	503200	503200	100.00	0	503200	503200	100.00

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

SI No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	503200	100.00	503200	99.14
	Shares allotted during the year	0	0	0	0
	At the end of the year (As on 31.03.2017)	503200	100.00	503200	99.14

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

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

(v) Shareholding of Directors and Key Managerial Personnel :

SI No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the Beginning (01.04.2015)/end of the year (31.03.2016)	%of total Shares of the Company				Share	%of total shares of the Company
A.	DIRECTORS							
1.	Sh Hemant Sharma, IAS,CMD	100	0.14	01.04.2016	0	0	100	0.14
		100	0.14	31.03.2017	0	0	100	0.14
2.	Sh S C Bhadra	0	0	01.04.2016	0	0	0	0
		100	0.14	29.09.2016	0	0	0	0
		100	0.14	31.03.2017	100	Transfer	100	0.14



3.	Sh A K Mishra	100	0	01.04.2016	0	0	0	0
		100	0.14	31.03.2017	100	0	100	0.14
4.	Late S K Jena	0	0	01.04.2016				
		100	0.14	29.09.2016	0	0	0	0
		100	0.14	23.01.2017(Death)	0	0	0	0
5.	Sh C R Pradhan	0	0	01.04.2016	0	0	0	0
		0	0	31.03.2017	0	0	0	0
6.	Sh B B Acharya							
		0	0	01.04.2016	0	0	0	0
		0	0	31.03.2017	0	0	0	0
B.	KEY MANAGERIAL PERSONNEL							
1.	Sh P. K Mohanty, Company Secretary	Nil	Nil		Nil	Nil	Nil	

INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness (in Rs.)
Indebtedness at the beginning of the Financial Year				
(i) Principal amount	Nil	15,00,00,000	Nil	Nil
(ii) Interest due but not paid	Nil	93,03,904	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	15,93,03,904	Nil	Nil
Change in Indebtedness during the Financial Year				
Addition	15,00,00,000	30,50,00,000	Nil	Nil
Reduction	Nil	15,00,00,000	Nil	Nil
Net Change	15,00,00,000	14,50,00,000	Nil	Nil
Indebtedness at the end of the Financial Year				
Principal amount	15,00,00,000	30,50,00,000	Nil	Nil
Interest due but not paid	Nil	1,98,19,417	Nil	Nil
Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	15,00,00,000	32,48,19,417		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (in Rs.)
1.	Gross salary	-	-	-	-	-
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	-	-	-	-	-



	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- As % of profit					
	- Other s, specify.....					
5.	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act					

Note: Remuneration to Managing Director, whole time Directors-NIL

B. Remuneration to other Directors :

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
1.	Independent Directors	Sh S C Bhadra	Late S K Jena	Sh C R Pradhan	Sh B B Acharya	
	Fee for attending board committee meetings	Rs.35,000/-	Rs.30,000/-	Rs.30,000/-	Rs.30,000/-	Rs. 1,25,000/-
	Commission	Nil	Nil	Nil	Nil	-
	Others, please specify	Nil	Nil	Nil	Nil	-
	Total (1)	Rs.35,000/-	Rs.30,000/-	Rs.30,000/-	Rs.30,000/-	Rs. 1,25,000/-
2.	Other Non-Executive Directors					-
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
3.	Total (2)	Nil	Nil	Nil	Nil	Nil
4.	Total (B) = (1+2)	Rs.35,000/-	Rs.30,000/-	Rs.30,000/-	Rs.30,000/-	Rs. 1,25,000/-
5.	Total Managerial Remuneration					
6.	Overall Ceiling as per the Act	NA				

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

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



VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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



Observations of the Statutory Auditors

BASIS FOR QUALIFIED OPINION

1. The Company's Capital Work in Progress is carried in the Balance Sheet at Rs. 1,97,94,166/- for Small Hydro Projects (SHEP) which is paid towards the consultancy fees such as preparation of PFR, DPR etc. If we go by the provisions of the "Indian Accounting Standard (Ind AS) 38: Intangible Assets", Overhead Expenditures in the nature of Consultancy Fees should have been charged as revenue expenses instead of capitalising them as certain criteria for capitalization such as i) intention to complete ii) ability to use or sell the intangible asset iii) probable future economic benefits are absent, Therefore, the Management should have charged the Consultancy Fees shown as Capital Work in Progress in the Statement of Profit and Loss instead of capitalising them which constitutes a departure from the Accounting Standards referred to in sub section(1) of section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's records indicate that had the management stated the Administrative and Overhead Expenditures in the statement of profit and loss, then an amount of Rs.1,97,94,166/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs.1,97,94,166/- and net profit and other equity would have been reduced by Rs.1,97,94,166/-.
2. The Company's Other Current Liabilities state a figure of Rs.19,55,79,257/- which includes a figure of Rs.17,83,45,200/- under the sub-head "Withheld Amount". But as the same is deducted from the bill of the Contractor, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,83,45,200/- and net profit and shareholders' funds would have been increased by Rs.17,83,45,200/-.

Replies of the Management

The expenditures under question are mainly incurred towards consultancy charges incurred for preparation of PFRs and DPRs of small SHEPs. The said PFR and DPRs are saleable documents. Hence, the company has shown the expenditures under Capital Work in Progress for Rs.1,97,94,166/- in line with the provisions of INDAS-38.

Since the contracts with BHEL, WAPCOS & MECON are yet to be closed, it is shown under the Current Liability under the sub-head "Withheld Amount".



Annexure to the Independent Auditors Report
In respect of Fixed Assets :

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

The preparation of Fixed Assets Register is under progress.

For BATRA SWAIN & ASSOCIATES
Chartered Accountants
(Firm Registration No.322050E)

A N MAHAPATRA
Partner
Membership No.:066784

Place: Bhubaneswar
Date:-16.09.2017

For and On behalf of the Board of Directors

HEMANT SHARMA, IAS
Chairman-cum-Managing Director
DIN:-01296263



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

To,

The Members,
GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
(CIN NO. U40102OR2013SGC016747)
OHPC CORPORATE OFFICE, OSPH&W CORPORATION BUILDING,
JANPATH,BHOI NAGAR, BHUBANESWAR-751022.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 ("Audit Report") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not Applicable to the Company during the Audit Period).
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not Applicable to the Company during the Audit Period).
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not Applicable to the Company during the Audit Period).



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period).
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company during the Audit Period).
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period).
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period).
- (f) The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period).
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period).
- (vi) Other laws as may be applicable specifically to the company:
 - 1. Indian Electricity Act, 2003
 - 2. Environmental (Protection) Act, 1986
 - 3. Income Tax Act, 1961
 - 4. Wealth Tax Act, 1948
 - 5. Service Tax Act, 1994
 - 6. The Orissa Entry Tax Act, 1999
 - 7. The Central Sales Tax Act, 1956
 - 8. The Orissa Value Added Tax Act, 2004
 - 9. The Indian Stamp Act, 1889
 - 10. Right to Information Act, 2005
 - 11. The Industrial and Labour Laws consisting of
 - a) Contract Labour (Regulation and Abolition) Act, 1970
 - b) The Minimum Wages Act, 1948
 - c) Payment of Wages Act, 1936
 - d) Maternity Benefit Act, 1961
 - e) Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013
 - f) The Orissa Shop and Establishment Act, 1956
 - g) Payment of Gratuity Act, 1972
 - h) The payment of Bonus Act, 1965
 - i) The Industrial Dispute Act, 1947



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

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

We further report that

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

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

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

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

*Place : Bhubaneswar
Date : 28.08.2017*

For T.K Satapathy & Co.,
Company Secretaries

Trinath K. Satapathy
CP No.2682, FCS:4731



223.82 KWP Rooftop Solar Installed at Utkal University, Bhubaneswar



Independent Auditors' Report

TO

THE MEMBERS OF GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED.

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying STANDALONE Ind AS FINANCIAL STATEMENTS of Green Energy Development Corporation of Odisha Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flow and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as Stand Alone Ind AS Statement).

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these STANDALONE Ind AS FINANCIAL STATEMENTS that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind Ass) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the STANDALONE Ind AS FINANCIAL STATEMENTS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these STANDALONE Ind AS FINANCIAL STATEMENTS based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered



Accountants of India and those specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the STANDALONE Ind AS FINANCIAL STATEMENTS are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the STANDALONE Ind AS FINANCIAL STATEMENTS . The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the STANDALONE Ind AS FINANCIAL STATEMENTS , whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the STANDALONE Ind AS FINANCIAL STATEMENTS that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the STANDALONE Ind AS FINANCIAL STATEMENTS .

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

1. The Company's Capital Work in Progress is carried in the Balance Sheet at Rs. 1,97,94,166/- for Small Hydro Projects (SHEP) which is paid towards the consultancy fees such as preparation of PFR, DPR etc. If we go by the provisions of the “ Indian Accounting Standard (Ind AS) 38: Intangible Assets”, Overhead Expenditures in the nature of Consultancy Fees should have been charged as revenue expenses instead of capitalising them as certain criteria for capitalization such as i) intention to complete ii) ability to use or sell the intangible asset iii) probable future economic benefits are absent, Therefore, the Management should have charged the Consultancy Fees shown as Capital Work in Progress in the Statement of Profit and Loss instead of capitalising them which constitutes a departure from the Accounting Standards referred to in sub section(1) of section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's records indicate that had the management stated the Administrative and Overhead Expenditures in the statement of profit and loss, then an amount of Rs. 1,97,94,166/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs. 1,97,94,166/- and net profit and other equity would have been reduced by Rs. 1,97,94,166/-
2. The Company's Other Current Liabilities state a figure of Rs.19,55,79,257/- which includes a figure of Rs.17,83,45,200/- under the sub-head "Withheld Amount". But as the same is deducted from the bill of the Contractor, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,83,45,200/- and net profit and other equity would have been increased by Rs. 17,83,45,200/-

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid STANDALONE Ind AS FINANCIAL STATEMENTS give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure- A” a statement on the matters specified in paragraphs 3 and 4 of the Order.



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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and, Statement of Cash Flow and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
- d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flow and the Statement of Change in Equity comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure- B**”, and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

I. Power Sector:

DIRECTIONS	OBSERVATIONS
(1) Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	(1) The management has constructed the boundary wall around the plant site having an installed capacity of 15MW and 5MW, which is separated by a village road, but as the entire 20MW is now successfully commissioned so apparently there is no question of any encroachment and there is no idle land with the Company. Further, as per the clarification by the management, there is no pending litigation in the name of the Company.
(2) Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	(2) Land has been acquired on lease from IDCO in setting up Manmunda project. During the year, no further compensation is paid.



- (3) Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?
- (4) How much cost has been incurred on abandoned projects and out of this how much cost has been written off?

(II) Generation

- (1) In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.
- (2) Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?
- (3) Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?
- (4) How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?
- (5) In the case of hydroelectric projects the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

(III) Others:

- (1) Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?
- (2) Whether there are any cases of waiver/write off of debits/ loans/ interest etc, if yes, the reasons there for and the amount involved.
- (3) Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other Authorities.

- (3) The Company has raised its bill of revenue for the year. But none of it has been realised. But the bills are raised as per the power purchase agreement and the units transmitted through the grid.
- (4) As explained to us, there are no abandoned projects.

- (1) At present the Company does not have any thermal power project.
- (2) The company has not entered into any revenue sharing agreements with private parties for extraction of coal at pitheads.
- (3) The Company does not deal with coal in any manner.
- (4) Its Power purchase agreement doesn't have any clause regarding share of free power with state government.
- (5) The Company is yet to set up any hydroelectric project.

- (1) The Company has acquired the land from IDCO on lease and the company has clear lease deeds in its name.
- (2) There are no cases of waiver/write off of debits/loans/interest etc,
- (3) No inventory is lying with third parties and no assets are received as gift from Government or other Authorities.

Place: Bhubaneswar
Date : 31.07.2017

For **BATRA SWAIN & ASSOCIATES.**
Chartered Accountants
(Firm Registration No. 322050E)

A N MAHAPATRA
Partner
Membership No.: 066784



“ANNEXURE- A”

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

i) In respect of Fixed Assets :

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

ii) In respect of Inventories :

The Company does not have any Inventories and therefore, the reporting requirements regarding this, are not applicable.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Act.

iv) Except for the purchase of Land (which is purchased from IDCO, a Govt of Odisha Undertaking), the Company has neither purchased any inventory or fixed assets and nor sold any goods during the period under audit. The Company has only booked the revenue from sale of power as the agreement with SECI, therefore the provisions of clause (iv) of Companies (Auditor's Report) Order, 2017 are not applicable to the Company.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.



- viii) According to the information and explanations given to us and based on the documents and records produced to us, the company has defaulted in repayment of any loan from any Financial Institution, Banks or Governments. Further, the company has not obtained any borrowings by way of debentures.
- ix) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the company has not taken any term loan and therefore, provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.
- xi) The Managerial Remuneration paid or provided are in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- xii) The Company is not a Nidhi Company so the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the stand alone Ind AS financial statements as required by the applicable accounting standards.
- xiv) The company has not made any preferential allotment during the year so the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Bhubaneswar
Date : 31.07.2017

For **BATRA SWAIN & ASSOCIATES**
Chartered Accountants
Firm Regn No. 3220503E

A N MAHAPATRA
PARTNER
M. NO. 066784



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE Ind. AS FINANCIAL STATEMENTS OF GREEN ENERGY DEVELOPMENT
CORPORATION OF ODISHA LIMITED**

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

We have audited the internal financial controls over financial reporting of Green Energy Development Corporation of Odisha Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, **except to point no-(I) of the Companies (Auditor's Report) Order 2016** an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bhubaneswar
Date: 31.07.2017

For **Batra Swain & Associates**
Chartered Accountants
FRN-322050E

A.N. Mahapatra
Partner
M.No-066784



**Comments of the Comptroller and Auditor General of India under Section 143(6)
(b) of the Companies Act, 2013 on the Financial Statements of
Green Energy Development Corporation of Odisha Limited for the
year ended 31st March, 2017.**

The preparation of financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(7) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on Independent Audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 31 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary Audit under Section 143(6) (a) of the Act of the Financial Statements of Green Energy Development Corporation of Odisha Limited for the year ended 31 March 2017. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory Auditors' report.

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

Sd/-

(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place: Bhubaneswar
Date : 24.08.2017



FINANCIAL STATEMENT

FOR THE FINANCIAL YEAR 2016-17



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
(A wholly owned subsidiary of OHPC Ltd.)



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
BALANCE SHEET AS AT 31ST MARCH'2017
CIN : U40102OR2013SGC016747

(All amount in ₹)

Particulars	Notes	As at 31st March,2017	As at 1st April,2016	As at 1 st April,2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	1,49,43,73,407	1,18,61,36,778	8,50,81,583
Capital work-in-progress	5	1,97,94,166	37,45,24,838	1,17,22,41,871
Intangible assets		-	-	-
Financial assets		-	-	-
Investments		-	-	-
Loans		-	-	-
Other financial assets		-	-	-
Deferred tax assets (net)	6	-	-	8,86,306
Other non-current assets		-	-	-
Total non-current assets		1,51,41,67,573	1,56,06,61,616	1,25,82,09,760
Current assets				
Financial assets		-	-	-
Investments	7	89,39,43,202	23,34,61,067	-
Trade receivables	8	15,32,22,480	49,25,682	-
Cash and cash equivalents	9	1,07,32,288	1,26,86,950	15,44,09,325
Bank balances other than above		-	-	-
Loans	10	15,67,46,315	14,82,48,458	24,54,01,920
Other financial assets	11	20,648	-	10,250
Current Tax Assets (Net)		-	-	-
Other current assets		-	-	-
Total current assets		1,21,46,64,933	39,93,22,157	39,98,21,495
Total assets		2,72,88,32,506	1,95,99,83,772	1,65,80,31,255
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	50,32,00,000	50,32,00,000	49,89,00,000
Other equity	13	5,08,86,739	41,29,117	7,33,037
Total equity		55,40,86,739	50,73,29,117	49,96,33,037
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	14	15,00,00,000	-	-
Trade payables		-	-	-
Other Financial liabilities		-	-	-
Provisions				
Deferred tax liabilities (Net)	15	87,92,044	1,80,433	-
Other non-current liabilities	16	86,90,00,000	20,00,00,000	10,00,00,000
Total non-current liabilities		1,02,77,92,044	20,01,80,433	10,00,00,000
Current liabilities				
Financial Liabilities				
Borrowings	17	32,48,19,417	37,65,19,115	-
Trade payables	19	58,35,15,193	65,98,98,200	1,03,03,74,691
Other financial liabilities	18	2,98,22,360	2,98,00,000	-
Other current liabilities	20	19,55,79,257	18,49,25,648	2,64,08,178
Provisions	21	1,32,17,496	13,31,260	16,15,349
Total current liabilities		1,14,69,53,723	1,25,24,74,223	1,05,83,98,218
Total Equity and Liabilities		2,72,88,32,506	1,95,99,83,772	1,65,80,31,255

See accompanying notes to the financial statement. 1 to 37

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

For Batra Swain & Associates
Chartered Accountants
FRN 322050E

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

A.N Mohapatra
Partner
Membership
No.066784
Place: Bhubaneswar
Date: 31.07.2017

P. K Mohanty
Company Secretary & CFO

A.K Mishra
Director
DIN-07421760

Hemant Sharma, IAS
CMD
DIN-01296263



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED
Statement of Profit and Loss for the year ended 31st March'2017

Particulars	Notes	For the Year ended 31 st March'2017	For the Year ended 31 st March'2016
Revenue from operations :			
Sale of Energy (Solar Power)	22	14,82,96,798	49,25,682
Other income		12,75,900	4,26,060
Finance Income	23	1,99,21,989	1,05,58,050
Total income		16,94,94,687	1,59,09,792
Expenses			
Operational Expenses	24	37,99,241	-
Employee benefit expenses	25	61,38,703	31,52,233
Finance cost	26	3,38,42,218	19,02,385
Depreciation and amortization expense	27	5,46,71,179	33,68,988
Other expenses	28	26,39,822	19,72,791
Total expenses		10,10,91,163	1,03,96,397
Profit / (Loss) before exceptional items and tax		6,84,03,525	55,13,396
Tax expense			
Current tax	15	1,30,34,292	10,50,577
Deferred tax	15	86,11,611	10,66,739
Profit / (Loss) for the period from continuing operation		4,67,57,622	33,96,080
Profit before exceptional items		-	-
Exceptional items profit for the period		-	-
Other comprehensive income		-	-
Total other comprehensive income, (net of tax)		-	-
Total comprehensive income for the period		4,67,57,622	33,96,080
Earnings per equity share (of ₹.1000 each)			
Basic (in ₹)		92.92	6.75
Diluted (in ₹)		92.92	6.75
See accompanying notes to the financial statement.	1 to 37		

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

For Batra Swain & Associates
Chartered Accountants
FRN 322050E

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

A.N Mohapatra
Partner
Membership
No.066784
Place: Bhubaneswar
Date: 31.07.2017

P. K Mohanty
Company Secretary & CFO

A.K Mishra
Director
DIN-07421760

Hemant Sharma, IAS
CMD
DIN-01296263



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(All amount in ₹)

Particulars	Equity share capital	Other Equity Reserves & Surplus			Total other equity	Total equity
		Retained earnings	Capital reserve	General reserve		
As at 1st April, 2015	49,89,00,000	7,33,037	0	0	7,33,037	49,96,33,037
Profit for the year	-	33,96,080	0	0	33,96,080	33,96,080
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	33,96,080	0	0	33,96,080	33,96,080
Transfer to general reserve	-	-	-	-	-	-
At 31st March, 2016	50,32,00,000	41,29,117	0	0	41,29,117	50,73,29,117
Profit for the year	-	4,67,57,622	0	0	4,67,57,622	4,67,57,622
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
At 31st March, 2017	50,32,00,000	5,08,86,739	0	0	5,08,86,739	55,40,86,739

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

For Batra Swain & Associates
Chartered Accountants
Firm's Registration number 322050E

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

A.N Mohapatra
Partner
Membership
No.066784
Place: Bhubaneswar
Date: 31.07.2017

P. K Mohanty
Company Secretary & CFO

A.K Mishra
Director
DIN-07421760

Hemant Sharma, IAS
CMD
DIN-01296263



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED AS AT 31ST MARCH,2017

(All amount in ₹)

Particulars	For the year ended 31 st March,2017	For the year ended 31 st March,2016
(A) Cash flow from / (Used in) Operating Activities :		
Net Profit/ (Loss) Before Tax from Continuing Operations	6,84,03,525	55,13,396
Profit for the year before Tax	6,84,03,525	55,13,396
Adjustments to reconcile profit before Tax to net cash flow		
Depreciation and impairment of property, plant and equipment	5,46,71,179	33,68,988
Amortization and impairment of intangible assets	-	-
Finance Income(including fair value change in financial instruments)	-	-
Finance Costs (including fair value change in financial instruments)	-	-
Interest Income from Bank Deposit	(1,99,21,989)	(1,05,58,050)
	10,31,52,715	(16,75,667)
Operating Profit/(Loss) before working capital changes		
Adjustment for Working Capital :		
Increase/ (Decrease) in Loan & Advance	(84,97,857)	9,71,53,462
Increase/ (Decrease) in Trade Receivable	(14,82,96,798)	(49,25,682)
Increase/ (Decrease) in Other Current Assets	(20,648)	10,250
Increase/ (Decrease) Short Term Borrowing	(5,16,99,698)	37,65,19,115
Increase/ (Decrease) Trade payable	(7,63,83,007)	(37,04,76,491)
Increase/ (Decrease) in Other Financial Liabilities	22,360	-
Increase/ (Decrease) in Other Current Liabilities	1,06,53,610	15,85,17,470
Increase/ (Decrease) in Short Term Provisions	(97,479)	1,37,124
Cash Generated from / (Used in) Operations	(17,11,66,802)	25,52,59,581
Direct Tax paid (net of refunds)	(10,50,577)	(14,71,790)
Net Cash flow from / (Used in) Operating Activities (A)	(17,22,17,379)	25,37,87,791
(B) Cash Flow from/ (Used in) Investing Activities		
Increase/ (Decrease) in Ccapital Work in Progress	35,47,30,672	79,77,17,034
Increase/ (Decrease) in Pre Operative Expenditure	-	-
Increase/ (Decrease) in Property, Plant and Equipment	(36,29,07,808)	(1,10,44,24,183)
Increase/ (Decrease) in long term advance	-	-
Increase / (Decrease) in Investments	(66,04,82,134)	(23,34,61,067)
Interest Income from Bank Deposit	1,99,21,989	1,05,58,050
Net Cash Flow from / (Used In) Investing Activities(B)	(64,87,37,282)	(52,96,10,167)
(C) Cash Flow from / (Used in) Financing Activities		
Increase in Borrowings	15,00,00,000	-
Increase in Other financial Liabilities	86,90,00,000	-
Received from Govt. of Odisha	(20,00,00,000)	10,00,00,000
Proceeds from Issue of Share Capital	-	43,00,000
Net Cash Flow from / (Used in) Financing Activities (C)	81,90,00,000	10,43,00,000
Net Increase / (Decrease) in Cash and Cash Equivalent	(19,54,661)	(17,15,22,376)
Bank Balance (A+B+C).		
Cash and cash equivalent at beginning of period (Refer Note.9)	1,26,86,950	15,44,09,325
Cash and Cash equivalent at end of period (Refer to Note No.9)	1,07,32,288	1,26,86,950

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

For Batra Swain & Associates

Chartered Accountants

Firm's Registration number FRN 322050E

For & on behalf of the Board of Directors

Green Energy Development Corporation of Odisha Ltd.

A.N Mohapatra
Partner

Membership
No.066784
Place: Bhubaneswar
Date: 31.07.2017

P. K Mohanty
Company Secretary & CFO

A.K Mishra
Director
DIN-07421760

Hemant Sharma, IAS
CMD
DIN-01296263



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017.

1. Company overview.

The financial statements comprise financial statements of GEDCOL for the year ended 31st March, 2017. The company is a Public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is a wholly owned subsidiary of OHPC Ltd; Govt. of Odisha State PSU.

GEDCOL is principally engaged in the generation of Grid connected renewable energy and Roof Top Solar Project in the State of Odisha. GEDCOL has also designated as Nodal Agency of the State for on Grid connected Solar Energy.

2. Significant Accounting Policies.

2.1 Basis of preparation of financial statements.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (GAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note No.3.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Revenue recognition

Revenue from the sale of energy is recognised after GEDCOL has transferred the risks and rewards of ownership to the buyer and the Company retains neither a continuing managerial involvement, nor effective control over the energy sold; usually, this means that sales are recorded upon delivery of energy to buyer in accordance with the agreed terms of delivery.

The specific recognition criteria described below must also be met before revenue is recognised.

2.2.1 Sale of Electricity:

Revenue from the sale of electricity is recognised when the significant risks and rewards of ownership of the sale have passed to the buyer, usually on the metering point of Sonapur GRID substation. Revenue from the sale of electricity value of the consideration received or receivable.

2.2.2 Rendering of service:

Revenue from Roof Top is recognised as per contractual terms. Revenue from fee received as Nodal Agency is recognised upon receipt of cash.



2.2.3 Interest Income.

Interest income financial assets is recognized when it is probable that the benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable.

2.3 Government grants

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

Government grants relating to the purchase of property, plant and equipment are recognised as income over the expected useful life of the assets. Other government grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they were intended to compensate. Government Grants are regarded as deferred income till the condition attached to it are complied with and will be considered as income only when the said conditions are complied with and the related expenditures are incurred.

2.4 The company has followed cost model for measurement of property, plant and equipment.

They are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location and working condition for intended use and inclusive of incidental expenses relating to acquisition and financing cost capitalized. The Company depreciates property, plant and equipment over their estimated useful life using the straight line method.

Management believes based on a Technical advice, taking in to account the nature of the asset; the estimated usage of the asset, the operating condition of the asset, manufacturer warranties; maintenance support, the Management estimate useful life of the Assets are as follows:

Lease Hold Land	:	Over the lease period
Solar Power Plant	:	25 Years
Office Equipment	:	5 Years.
Computer Installation (Laptop)	:	3 Years
Electrical Installation	:	10 Years

Under the previous GAAP (India GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of historical cost. The Company has elected to regard those values of property as deemed cost.

Advance paid towards the acquisition of property, plant and equipment's outstanding at each Balance Sheet date is classifying as capital Advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work in Progress".



2.5 Intangible Assets.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

2.6 Financial Instruments.

The Company recognizes financial assets and liabilities; when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at cost.

Cash and cash equivalents.

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial liabilities.

Financial liabilities are measured at cost.

2.7 Borrowing Cost.

Borrowing cost directly attributable to the acquisition, construction or production of an assets that necessarily takes substantial period of time to get ready for intended use are capitalised as a part of the cost of the assets. All other borrowing costs are expensed in the period in which they occur.

2.8 Income Taxes.

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



2.9 Accounting of Provisions, Contingent liabilities and contingent assets.

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. When the Company expects some or all of a provision to be reimbursed. The expenses relating to a provision is presented in the statement profit and loss net of any reimbursement.

2.10 Earnings per share (EPS).

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

2.11 Critical accounting judgments and Key sources of estimation.

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

Contingences and commitments.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Key sources of estimation uncertainty.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period , that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



Useful lives of property, plant and equipment.

As described in Note-2 the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were changes to the useful lives and residual values of the property, plant and equipment.

Cash flow statement.

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Explanation of transition to IND AS.

As stated in Note 2, the Company's financial statements for the year ended 31 March, 2017 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliation provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Reconciliations

The accounting policies as stated above in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the financial statements for the year ending 31 March, 2016 and the preparation of an opening Ind AS statement of financial position as at 1 April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

Key Impact Areas on Financials Results		
Income Taxes: Deferred Tax-Ind AS 12		
Previous GAAP	Ind AS	Impact
1. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. 2. MAT credit was shown separately.	1. A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. 2. Tax credit (MAT) is a part of deferred tax.	1. Deferred tax assets to the extent of Rs.19,79,262/- is recognised as assets in the year 2013-14 and such assets is reversed during 2014-15 as such tax loss is utilised during that year, hence there is no impact on opening balance sheet as on 1st April 2015. 2. Deferred tax liability of Rs.10,66,739 (net of deferred tax on timing difference, MAT and deferred tax assets on tax loss) recognised during 2015-16 as against deferred tax liabilities of Rs.16,99,98,309/- recognised under earlier GAAP



Accounting for Government Grants and Disclosure of Government Assistance: Ind AS 20		
Previous GAAP	Ind AS	Impact
Department of Energy, Govt of Odisha vide letter No 10460 dated 29th December 2014 sanctioned and released a sum of Rs.10.00 Crore in the FY 2014-15. Further as per State Plan 2015-16 Rs.10.00 Crore was released by Govt of Odisha during the FY 2015-16 in favour of GEDCOL for New & Renewal Energy. The said amount has been shown as "Grant" under Capital Reserve	The Grant is an entity specific grant (not project/ assets specific) for infrastructure development. The company has not utilised the grant. The related expenses are yet to be made and utilisation certificate in that respect are to be furnished only after such grant is utilised. So, grant received is shown as deferred income and will be credited to profit and loss account in the year of related expenditure made.	<ol style="list-style-type: none"> 1. Capital reserve is reduced by Rs.10.00 Crore in the FY-2014-15(i.e. on opening balance sheet date on 1st April 2015) and by Rs.10.00 Crore in the FY-2015-16. 2. Other non-current liabilities ("Deferred Income") is increased by Rs.10.00 Crore in the FY-2014-15(i.e. on opening balance sheet date on 1st April 2015) and by Rs.10.00 Crore in the F.Y-2015-16.
		Investment IND AS 32/107/109
Previous GAAP	Ind AS	Impact
Short term investments are shown as current investments and interest accrued thereon is shown under other current assets.	Current investments are shown at fair value. Interest accrued on investments are added with the investment to arrive at carrying amount.	<ol style="list-style-type: none"> 1. No impact on opening Balance Sheet as at 1st April 2015. 2. Investment is increased by Rs.32,41,087.39 and other current assets reduced by Rs.32,41,087.39 in the FY 2015-16

20 MW Solar Photo-Voltaic Power Plant Commissioned at Manamunda in Boudh, Odisha by GEDCOL



GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD										
Property, Plant and Equipment										
Note No.4 (All amount in ₹)										
Particular	Cost			Depreciation			Net Carrying Amount			
	Cost as on 01.04.2016	Additions	Sales/Adjustment	Cost as on 31.03.2017	Up to 01.04.2016	For the year	Sales/Adjustment	Up to 01.04.2017	As at 31.03.2017	As at 31.03.2016
Land										
Lease hold	8,57,07,836	1,72,79,127		10,29,86,963	19,15,012	16,17,893	30,047	35,62,951	9,94,24,012	8,37,92,824
Free hold										
Plant & Machinery										
Plant & Equipment	-									
Solar Power Plant	1,09,76,38,644	36,21,09,542	1,74,56,566	1,44,22,91,619	19,88,111	5,23,07,035	31,618	5,42,63,527	1,38,80,28,092	1,09,56,50,533
Electrical Installation	67,19,211	8,67,766		75,86,977	40,223	7,29,748	1,572	7,71,543	68,15,434	66,78,988
Computer Installation	-	1,07,940		1,07,940	-	14,609		14,609	93,331	
Office Equipment	16,328	-		16,328	1,895	1,895		3,790	12,538	14,433
Total	1,19,00,82,019	38,03,64,375	1,74,56,566	1,55,29,89,827	39,45,241	5,46,71,179		5,86,16,420	1,49,43,73,407	1,18,61,36,778
Previous Year	8,56,57,836	1,10,44,24,183	-	1,19,00,82,019	5,76,253	33,68,988	-	39,45,241	1,18,61,36,778	8,50,81,583

Description Notes:

1. Company has acquired leasehold land form IDCO ,measuring Ac 152.324,aluing Rs.8,52,12,129 /- vide lease agreement dated 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
2. Leasehold land has been amortized over a lease period of 64 years w.e.f 10th Oct 2014 & 3rd December 2014 for Ac 109.494 & Ac 42.83 respectively.
3. 5MW balance of 10MW block was commissioned on 06.06.2016 & accordingly depreciation for the period from 06.06.2016 to 31.03.2017 (299 days) was taken in to account.



Note No-5 Capital Work In Progress (All amount in ₹)										
Particular	Cost			Depreciation			Net Carrying Amount			
	Cost as on 01.04.2016	Additions	Deletion/ Transfer to Assets	Cost as on 31.03.2017	Upto 01.04.2016	For the year	Sales/Adj ustment	Upto 01.04.20 17	As at 31.03.2017	As at 31.03.2016
a).Materials Supplied by BHEL(20MW SPV Project at Manamunda	32,79,20,750	-	32,79,20,750	-	-	-	-	-	-	32,79,20,750
b)Erection & Commissioning.Materials Supplied by BHEL(20MW SPV Project at Manamunda	3,38,06,250	-	3,38,06,250	-	-	-	-	-	-	3,38,06,250
c).Advisory/Consultancy Service(20MW SPV Project at Manamunda)	3,82,542	-	3,82,542	-	-	-	-	-	-	3,82,542
d).Transmission Line(20MW SPV Project Manamunda)	-	-	-	-	-	-	-	-	-	-
e).SHEP Project	1,24,15,296	73,78,870	-	1,97,94,166	-	-	-	-	1,97,94,166	1,24,15,296
Total	37,45,24,838	73,78,870	36,21,09,542	1,97,94,166	-	-	-	-	1,97,94,166	37,45,24,838
Previous Year	47,60,080	1,16,74,81,791	-	1,17,22,41,871	-	-	-	-	-	1,17,22,41,871



(All amount in ₹)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
6. Deferred tax assets (net)			
Deferred Tax			8,86,306.00
CURRENT ASSETS			
7. Investments			
Fixed deposit with Banks pledge as security		23,02,19,980	
Interest Accrued but not due	46,23,218	32,41,087	
Term Deposit (HDFC Bank Ltd)	9,99,99,990		
Term Deposit (Union Bank of India)	15,93,20,000		
Term Deposit (Andhra Bank)	57,00,00,000		
Term Deposit (Axis Bank)	5,99,99,994		
Total	89,39,43,202	23,34,61,067	-
8. Trade receivables			
Sundry Debtors for Sale of solar Power	15,32,22,480	49,25,682	-
Total	15,32,22,480	49,25,682	-
9. Cash and cash equivalents			
Cash in hand	13,560	2,113	12,088
Balance with Banks:-			
- On Current accounts	1,07,18,728	1,26,84,837	15,43,97,237
- On Deposit Accounts	-	-	-
-Un claimed dividend Account	-	-	-
Total	1,07,32,288	1,26,86,950	15,44,09,325
10. Loans & Advance			
TDS Receivable	5,91,117	7,39,621	7,06,963
Advance to OHPC	-	-	10,00,00,000
Temporary advance	-	-	4,157
Advance Income Tax (CBDT)	91,26,673		
Deposit From Others(5MW Roof Top)	12,48,971	8,18,359	-
Mobilisation Advance(BHEL)	14,46,90,800	14,46,90,800	14,46,90,800
Mobilisation Advance(WAPCOS)	3,50,000	3,50,000	-
Mobilisation Advance(MECON LTD)	7,38,754	7,38,754	-
Advance & Deposit(OFDC)	-	9,10,924	-
Total	15,67,46,315	14,82,48,458	24,54,01,920
11. Others Current Assets			
Interest Accrued but not due			10,250
Other	20,648	-	-
Total	20,648	-	10,250



(All amount in ₹)

EQUITY & LIABILITIES			
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
12. Equity			
Equity Share capital			
Authorised			
10,00,000 Equity Shares of Rs.1000/- each	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
Issued, subscribed & paid-up			
5,03,200 Equity Shares(Previous Year 4,98,900 Equity Share) of Rs.1000/- each fully paid-up	50,32,00,000.00	50,32,00,000	49,89,00,000
Total	50,32,00,000.00	50,32,00,000	49,89,00,000

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Reconciliation of the number of shares outstanding as at 31st March' 2017, 31st March' 2016 and 31st March 2015 is set out below.

	No. of shares	No. of shares	No. of shares
Number of Shares at the beginning of the year	5,03,200	4,98,900	70,000
Add:-Shares issued during the year	-	4,300	4,28,900
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	5,03,200	5,03,200	4,98,900

The Company has only one class of shares referred to as equity shares having a par value of Rs.1000 each holder of equity of shares.

The Shares (in aggregate) of each class held as at 31st March 2015 31st March,2016 & 31st March,2017 is set out below:

Holding company & its Nominees		5,03,200	4,98,900
Ultimate Holding Company		-	-
Subsidiaries		-	-
Associates of the Holding Company		-	-
Associates of the Ultimate Holding Company		-	-
		5,03,200	4,98,900

The Details of shareholder holding more than 5% shares as at 31st March, 2017 is set out below:

% Held as at 31st March'2017	No. of shares	No. of shares	No. of shares
M/s Odisha Hydro Power Corporation Limited and its Nominees	100	5,03,200	4,98,900
	100	5,03,200	4,98,900



(All amount in ₹)

The details of Shares issued in the preceding years from as at 31st March, 2017 is set out below:

		Year (Aggregate No. of Shares) 2016-17	Year (Aggregate No. of Shares) 2015-16
Fully paid up pursuant to contract(s) without payment being received in cash.		Nil	Nil
Fully paid up by way of bonus shares		Nil	Nil
Shares bought back		Nil	Nil
13. Other Equity			
Retained Earning			
Opening Balance	41,29,117	7,33,037	(64,05,380)
(+) Net Profit / (Net Loss) For the current year	4,67,57,622	33,96,080	71,38,417
Closing Balance	5,08,86,739	41,29,117	7,33,037
NON CURRENT LIABILITIES			
14. Financial Liabilities			
Borrowings (Term Loan - REC Ltd)	15,00,00,000	-	-
Trade payables	-	-	-
Other financial liabilities (other than those specified above)	-	-	-
Total	15,00,00,000	-	-
15. Income taxes			
Current tax	1,30,34,292	10,50,577	14,71,790
Deferred tax	86,11,611	10,66,739	(8,86,306)
Opening	1,80,433	(8,86,306)	
For the year	86,11,611	10,66,739	
Closing	87,92,044	1,80,433	
Total Tax	2,16,45,902	21,17,316	5,85,484
Reconciliation of Income Tax			
Profit before tax	6,84,03,525	55,13,396	
Income Tax @ 30.9%	2,11,36,689	17,03,639	17,03,639
Income Tax on non deductible expenditure (lease land amortisation)	5,09,212	4,13,677	
Total Tax	2,16,45,902	21,17,316	
Components of deferred tax			
Deferred Tax liabilities on temporary difference	26,10,15,113	16,99,98,309	-
Deferred Tax assets on unused Tax credit	(1,30,34,292)	(10,50,577)	(8,86,306)
Deferred Tax assets on unused Tax Loss	(23,93,69,211)	(16,78,80,993)	-
Deferred Tax liabilities/(assets) for the year	86,11,611	10,66,739	(8,86,306)
16. Other Non Current Liabilities			
Grant In Aid (Govt. of Odisha)/ Deferred Income	86,90,00,000	20,00,00,000	10,00,00,000



The break-up of Govt. grant of Rs.86.90 is as under :-

- i) Infrastructure Assistance for Rs.30.00 crore.
- ii) Roof Top Project (4 MW) for Rs.18.80 crore.
- iii) 16.40 MW Solar Capacity Project on un-utilized land available at 8 nos Grid / Substation of OPTCL and 1 nos. at Mukhiguda Power House of OHPC (as per 13th Finance Commission) for Rs.38.10 crore.

(All amount in ₹)

CURRENT LIABILITIES			
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
17. Financial Liabilities			
Borrowings			
Short Term Borrowing			
Inter Corporate Loan (OHPC)	32,48,19,417	15,93,03,904	
OD-Account-HDFC	-	19,16,19,793	-
OD-Account-UNION BANK	-	2,55,95,418	-
Total	32,48,19,417.00	37,65,19,115	-
Over draft against the Term Deposit with Banks has been availed for release of payment due to BHEL against Supply of Materials for 20MW SPV Project at Manamunda.			
18. Other Financial Liabilities			
Retention Money / Withheld A/C	22,360		
Deposit From Others(MNRE, GoI)	2,98,00,000	2,98,00,000	
Total	2,98,22,360	2,98,00,000	
19. Trade payables			
Sundry Creditors for supply of Materials	44,44,90,952	52,46,73,200	1,03,03,74,691
Sundry Creditors for Works	13,52,25,000	13,52,25,000	-
Sundry Creditors for others	37,99,241	-	-
Total	58,35,15,193	65,98,98,200	1,03,03,74,691
Trade Payables are subject to confirmation. Pending such confirmation, the balance as per books have been taken into account. Trade payables are non-interest bearing.			
20. Other current liabilities			
Payable for expenses and others to holding Company (OHPC)	1,08,10,333	55,06,268	43,54,748
TDS Payable	9,58,139	13,35,203	15,541
Entry Tax Payable	-	1,12,766	2,15,25,426
Service Tax Payable	47,404	27,934	618
Work Contract Tax Payable		-	7,800
Withheld Amount *	17,83,45,200	17,77,00,000	-
Deposit from Others (5MW Roof Top)		-	4,36,968
EMD from Contractor/Suppliers	50,91,077	91,077	31,077
Security Deposit From Contractors & suppliers	15,165	7,463	-
Salary Payable	1,92,189	59,062	-
Audit Fees Payable	1,19,750	85,875	27,000
Director Sitting fees Payable		-	9,000
Total	19,55,79,257	18,49,25,648	2,64,08,178
*A sum of Rs.17,70,00,000/- , Rs 7,00,000/- & Rs.6,45,200/- has been withheld from BHEL, WAPCOS & MECON respectively , as the contract is yet to be closed.			
21. Provisions			
Provision for others (Outstanding Liabilities)	1,83,204	2,80,683	1,43,559
Provision for Income Tax (MAT)	1,30,34,292	10,50,577	14,71,790
Provision for Income Tax.	-	-	-
Total	1,32,17,496	13,31,260	16,15,349



INCOME	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
22. Revenue From Operations		
Sale of Power	14,82,96,798	49,25,682
Total	14,82,96,798	49,25,682
<p><i>During FY 2015-16, the tariff rate for the purpose of revenue recognition in the Financial Statement was considered at Rs. 4.50/- per unit as there was a delay in commissioning of the project and as per the terms of the PPA executed with SECI, the Unit rate will be reduced proportionately from the original agreed sale price of Rs. 5.45/- per unit. Whereas in FY 2016-17, SECI vide their letter dtd 25.11.2016 has informed inter alia that “since the project was not commissioned within stipulated 24 months as MNRE Guidelines, the same was referred to the Committee constituted by MNRE to remove difficulties to take a view for continuance of the project under the JNNSM Phase –II, Batch-1 scheme. The matter was discussed by the Committee and in-principle approval was given to regularize the delay as a special case”. Accordingly, in the F.Y. 2016-17, the Tariff rate @ Rs.5.45/- has been considered for Revenue recognition purpose. The total unit of Solar Power generated from the project during F.Y. 2016-17 was 27.019627 MU.</i></p>		
23. Other Income & Finance Income		
Processing Fee	12,75,900	-
Other non- operating Income- Interest Received from Bank Deposit	1,99,21,989	1,05,58,050
Misc. Receipt*		4,26,060
Total	2,11,97,889	1,09,84,110
*Misc. Receipt includes Rs.2.99 lakhs liquidity damage and penalty recovered from contactors and others.		
EXPENSES		
24. Operational Expenses		
Annual Maintenance Cost:		
20MW SPV at Manamunda	37,99,241	
Others		
Total	37,99,241	
25. Employee benefits expense		
Salary & Allowances (Administrative)	61,38,703	31,52,233
Others	-	-
Total	61,38,703	31,52,233
26. Finance costs		
Interest on Inter Corporate Loan(OHPC)	1,16,83,904	8,78,103
Interest on Term Loan (REC Ltd)	1,23,41,095	
Interest on OD Account with Banks HDFC	86,49,722	10,18,218
Interest on OD Account with Banks Union Bank	11,67,497	6,064
Total	3,38,42,218	19,02,385
27. Depreciation and amortization expense		
Lease hold	16,17,893	13,38,759
Solar Power Plant	5,23,07,035	19,88,111
Electrical Installation	7,29,748	40,223
Computer installation	14,609	-
Office Equipment	1,895	1,895
Total	5,46,71,179	33,68,988



(All amount in ₹)

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
28. Other Expenses	2016-17	2015-16
Printing & Stationary	70,546.00	11,609
Sitting Fees	1,43,675.00	1,94,004
Postage & Stamp Exps.		-
Meeting Expenses	38,263.00	53,562
Bank charges	43,478.81	3,05,364
Professional Charges	2,69,500.00	1,22,671
Contract service expenses	42,664.00	-
Miscellaneous Expenses	2,14,227.00	1,40,029
R & M Vehicle		16,305
R & M Others	21,400.00	14,748
Vehicle Running Expenses	99,030.00	3,66,249
Software package		6,595
Travelling & Conveyance	4,83,173.00	2,41,643
Advertisement	1,23,816.00	1,07,530
Fees & Subscription	1,09,748.00	2,70,900
Electricity Charges		-
Outside Training Fees		28,000
Legal Expenses		-
Rent (Office)		-
Vehicle Hire Charges	3,90,968.00	
ED Charges on Auxiliary Consumption 20MW SPV Manamunda	59,088.00	
Ground Rent (IDCO)	2,74,439.00	
SLDC Charges	1,22,652.00	
Insurance Charges	-	-
Telephone Charges	6,629.00	3,506
*Audit Fees	1,26,525.00	90,075
Total	26,39,822	19,72,791
*Audit Fees		
Audit Fees Statutory Audit	40,425	44,275
Audit Fees Internal audit	46,000	22,900
Audit fees –Tax audit	20,000	-
Audit Fees Secretarial Audit	20,100	22,900
	1,26,525.00	90,075



29. Mobilization Advance

Mobilization Advance paid to M/s. BHEL amounting to Rs.14,46,90,800/ - against submission of Bank Guarantee towards Performance BG & Advance BG group is shown under Current assets .

30. Contingent Liabilities / Provision

Odisha Hydro Power Corporation Ltd. (OHPC) holding Company had provided the BG for Rs. 6 (six) Crore issued in favour of Solar Energy Corporation of India Limited (SECI) on behalf of GEDCOL. The Bank Guarantee has been invoked by SECI due to non-completion of the project in time. The loss to the extent of Rs.6.00 crore set up with the liquidity damage deducted from BHEL to the tune of Rs.17.70 crore in the FY 2016-17.

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

a. CONTINGENT LIABILITIES Rs.1,99,456.00
Pending decision on Interest on over draft debited by HDFC Bank ltd after issuance of NOC has not been recognized as liability,

b. COMMITMENTS NIL

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

32. Company has not received intimation from any "enterprise" regarding its status under Micro Small & Medium Enterprise Development Act, 2006 (MSMED, Act) and therefore no disclosure under the said Act is considered necessary.

33. Foreign currency transactions

a) Expenditure incurred in foreign currency on cash basis being payment made to consultants. Rs.3,41,718

b) Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC. NIL

c) Traveling expenses. NIL

34. Related Party Transaction.

List of Related Parties.

34.1 a) Key Management Personnel : Shri Hemant Sharma, IAS, Chairman-cum-Managing Director
Shri P.K. Mohanty, Company Secretary & CFO
b) Relative of Key Management Personnel and their enterprises, where transactions have taken place : NIL

34.2 Transactions with related parties :

Details related to parties referred to in (1) (a) above.	2016-17	2015-16
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Sitting Fees and Director Exps. to all Directors	Rs. 1,43,675	Rs.2,18,008
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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Entity with significant influence over the Company	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
All amount in ₹				
OHPC Ltd.				
31 March 2017	NIL	NIL	NIL	33,56,29,750
31 st March 2016	NIL	NIL	NIL	16,48,10,172
1 st April 2015	NIL	NIL	NIL	NIL
35.	50% of the salary of three nos. of executives and 100% of the salary of two nos of executives of OHPC has been booked under Employee benefits of GEDCOL since they are discharging the day to day work of GEDCOL in addition to their job responsibility in OHPC.			
36.	In the option of the Board of Directors of the Company and to the best of their knowledge and belief, all the current assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.			
37.	Figures have been rounded off to the nearest rupees wherever considered necessary.			

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

For Batra Swain & Associates
Chartered Accountants
FRN 322050E

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

A.N Mohapatra
Partner
Membership
No.066784

P. K Mohanty
Company Secretary
& CFO

A.K Mishra
Director
DIN-07421760

Hemant Sharma, IAS
CMD
DIN-01296263

Place: Bhubaneswar
Date: 31.07.2017



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

**TO,
THE MEMBERS OF
ODISHA HYDRO POWER CORPORATION LIMITED
Report on the Consolidated IND AS Financial Statements**

We have audited the accompanying Consolidated IND AS financial statements of **ODISHA HYDRO POWER CORPORATION LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associates and its jointly controlled entities, which comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and Consolidated Statements of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred as “the Consolidated IND AS Financial Statement”).

Management's Responsibility for the Consolidated IND AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated IND AS financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India; including the Indian Accounting Standards prescribed under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated IND AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated IND AS financial statements based on our audit. While conducting the audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated IND AS financial statements are free from material misstatement. An audit involves



performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated INDAS financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the other matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated IND AS financial statements.

(A) Basis for Qualified Opinion (HOLDING COMPANY)

NON-CURRENT ASSETS:- Rs.20,32,52,78,758.00

1. Refer Note No-3:- 'CAPITAL WORK-IN-PROGRESS:- Rs. 69,12,54,130.00

It includes the following amount in respect of certain projects/assets either already abandoned or for which no future economic benefits are expected to be realised and completely impaired. But impairment loss has not been recognised on such assets in the statement of profit & loss for the year. Consequently, Non-Current Assets as well as Profit for the year is over stated by Rs.23,38,02,864.00.

Particulars of Projects/Assets	Units/Corporate Office	Amount(Rs.)
(i) Land ,Building, Roads, Bridges, Water Supply installation,Plant & Machinery Construction Vehicles and other Fixed Assets.	Potteru (UKHEP)	22,89,09,479.00
(ii) Expenditure on DPR (Sindol Project)	Corporate Office, Bhubaneswar	28,77,905.00
(iii) Office Building & Staff Quarters.	Corporate Office, Bhubaneswar	20,15,480.00
	Total (Rs.)	23,38,02,864.00

2. Refer Note No- 7:- OTHER NON-CURRENT ASSETS:- Rs.52,40,37,736.00

CAPITAL ADVANCES:-(HOLDING COMPANY)

Rs.30,51,758.00

(a)The following advances paid either for acquisition of Plant & Machinery or for construction of building or expenditure incurred in connection with certain capital assets taking a long period have not been presented under “Capital Advance” (Other Non-Current Assets) but shown under **Advance to Suppliers or Advance to Contractors** and classified by the management as Current Assets.



Particulars	Amount (Rs.)	Unit	Purpose
Advance to WAPCOS Ltd. (Shown under Advance to Suppliers)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP, Balimela.
Advance to WAPCOS Ltd. (Shown under Advance to Contractors)	7,10,470.00	BHEP, Balimela	For comprehensive contract management service for implementation of renovation and modernisation of unit 1 to 6 of BHEP Balimela.
Advance to BHEL (Shown Under Advance to Contractors)	20,07,106.00	RHEP, Rengali	Paid during 2012-13 & 2013-14 & Rs.9,20,000.00 in 2016-17
OCC Ltd (50% Advance for erection & stop log gate) (Shown Under Advance to Contractors)	16,78,446.00	RHEP, Rengali	50% Advance for erection & stop log gate.
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	4,77,80,365.00	CHEP, Chipilima	Paid against over hauling and maintenance of Unit-3 of Chiplima Power House
Voith Hydro (P) Ltd. (Shown Under Advance to Suppliers)	11,85,15,623.00	HHEP, Burla	Supply of imported equipments with insurance & customs duty in respect of Unit 5 & 6 of HHEP, Burla.
BHEL, Secunderabad (Shown Under Advance to Contractors)	73,60,000.00	UKHEP Bariniput	20% mobilisation Advance paid for capital maintenance of Unit IV.
WAPCOS (Shown under Advance to Contractors)	1,94,52,728.00	Corporate Office Bhubaneswar	For pump storage plant of UKHEP, UIHEP.
Total	19,82,15,208.00		

Consequently, Capital Advance (**Other Non-Current Assets**) is understated by Rs.19,82,15,208.00 and **Advance to Suppliers** and **Advance to Contractors** (Current Assets) are overstated by Rs.16,70,06,458.00 and Rs.3,12,08,750.00 respectively.

- (b) It includes a sum of Rs.18,00,000.00 paid to OCC Ltd. during the financial year 2003-14 by BHEP, Balimela towards over hauling and maintenance of stop log gates, sewage gates with arrangement including supply of materials/spares and consumables, erection, testing and commissioning, not yet completed but lying in damaged condition have not been written off. Consequently, Capital Advance (Non-Current Assets) as well as profit for the year is overstated by Rs.18,00,000.00.

3. Refer Note No-8:-

INVENTORIES:- (HOLDING COMPANY) Rs.42,28,02,068.00

- a. Inventories have been stated to be valued at lower of cost and net realisable value but net realisable value in none of the items has been determined for the purpose of valuation of inventories rather it is valued at cost. Thus requirement of **Ind-AS-2** has not been complied with.\
- b. It includes a large number of obsolete/unserviceable/damaged items. Pending determination of the same, provision for impairment in values has not been made in the accounts. **It impact over Inventories as well as statement of profit & loss for the year is not ascertainable.**
- c. In respect of UKHEP, Bariniput inventories does not include stock of Rs.30,49,988.00 received from BHEL for capital maintenance work during the year. Consequently Inventories as well as Trade Payables (Current Liabilities) are understated by Rs.30,49,988.00.

FINANCIALASSETS

4. Refer Note no-9:-

TRADE RECEIVABLES:- (HOLDING COMPANY) Rs.1,25,22,72,809.00

- a. It includes a sum of Rs.6,96,150.00 receivable from M/s Rathi Steels Ltd. towards charges for withdrawal of water since the financial year 2010-11. The said unit is reported to be closed down. Hence, chances of realisation is remote. However, the same has been considered as good debts and shown as debts outstanding for a period exceeding six months from the due date of payment. Provision for bad and doubtful debts on expected credit loss has not been made in accounts.
- b. Similarly, it includes a sum of Rs.11,93,36,326.00 receivable from GRIDCO Ltd. and Rs.1,76,66,639.00 from Chhatisgarh State Power Distribution Company Limited (CSPDCL) respectively on account of sale of energy relating to different past period continue in accounts without any recovery, again not accepted by the parties to be payable but has been considered as good debts, presented under debts outstanding for a period less than six months from the due date of payment without considering allowance for bad and doubtful debts and expected credit loss.

On account of such non-provision, for both[(a and b)], above “Trade Receivable” shown under Current Financial Assets as well as profit for the year is overstated by Rs.13,76,99,115.00.

5. Refer Note No-10:- CASH & CASHEQUIVALENTS Rs.12,09,91,64,537.00

OTHER BANK BALANCE:- Rs. 10,29,27,572.00

Refer Note No-11:- BANK BALANCE

OTHER THAN ABOVE: Rs.46,39,00,000.00



Balances with banks in current account, bank deposits with original maturity up to 3 months, more than three months and more than 12 months are not disclosed appropriately under cash and cash equivalents or bank balances other than above as required under IND AS.

6. Refer Note No-13:-

CLAIM RECEIVABLE:-(HOLDING COMPANY) Rs.5,59,07,198.00

It includes a sum of Rs.3,31,99,160.00 comprising of Electricity Duty of Rs.5,26,441.00 for the period from Feb 15 to March 15 and Water Cess of Rs.3,26,72,719.00 respectively for the period from September 14 to March 15 recoverable from GRIDCO Ltd continuing in accounts without any recovery again not accepted by the party to be payable Provision for doubtful claims on the basis of expected credit loss has not been made in the accounts. (On account of such non-provision Claim Receivable (others) as well as profit for the year is over stated by Rs.3,31,99,160.00

7. Refer Note No-14:- OTHER CURRENT ASSETS:- Rs.1,52,42,36,160.00

OTHER ADVANCES:- Rs. 17,80,38,053.00

(a) ADVANCE TO SUPPLIERS:-(HOLDING COMPANY)

(i) It includes the following un-reconciled and unconfirmed balances carried forward in accounts since past several years, no longer recoverable/ adjustable proposed by the units for write off but not written off.

Name of units	Amount (Rs)
(UIHEP) Khatiguda	2,13,74,304
HHEP,B urla	1,05,94,829
CHEP, Chipilima	66,655
Total	3,20,35,788

(ii) Similarly, following balances are payable to different suppliers set off against advance paid to parties continues in accounts since past several years, lying un-reconciled, unconfirmed, without any payment or adjustment, proposed by different units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP,Chipilima	10,50,000
UIHEP,Mukhiguda	26,863,199
Total	27,913,199

On account of such non write off/ write back, Advance to Suppliers(Current Assets) as well as Profit for the year is overstated by Rs 41,22,589/-

(b) ADVANCE TO CONTRACTORS:- (HOLDING COMPANY) Rs.4,83,75,501.00

It includes the following balances pertaining to different units continuing in accounts since past several years lying un-reconciled, unconfirmed and unadjusted, proposed by the units for write off but not written off.

Name of units	Amount (Rs.)
UIHEP(Khatiguda)	16,163,302
CHEP(Chipilima)	1,37,350
	1,63,00,652



On account of such non-write off, Advances to Contractors as well as Profit for the year is overstated by Rs 1,63,00,652/-

c) ADVANCE TO OTHERS:- (HOLDING COMPANY) Rs.2,72,34,785.00

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

Name of the units	Amount(Rs)	Remarks
UIHEP, Mukhiguda	36,00,945.00	DRDA Kalahandi & WESCO
UIHEP, Khatiguda	83,03,100.00	Collector, Nabarangpur, ADF Kalahandi. Special LAO, BDOs, OCAC Executive Engineers
RHEP, Rengali Corporate office, Bhubaneswar	20,06,400.00	RWSS division, Talcher
	6,82,500.00	E.E OPTCL, National Safety Council
	1,45,92,945.00	

On account of such non adjustment, Advances to Contractors under Current Assets as well as Profit for the year is overstated by Rs.1,45,92,945/-

(d) ADVANCE TO STAFF:- (HOLDING COMPANY) Rs.2,57,98,221.00

It includes following various old balances given to staff either retired or left the company but shown as either recoverable or payable towards different dues continuing in accounts since past several years remaining unreconciled, unpaid, unadjusted and unrecovered but neither written off/ nor written back.

Name of the units	Heads of Account	Debit(Rs)	Credit(Rs)
(i) Corporate Office, Bhubaneswar	GPF Advances (Deputationist)	2,32,398.00	-
(ii) UKHEP, Bariniput	Arrear pay Advance	25,000.00	-
	GPF Advance	79,513.00	-
(iii) HHEP, Burla	Motor Cycle Advances	-	67,820.00
	Festival Advances	-	-
	Other Advance to Staff	-	2,95,832.00
	CTD	1,31,052.00	20,10,699.00
(iv) BHEP, Balimela	PRD (GPF)		64,436.00
	PRD (Bank loan)		43,929.00
	Salary Payable		24,44,898.00
	Unpaid Salary Payable		7,766.00
	TA Payable		3,97,010.00
	Others Deduction (Employees)		6,28,840.00
	Provision for Ex-gratia		1,14,178.00
	Total	4,67,963.00	60,75,408.00



On account of such non adjustment Advances to Staff as well as Profit for the year is understated by Rs 56,07,445.00 (net amount).

FINANCIAL LIABILITIES

8. Refer Note No:-23

TRADE PAYABLES:- **Rs.61,03,38,670.00**

(a) SUNDRY CREDITORS

FOR SUPPLY OF MATERIALS:- (HOLDING COMPANY) Rs.1,71,23,120.00

It includes the following balances continuing in accounts since long lying un-reconciled, un-confirmed and unpaid and no longer payable proposed by the unit for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	1,48,99,112.00
BHEP, Balimela	11,51,799.00
Total	1,60,50,911.00

On account of such non-write back. Trade Payable is overstated by Rs.1,60,50,911.00 and profit for the year is understated is by similar amount.

(b) SUNDRY CREDITORS

FOR WORKS:- (HOLDING COMPANY) Rs.76,00,887.00

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

Name of the units	Amount (Rs.)
CHEP, Chipilima	11,61,339.00
BHEP, Balimela	36,21,779.00
	47,83,118.00

On account of such non-write back. Trade Payable is overstated by Rs.47,83,118.00 and profit for the year is understated is by similar amount.

9. CURRENT LIABILITIES :-

(a) Refer Note No:-24 **OTHERS:-** **Rs.5,80,96,16,784.00**

EMPLOYEES LIABILITIES:- (HOLDING COMPANY) Rs. 78,25,834.00

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

Particulars	Amount (Rs.)
Wages Payable	16,57,877.00
Salary Payable	27,96,550.00
Total	44,54,427.00



On account of such non-write back. Current liabilities is overstated by Rs.44,54,427.00 and profit for the year is understated is by similar amount.

(b) SECURITY DEPOSIT

FROM CONTRACTORS/SUPPLIERS:-(HOLDING COMPANY) Rs.5,55,37,766.00

It includes the following amount continue in the books of different units since long lying un-reconciled, un-confirmed and unpaid, no longer refundable but not written back.

Name of the Unit	Amount (Rs.)
UKHEP, Bariniput	799840.00
BHEP, Balimela	30967.00
UIHEP, Mukhiguda	167823.00
Total	9,98,630.00

On account of such non-write back, current liabilities are overstated by Rs.998630.00 and profit for the year is understated by similar amount.

(C) SECURITY DEPOSITS

FROM EMPLOYEES:-(HOLDING COMPANY) Rs.6,67,781.00

It includes the following balances continuing in books since long lying un-reconciled, un-confirmed, balance no longer refundable, proposed by the units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Khatiguda	20,434.00
UIHEP, Mukhiguda	63,666.00
Total	84,100.00

On account of such non-write back, current liabilities are overstated by Rs.84,100.00 and profit for the year is understated by similar amount.

(d) OTHER SECURITY DEPOSITS:-(HOLDING COMPANY) Rs.2035193.00

It includes the following amount continuing in books since long lying un-reconciled, un-confirmed balance no longer refundable, proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP Mukhiguda	8,88,304.00
UIHEP (Khatiguda)	2,14,470.00
Total	11,02,774.00

On account of such non-write back, current liabilities are overstated by Rs.11,02,774.00 and profit for the year is understated by similar amount.

(e) EMD FROM CONTRACTORS:-(HOLDING COMPANY) Rs.1,44,10,584.00

It includes the following amount continue in books since long lying un-reconciled, un-confirmed no longer refundable suggested by units for write back but not written back.

Name of the units	Amount (Rs.)
UIHEP, Mukhiguda	2,25,869.00
BHEP, Balimela	3,17,241.00
UKHEP, Bariniput	6,55,347.00
HHEP, Burla	5,50,022.00
Total	17,48,479.00



On account of such non-provision, current liabilities are overstated and profit for the year is understated by similar amount.

(f) WITH HELD/RETENTION MONEY:- (HOLDING COMPANY)Rs.12,05,67,201.00

It includes the following amount continue in the books of accounts of different units since long lying un-reconciled, un-confirmed no longer refundable proposed by units for write back but not written back.

Name of the units	Amount (Rs.)
CHEP, Chipilima	58,05,650.00
BHEP, Balimela	1,023.00
UIHEP, Mukhiguda	43,72,452.00
UIHEP, Khatiguda	5,00,439.00
	1,06,79,564.00

On account of such non-write back, current liabilities are overstated by Rs.1,06,79,564.00 and profit for the year is understated by similar amount.

10. Refer Note No:-25 ADVANCE AGAINST SALE OF SCRAP Rs.74,64,136.00
OTHER CURRENT LIBILITIES Rs.74,64,136.00

The above amount continues in accounts of different units since last few years remains un confirmed, un-reconciled and un-adjusted on account of certain disputes. The facts of such dispute and non-adjustment thereof has not been adequately disclosed.

11. PROVISION Rs. 1,05,69,36,810.00

(a) Refer Note No.26:-

PROVISION FOR OTHERS:- (HOLDING COMPANY) Rs.4,66,59,810.00

It includes a sum of Rs.99,33,853.00 in respect of Khatiguda unit being old, unclaimed, un-reconciled, and un-confirmed balance no longer payable proposed by the unit for write back but not written back consequently, provision is overstated and profit understated by Rs.99,33, 853.00

(b) OTHERS PAYABLE:- (HOLDING COMPANY)

A sum of Rs.2,15,00,000.00 is payable to BHEL under Central Plan since 2000-2001 lying in the books of corporate office as un-confirmed, un-reconciled and unadjusted.

12. OTHERS (TERMINAL BENEFITS) (HOLDING COMPANY)

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

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated in the point 3(b) & 12 of our report on the Consolidated IND AS financial statements of the Company for the year ended on 31st March 2017. we further state that without considering the impact of items stated in preceding para, the effect of which could not be determined, Had the observations made by us in point Nos 1 to 12 been considered in the Consolidated IND AS financial statements, profit before Tax for the year would have been Rs.1,72 93 99 626.00 as against the reported figure of Rs.2,11,54,73,650.00 in the Statement of Profit and Loss and figures reported in balance sheet under Non- Current Assets, Current Assets, other equity Current Liabilities would have been as under:-



Ref. in point no. covered in our above observations	Heads (CONSOLIDATED)	Ref. of note no. financial statements	Reported figures (in Rs.)	Figures would have been in view of effects of qualification (Rs.)
	<u>Non-Current Assets</u>			
1	Capital work-in-progress	3	69,12,54,130.00	45,74,51,266.00
	<u>Financial Assets</u>			
2	Investment (Non-Current) (BWCCCL)	4		
7	Loans	5		
	Other non-current assets	7		
3	Capital Advance		30,51,758.00	19,94,66,966.00
	<u>Current Assets</u>			
4	Inventories	8	42,28,02,068.00	42,58,52,056.00
5	Trade Receivable	9	1,25,22,72,809.00	1,11,45,73,694.00
7	Loans	12		
	Others	13		
	Claims Receivable		5,59,07,198.00	2,27,08,038.00
8	Other Current Assets	14		
	Advance to Suppliers		17,80,38,053.00	69,09,006.00
	Advance to contractors		4,83,75,501.00	8,66,099.00
	Advance to others		1,64,24,452.00	18,31,507.00
	Advance to staff		2,57,98,221.00	3,14,05,666.00
9	Trade Payable			
	Sundry creditors for Supply of materials	23	46,16,14,072.00	44,86,13,149.00
	Sundry Creditors for Works		14,28,25,887.00	13,80,42,769.00
	Others	24		
10	Employees Liabilities		78,25,834.00	33,71,407.00
10	Security Deposit, EMD, and Retention Money etc.		37,67,42,327.00	36,21,28,780.00
12	Provision	26		
	Provision for others		4,68,43,014.00	38,55,799.00



**(B) BASIS FOR QUALIFIED OPINION
(GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA)
(SUBSIDIARY COMPANY)**

1. The Company's Capital Work in Progress is carried in the Balance Sheet at 19794166.00 for Small Hydro Projects (SHEP) which is paid towards the consultancy fees such as preparation of PRE, DPR etc. If we go by the provisions of the "Indian Accounting Standard (Ind AS) 38: Intangible Assets", Overhead Expenditures in the nature of consultancy Fees should have been charged as revenue expenses instead of capitalising them as certain criteria for capitalization such as (i) intention to complete (ii) ability to use or sell the intangible assets (iii) probable future economic benefits are absent, Therefore the Management should have charged the Consultancy Fees shown as Capital Works in Progress in the statement of profit & loss instead of capitalising them which constitutes a departure from the Accounting Standards referred to in sub section (1) of section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's records indicate that had the Management stated the Administrative and Overheads Expenditures in the statement of profit and loss, then an amount of Rs. 1,97,94,166/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs. 1,94,94,166/- and net profit would have been increased by Rs. 1,97,94,166/- and net profit and other equity would have been reduced by Rs. 1,97,94,166/-

2. The Company's Other Current Liabilities state a figure of Rs. 19,55,79,257/- which includes a figure of Rs. 17,83,45,200/- under the sub head "withheld Amount". But as the same is deducted from the bill of contractors, and is not paid so the same should be recognized as revenue and not as liability. Accordingly, the total income would have been increased by Rs. 17,83,45,200/- and net profit and shareholders' funds would have been increased by Rs. 17,83,45,200/-

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, associate company and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and **except for the effects of the matter referred to in the basis for Qualified Opinion paragraph for holding company as well as subsidiary company given above**, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group subsidiary company, its associate company and jointly controlled entities as 31st March, 2017, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following notes on the Consolidated IND AS financial statements being matters pertaining to Odisha Hydro Power Corporation Limited (Holding Company) requiring emphasis by us. Our opinion is not qualified in respect of these matters:

1. **Refer Note No.46(c):-** Sale of energy of 16.3750 MU to CSPDCL @ INR 1.9564 per unit as provisionally approved by OERC as per the decision of joint meeting held on 28.10.2014 between OHPC and CSPDCL at Raipur, Chhatisgarh and the same may be revised in future.
2. **Refer Note No.46(d):-** Energy sold to GRIDCO reconciled both in quantity and value till 2014-15 and non-reconciliation of sales of energy for the period from financial year 2015-16 & 2016-17 and consequential adjustment required in revenue for the year in accounts.



3. Balance of Loans (Security Deposits), Trade Receivables, Claim Receivables, Deposit with Others, Advances, Balances of different Trusts, Security Deposits, Earnest Money Deposits, Retention Money and liability to others are subject to confirmation and reconciliation and consequential adjustments required in accounts.

Other Matters

- (a) We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of Rs. 272.88 Crores as at 31st March, 2017, total revenues of Rs.16.95 Crores and net cash inflows amounting toRs.(0.19) Crores for the year ended as on that date, as considered in the Consolidated IND AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated IND AS financial statements, in so far as it relates to the amounts and disclosures included in respect of above subsidiary company and our report in terms of sub section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.
- (b) We did not audit the financial statements of associate company and jointly controlled entities. The Consolidated IND AS financial statements also include the Group's share of net profit of Rs.(0.86) Crores for the year ended 31st March, 2017, as considered in the Consolidated IND AS financial statements, in respect of one associate and two jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated IND AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities and associate, is based solely on the reports of other auditors.

Our opinion above on the Consolidated IND AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

- (c) The financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1,2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31,2015 prepared in accordance with the Companies (Accounting Standards) Rule, 2006 (as amended) which were audited by previous auditors, on which they have expressed their unmodified opinion on different dates. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and jointly controlled entities, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and, except for the possible effect of matter described in **points no.3(b) and 12** of the paragraph on Basis of Qualified Opinion given above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated IND AS financial statements.



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated IND AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with relevant books of account maintained for the purpose of preparation of the Consolidated IND AS financial statements.
- (d) In our opinion the aforesaid Consolidated IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) In view of the Government notification No. GSR 463 (E) dated 5th June 2015, Government Companies are exempt from the applicability of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in “**Annexure A**”, which is based on the Auditors Report of the Holding Company. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company.
- (g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and jointly controlled entities, as noted in the 'Other matter' paragraph:
- i. The consolidated IND AS financial statements have disclosed the impact of pending litigations, wherever quantifiable, on the consolidated financial position of the Group, its associates and jointly controlled entities consolidated IND AS financial statements. **Refer Note no.52 to the Consolidated IND AS financial statements.**
 - ii. The Group, its associates and its jointly controlled entities are not required to make any provision for any material foreseeable losses under any law or accounting standards on long terms contracts. Also the Group, its associate and its jointly controlled entities are not dealing into derivatives contracts.
 - iii. No amount is required to be transferred to the Investor, Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled entities during the year ended 31st March, 2017.
 - iv. The Company has provided requisite disclosures in its Consolidated IND AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representations, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management. **Refer Note No. 58** to the Consolidated IND AS financial

PLACE: BHUBANESWAR
DATE :27th October 2017

FOR GNS & ASSOCITES
Chartered Accountants
FRN-318711E

CA NARAD P. SAHU
Partner
M NO-55224



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF ODISHA HYDRO POWER CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2017.

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE OF SUBSECTIONS 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”).

In conjunction with our audit of the Consolidated IND AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Odisha Hydro Power Corporation Limited (herein after referred to as “the Holding Company”) its subsidiary company, associate Company and jointly controlled Company. Which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls.

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

Auditors' Responsibility

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



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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

Qualified Opinion :

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the holding company internal financial controls over financial reporting as at March 31, 2017:

(a) The Holding company did not have an appropriate internal control system to ensure that correct or adequate provisions made pending receipt of bills/utilisation certificates from Vendors/Contractors/ Parties or Concerned Authorities at the year end. This could potentially result in non-accounting/booking of expenses or bills and timely non-adjustment of advances.

(b) The Holding company did not have an appropriate internal control system to obtain yearend balance confirmation in respect of Trade Receivable, Claim Receivable, Advances to Suppliers/Advance to Contractors/Advance to Others Trade Payable, Liabilities to Suppliers, Contractors and others and consequential reconciliation. This could potentially result into inaccurate reporting of assets and liabilities and some changes in financial statements.

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

In our opinion, **except for the effects / possible effects of the material weaknesses described above** on the achievement of the objectives of the control criteria, the holding Company, its subsidiary company, associates company and jointly Controlled Companies which are companies are incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the



essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

Other matter

Our aforesaid reports under Section 143(3) (I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company, one associate company and two jointly controlled companies, which are companies incorporated of such companies incorporated in India.

BHUBANESWAR
DATED-27th October 2017

FOR GNS&ASSOCITES
Chartered Accountants
FRN-318171E

CA NARAD P. SAHU
Partner
M NO-55224



Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act,2013 on the Consolidated Financial Statement of Odisha Hydro Power Corporation Limited for the year ended 31 March, 2017.

The preparation of Consolidated Financial statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2017 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with 129(4) of the Companies Act, is responsible for expressing opinion on the financial statements under Section 143 read with 129(4) of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated : 27 October 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) read with section 129(4) of the Act of the Consolidated Financial Statements of Odisha Hydro Power Corporation Limited for the year ended 31 March 2017. We conducted a supplementary audit of the Financial Statements of Green Energy Development Corporation of Odisha Limited, Odisha Thermal Power Corporation Limited, Baitarani West Coal Company Limited and Odisha Coal and Power Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors' report.

For and on behalf of
Comptroller & Auditor General of India

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar

Date : 29.12.2017



ODISHA HYDRO POWER CORPORATION LIMITED

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



AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2016-17

JANPATH, BHOINAGAR, BHUBANESWAR



Odisha Hydro Power Corporation Limited

Consolidated Balance sheet as at 31st March 2017

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

SI No	Particulars	Note No.	As at 31st March 2017 Ind AS	As at 31st March 2016 Ind AS	As at 1st April 2015 Ind AS
ASSETS :					
(1) Non-current Assets					
(a)	Property, plant & equipment	2	10,53,99,51,715	11,33,98,30,735	11,07,36,70,917
(b)	Capital work-in-progress	3	69,12,54,130	76,77,54,477	1,67,62,64,991
(c)	Investments accounted for using equity method	4	2,37,14,38,113	1,20,46,73,529	1,20,53,33,888
(d)	Financial Assets				
(i)	Loans	5	85,97,064	1,07,09,099	1,00,08,146
(ii)	Others	6	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
(e)	Other non-current assets	7	52,40,37,736	77,85,16,809	1,21,63,75,716
			20,32,52,78,758	20,29,14,84,648	21,37,16,53,658
(2) Current Assets					
(a)	Inventories	8	42,28,02,068	39,92,99,752	40,65,04,019
(b)	Financial Assets				
(i)	Trade receivables	9	1,40,54,95,288	1,06,91,36,703	1,42,03,87,042
(ii)	Cash & cash equivalents	10	12,09,91,64,537	11,19,97,87,737	8,96,91,05,327
(iii)	Bank balances other than (ii) above	11	46,39,00,000	31,00,00,000	31,00,00,000
(iv)	Loans	12	53,33,24,854	31,41,13,541	1,77,48,413
(v)	Others	13	51,23,70,963	52,28,31,686	66,12,88,215
(c)	Other current assets	14	1,52,42,36,160	1,56,66,85,530	95,95,07,029
			16,96,12,93,870	15,38,18,54,950	12,74,45,40,045
	TOTAL ASSETS		37,28,65,72,628	35,67,33,39,597	34,11,61,93,703
EQUITY AND LIABILITIES :					
Equity					
(a)	Equity share capital	15	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
(b)	Other equity	16	8,92,85,39,682	8,29,68,63,682	9,03,33,99,180
			15,86,50,46,682	14,68,33,70,682	12,43,14,06,180
Liabilities					
(1) Non-current Liabilities :					
(a)	Financial Liabilities				
(i)	Borrowings	17	10,92,20,90,000	11,07,43,90,000	11,54,21,96,737
(ii)	Others	18	10,02,588	14,20,840	4,90,761
(b)	Provisions	19	33,39,75,668	52,72,27,455	43,67,64,792
(c)	Deferred tax liabilities (Net)	20	1,66,81,01,293	1,79,82,62,859	46,81,67,242
(d)	Other non-current liabilities	21	86,90,00,000	20,00,00,000	10,00,00,000
			13,79,41,69,548	13,60,13,01,154	12,54,76,19,532
(2) Current Liabilities					
(a)	Financial Liabilities				
(i)	Borrowings	22	14,30,00,000	36,02,15,211	14,30,00,000
(ii)	Trade payables	23	61,03,38,670	68,82,03,626	1,08,11,69,438
(iii)	Others	24	5,80,96,16,784	5,50,67,83,189	7,53,80,30,213
(b)	Other current liabilities	25	74,64,136	80,61,005	80,72,926

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES

Chartered Accountants

F.R.N – 318171E

Place: Bhubaneswar
Date: 27.10.2017

N P Sahu
Partner
M. No. 55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521



Odisha Hydro Power Corporation Limited
Consolidated Statement of Profit and Loss for the financial year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

Particulars	Notes	For the year ending 31st March 2017	For the year ending 31st March 2016
Income:			
I Revenue from operations	27	4,47,32,01,717	4,19,62,00,478
II Other income	28	1,67,80,51,748	1,96,41,92,618
III Total Revenue (I+II)		6,15,12,53,465	6,16,03,93,096
Expenses:			
IV Repair & Maintenance expenses	29	45,14,02,033	47,96,85,666
Operation expenses	30	9,71,85,570	9,85,94,281
Employee benefits expense	31	1,29,79,95,437	1,23,49,64,405
Administrative & General expenses	32	15,73,51,917	17,11,24,182
Finance costs	33	80,90,64,528	84,34,90,254
Depreciation and amortization expense	34	1,21,20,28,575	1,37,92,10,627
Total Expenses (IV)		4,02,50,28,059	4,20,70,69,415
V Profit before share of profit/(loss) from equity accounted investees exceptional items & tax (III-IV)		2,12,62,25,406	1,95,33,23,681
VI Share of profit/(loss) of equity accounted investees (net of taxes)		(86,03,446)	(50,47,330)
VII Profit before exceptional items		2,11,76,21,960	1,94,82,76,351
VIII Exceptional items	35	21,48,310	1,93,924
IX Profit before tax (VI-VII)		2,11,54,73,650	1,94,80,82,427
X Tax expense:			
(a) Current tax		71,39,51,473	72,75,48,043
(b) Deferred tax		7,22,26,271	(2,15,28,568)
Total Tax	37	78,61,77,744	70,60,19,475
Profit for the year (VIII - IX)		1,32,92,95,906	1,24,20,62,952
Other comprehensive income			
Items that will not be reclassified to profit or loss		(58,48,00,730)	(57,08,37,145)
Income tax relating to items that will not be reclassified to profit or loss		20,23,87,837	19,75,55,319
Total comprehensive income for the period		94,68,83,013	86,87,81,127
Earnings per equity share (of ₹1000 each)			
Basic and Diluted (in ₹)	38	207.41	229.15

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
F.R.N – 318171E

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521

Place: Bhubaneswar
Date: 27.10.2017



Odisha Hydro Power Corporation Limited
Consolidated Statement of Cash Flow for the Financial Year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

For the year ended

Cash flow from operating activities	31st March 2017	31st March 2016
Profit for the year	2,11,54,73,650	1,94,80,82,427
<i>Adjustments for :</i>		
Depreciation & amortization	1,21,20,28,575	1,37,92,10,627
Finance costs	80,90,64,528	84,34,90,254
Finance income	(1,50,27,85,118)	(1,78,41,42,363)
Loss on sale of property, plant and equipment	2,72,200	56,24,511
Share of profit/(loss) of equity accounted investees (net of taxes)	86,03,446	50,47,330
Operating cash flows before working capital changes	2,64,26,57,280	2,39,73,12,786
<i>Changes in operating assets and liabilities</i>		
Inventories	(2,35,02,315)	72,04,267
Trade receivables	(33,63,58,585)	35,12,50,339
Other non current assets	-	-
Other assets	14,53,52,442	3,53,41,066
Trade payables	(7,78,64,956)	(39,29,65,812)
Other liabilities	(1,05,56,18,659)	(3,39,40,05,720)
Provisions - Non Current	(19,32,51,787)	9,04,62,663
Net cash provided by operating activities before taxes	1,34,65,42,070	(86,23,10,024)
Income tax Adjustment	3,73,42,482	
Income taxes paid	(72,75,48,043)	(78,36,91,768)
Net cash provided by operating activities	65,63,36,510	(1,64,60,01,792)
Cash flow from investing activities		
Purchase of property, plant and equipment	(35,65,73,183)	(74,57,59,805)
Proceeds from sale of property, plant and equipment	2,06,51,773	40,75,364
Investment in bank deposits	(15,39,00,000)	-
Investment in shares, debentures and other securities	(1,17,97,55,000)	-
Finance income received	1,41,47,67,051	1,88,72,47,833
Net cash generated / (used) in investing activities	(25,48,09,359)	1,14,55,63,392
Cash flow from financing activities		
Increase in share capital	55,00,00,000	2,98,85,00,000
Proceeds from short term borrowings	(21,72,15,211)	21,72,15,211
Receipt of grant in aid from Govtof Odisha	66,90,00,000	10,00,00,000
Dividend paid including DDT	(31,52,07,013)	(5,61,37,119)
Repayment of long term loan	(15,23,00,000)	(46,78,06,737)
Finance cost paid	(3,64,28,125)	(5,06,50,545)
Net cash generated/(used) in financing activities	49,78,49,650	2,73,11,20,810
Net increase in cash and cash equivalents	89,93,76,800	2,23,06,82,410
Cash and cash equivalents at the beginning of the period	11,19,97,87,737	8,96,91,05,327
Cash and cash equivalents at the end of the period (Note 10)	12,09,91,64,537	11,19,97,87,737

Explanatory Notes to Consolidated Statement Of Cash Flows

1. Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands, Postal orders & Stamps, Remittance in transit and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash & Cash equivalents as per Note 10 of the Balance Sheet is as under:

	31st March 2017	31st March 2016
Cash and cash equivalents	12,09,91,64,537	11,19,97,87,737
Cash and Cash equivalents comprises of the following:		
Earmarked Balance with Bank	11,06,84,00,000	10,87,63,31,847
Other Bank Balance	1,02,92,75,725	32,33,18,143
Cash on hand	2,21,925	1,31,825
Postal Orders & Stamps	16,887	5,922
Remittance in transit	12,50,000	-

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
F.R.N – 318171E

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521



Odisha Hydro Power Corporation Limited
Consolidated Statement of changes in equity as at 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

a Equity share capital

Particulars	Opening Balance as at 31st March 2016	Equity shares issued during the year	Closing Balance as at 31st March 2017
Equity Share	6,38,65,07,000	55,00,00,000	6,93,65,07,000

b Other equity

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance as at 1st April 2015	1,00,00,00,000	1,32,14,00,000	6,71,19,99,180	-	9,03,33,99,180
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,00,00,00,000	1,32,14,00,000	6,71,19,99,180	-	9,03,33,99,180
Total Comprehensive Income for the year	-	-	1,24,20,62,952	(37,32,81,826)	86,87,81,127
Dividends	-	-	(5,61,37,119)	-	(5,61,37,119)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified):	-	-	(1,54,91,79,504)	-	(1,54,91,79,504)
Balance at 31st March 2016	1,00,00,00,000	1,32,14,00,000	6,34,87,45,509	(37,32,81,826)	8,29,68,63,683

Particulars	Capital Reserve	Deemed Equity	Retained Earnings	Remeasurements of the defined benefit plans	Total
Balance at 31st March 2016	1,00,00,00,000	1,32,14,00,000	6,34,87,45,509	(37,32,81,826)	8,29,68,63,683
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	1,00,00,00,000	1,32,14,00,000	6,34,87,45,509	(37,32,81,826)	8,29,68,63,683
Total Comprehensive Income for the year	-	-	1,32,92,95,906	(38,24,12,893)	94,68,83,013
Dividends	-	-	(31,52,07,013)	-	(31,52,07,013)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified):	-	-	-	-	-
Balance at 31st March 2017	1,00,00,00,000	1,32,14,00,000	7,36,28,34,403	(75,56,94,719)	8,92,85,39,683

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

Significant Accounting Policy & Accompanying notes forming part of the financial statements in terms of our report of even date attached.

For GNS & ASSOCIATES
Chartered Accountants
F.R.N – 318171E

N P Sahu
Partner
M. No.55224

P.K Mohanty
Company Secretary

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

Vishal Kumar Dev, IAS
CMD
DIN:01797521

Place: Bhubaneswar
Date: 27.10.2017



ODISHA HYDRO POWER CORPORATION LTD
Company information, Significant accounting policies and notes to the accounts for the
financial year ended 31st March 2017

Group Information and Significant Accounting Policies.

1 Reporting Entity

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

1.1 Significant Accounting Policies

Basis of preparation of financial statements

1.2 Statement of compliance

The consolidated financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of the Indian GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006. Opening balance sheet as on April 1, 2015 and March 31, 2016 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is April 1, 2015, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the consolidated financial statements, where applicable.



The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note No. 61 C.

1.3 The Consolidated Financial Statements comprise individual financial statements of Odisha Hydro Power Corporation Limited, its subsidiaries and jointly controlled entities as on March 31, 2017. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

i) The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with (Ind AS) 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.

ii) Investment in Joint Ventures have been accounted under the equity method as per Ind AS 28 - Investments in Joint Ventures.

Under the equity method, an investment in Joint Ventures are initially recognized at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognized in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

iii) The Audited financial statements of the subsidiary and the jointly controlled entities used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to March 31, 2017.

iv) Non-Controlling Interest's share of profit/loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.



- v) Non-controlling interests in the net assets of consolidated subsidiary is identified and is presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

1.4 Companies included in Consolidation

Particulars	Country of Incorporation	Shareholding as on	
		31-Mar-17	31-Mar-16
Green Energy Development Corporation of Odisha Ltd. (GEDCOL) 100%	India	50,32,00,000	50,32,00,000
Odisha Coal and Power Limited (OCPL) 49%	India	98,00,00,000	2,45,000
Baitarni West Coal Company Limited (BWCCCL) 33.33%	India	10,00,00,000	10,00,00,000
Odisha Thermal Power Corporation Limited (OTPCL) 50%	India	1,34,20,47,000	1,14,20,47,000

1.4 Basis of Measurement

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

- (a) Certain financial assets and liabilities measured at fair value
- (b) Plan assets of defined benefit obligation

The financial statements are presented in Indian rupees.

1.5 Use of estimate

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

1.6 Summary of significant accounting policies

1.6.1 Revenue recognition

Revenue is recognized on accrual basis as per energy sale bills raised on GRIDCO in accordance with Odisha Electricity Regulatory Commission. In case of energy sales to CSPDCL, Revenue is recognized as per provisional bills raised on the basis of rates approved by OERC separately for HHEP, Burla. The energy bill is raised at the feeder point on net exchange basis.



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

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

- (i) Interest on delayed payment on energy bills paid by GRIDCO.
- (ii) Cash discount from PFC for timely repayment of loan.
- (iii) Electricity charges billed to Water Resources Department and other department.
- (iv) Recovery of compensation for loss of energy due to drawl of water by nearby Industrial Units.
- (v) Sale of scrap.
- (vi) Interest on security deposit with Discoms.
- (vii) Insurance claim and interest on house building advance.
- (viii) Recovery of House Rent.

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

1.6.2 Other income

Interest income

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

Dividend income

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

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

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

1.6.4 Property, plant and equipment

i) Recognition and measurement

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



Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses.

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

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

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

ii) Depreciation

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

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

iii) Subsequent costs

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

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a separated component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.

iv) Spare parts

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

v) Income of GEDCOL :

They are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all expenses incurred in bringing the assets to its present location and working condition for intended use and inclusive of incidental expenses relating to acquisition and financing cost capitalized. The Company depreciates property, plant and equipment over their estimated useful life using the straight line method.

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



The Management estimate useful life of the Assets are as follows:

Lease Hold Land:	Over the lease period
Solar Power Plant:	25 Years
Office Equipment:	5 Years
Computer Installation (Laptop)	3 Years
Electrical Installation:	10 Years

Under the previous GAAP (India GAAP), Freeheld land and buildings (property), other than investment property, were carried in the balance sheet on the basis of historical cost. The Company has elected to regard those values of property as deemed cost.

Advance paid towards the acquisition of property, plant and equipment's outstanding at each Balance Sheet date is classifying as capital Advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital Work in Progress".

1.6.5 Investment properties

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

1.6.6 Intangible assets

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

1.6.7 Capital work in progress

Capital work in progress is stated at cost. Projects under which assets are not ready for their intended use are disclosed under capital work in progress.

1.6.8 Leases

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



As a lessee

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

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

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

As a lessor

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

1.6.9 Inventory

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

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

Financial asset

i) Initial measurement

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

ii) Classification and subsequent measurement

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

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

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



Financial instruments measured at amortised cost:

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments measured at fair value through other comprehensive income.

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

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

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

Financial instruments measured at fair value through profit and loss.

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

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

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



iii) Derecognition of financial assets

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

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

Financial liability

i) Initial measurement

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

ii) Classification and subsequent measurement

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

- 1) financial liabilities measured at amortised cost
- 2) financial liabilities measured at fair value through profit and loss

Financial liabilities at amortised cost:

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

1.6.11 Investments

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

1.6.12 Trade receivables

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

1.6.13 Loans and borrowings

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



1.6.14 Trade and other payables

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

1.6.15 Impairment

a) Financial assets

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

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

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

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

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

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

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

b) Non-financial assets

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

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

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



1.6.16 Taxes

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

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

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

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

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

1.6.17 Employee benefits

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

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

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.



Liability towards Gratuity is made on the basis of actuarial valuation. For meeting the service gratuity liability, the Corporation has taken two group gratuity insurance policy with LIC of India.

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

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

1.6.18 Provisions, Contingent Liabilities & Contingent Assets

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

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

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

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

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

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

1.6.19 Cash and cash equivalents

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



1.6.20 Foreign currency transactions

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

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

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

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

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

1.6.21 Borrowing cost

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

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

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

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

1.6.22 Earnings per Share (EPS)

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

1.6.23 Statement of Cash flow

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

1.6.24 Others

(i) Liabilities for Goods in transit / capital works executed but not certified are not provided for, pending inspection & acceptance by the Corporation.



(ii) Dam maintenance cost for the current year has been made based on the bills submitted by DOWR on provisional basis.

(iii) Expenditures up to DPR for new projects are charged to P & L A/c (Survey and investigation) and thereafter where the new projects seems to be viable are capitalized.

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

(v) Prior Period Expenses / income of items of INR 1,00,000/- and below are charged to respective heads of account.

1.6.25 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 'Statement of cash flows'. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

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

Figures have been rounded off to the nearest rupee.



Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March 2017
 (All amounts in Indian rupees, except share data and unless otherwise stated)

2	2	Property, plant & equipment	SNNo.	Description	As to		Additions	Transfer/ Adj	As at		Depreciation				Net Block			
					01.04.15	31.03.16			Up to	For the Year	Adjustment	Deletion	Up to	As at	As at	31.03.15		
																	01.04.15	31.03.16
1	1	Land			50,000	-			1,17,49,39,402	-								
2	2	Power House Civil Work			-				1,46,39,09,147	-								
3	3	Power House Electric Mechanical Work			48,21,01,733	(59,86,468)			7,45,42,57,469	1,12,55,83,619	(1,66,697)							
4	4	Civil Building/ Township			6,69,27,190	-			1,40,33,83,398	10,31,59,217	-							
5	5	Vehicles			39,22,337	(33,53,647)			1,32,32,672	17,30,098	-							
6	6	Furniture & Fixtures			2,84,545	(3,34,842)			91,48,663	7,38,592	-							
7	7	Office Equipment			21,74,425	(11,102)			2,77,22,113	33,64,255	-							
8	8	Misc. Assets			50,009	-			1,87,11,175	19,20,622	-							
9	9	Electric Installation			89,18,412	(13,217)			2,81,75,496	17,61,494	-							
10	10	Water Supply Installation			23,72,217	-			3,63,64,153	35,14,591	-							
11	11	Solar Power Plant			-				1,08,81,79,076	19,70,977	-							
12	12	Training Course Equipment			90,374	(599)			10,18,598	1,32,835	(599)							
		Total			1,65,50,70,318	(96,99,875)			12,71,90,41,362	1,37,93,77,923	(1,67,296)							
					11,07,36,70,919				11,33,98,30,735	11,07,36,70,919								

SNo.	Description	As to		Additions	Transfer/ Adj	As at		Depreciation				Net Block	
		01.04.16	31.03.17			31.03.16	31.03.17	For the Year	Adjustment	Deletion	Up to	As at	As at
1	Land	1,17,49,39,402	-	1,72,79,127	-	1,19,22,18,529	30,43,626	33,22,760	-	30,047	63,96,433	1,18,58,22,096	1,17,18,95,776
2	Power House Civil Work	1,46,39,09,147	-	-	-	1,46,39,09,147	13,24,57,995	13,25,06,534	-	-	26,49,64,529	1,19,89,44,618	1,33,14,51,152
3	Power House Electric Mechanical Work	7,45,42,57,469	(37,15,524)	1,98,23,503		7,47,03,65,448	1,12,54,16,922	90,77,30,870	-	(15,28,679)	2,03,16,19,114	5,43,87,46,334	6,32,88,40,547
4	Civil Building/ Township	1,40,33,83,398	-	1,32,10,632	-	1,41,65,94,030	10,31,59,217	10,18,22,900	-	-	20,49,82,117	1,21,16,11,913	1,30,02,24,181
5	Vehicles	1,32,32,672	(19,55,231)	56,09,748		1,68,87,190	17,30,098	17,32,381	(1,25,372)	(1,25,371)	32,11,736	1,36,75,453	1,15,02,574
6	Furniture & Fixtures	91,48,663	3,90,273	22,51,682		1,17,90,618	7,38,592	8,32,650	-	-	15,71,242	1,02,19,376	84,10,071
7	Office Equipment	2,77,22,113	17,518	50,96,532		3,28,36,163	33,64,255	40,27,448	-	-	73,91,703	2,54,44,460	2,43,57,858
8	Misc. Assets	1,87,11,175	-	1,38,896	-	1,88,50,071	19,20,622	18,92,740	-	-	38,13,362	1,50,36,709	1,67,90,553
9	Electric Installation	2,81,75,496	16,136	27,19,221		3,09,10,853	17,61,494	23,36,161	-	1,572	40,99,227	2,68,11,625	2,64,14,001
10	Water Supply Installation	3,63,64,153		44,05,062		4,07,69,215	35,14,591	33,82,314	-	-	68,96,905	3,38,72,310	3,28,49,562
11	Solar Power Plant	1,08,81,79,076	(1,74,56,566)	36,21,09,542		1,43,28,32,052	19,70,977	5,23,07,035		(31,618)	5,42,46,394	1,37,85,85,658	1,08,62,08,099
12	Training Course Equipment	10,18,598	-	4,29,584	-	14,48,182	1,32,236	1,34,783	-	-	2,67,019	11,81,162	8,86,361
	Total	12,71,90,41,362	(2,27,03,394)	43,30,73,529		13,12,94,11,497	1,37,92,10,627	1,21,20,28,576	(1,25,372)	(16,54,049)	2,58,94,59,782	10,53,99,51,715	11,33,98,30,735
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 as 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.												
b. (i)	An amount of INR.33,22,760/- has been amortised during the year for leasehold land.												
(ii)	The fixed assets registers are maintained on the basis of transfer price of the assets from State Govt. and at cost in respect of the assets procured after the date of transfer.												
(iii)	The value of fixed assets does not include the value of building and equipment gifted by DFID for the OHPC Training Centre.												
(iii)	The value of fixed assets includes cost of machinery & vehicles declared surplus / obsolete for which necessary verification and fixing of upset price is in process. Necessary accounting treatment will be made in the subsequent period after final disposal of the same.												



Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

Note	Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April, 2015
3	Capital work-in-progress			
(a)	Land (Development of 7 & 8th Unit of Extension Project)	3,03,111	3,03,111	3,03,111
(b)	Building	8,70,25,725	7,64,27,924	11,82,38,452
(c)	Road, Bridge, Culvert & Other Civil Works	2,30,47,593	1,35,35,297	1,34,65,998
(d)	Water Supply Installation	1,09,804	1,09,804	1,09,804
(e)	Plant & Machinery (Construction)	11,48,03,211	11,53,80,509	11,56,19,005
(f)	Plant & Machinery (Generation)	29,04,13,373	7,57,91,583	68,44,288
(g)	Hydr. Works, Dams, Tunnels & Pen Stock	3,92,35,637	4,68,66,570	3,92,35,637
(h)	Substation Equipments	64,06,238	62,45,021	3,20,97,715
(i)	Transmission Lines	3,86,978	3,86,978	3,86,978
(j)	Vehicles	6,63,140	6,63,140	6,63,140
(k)	Furniture & Fixture	1,37,685	1,37,685	1,37,685
(l)	Office Equipments	4,43,751	4,43,751	4,43,751
(m)	Electrical Installations	2,00,689	2,00,689	2,00,689
(n)	Miscellaneous assets	14,326	14,326	14,326
(o)	Capital WIP – Kolab Unit	16,85,318	5,15,17,080	17,00,30,516
(p)	Sindol Project	28,77,905	28,77,905	28,77,905
(q)	Office Building	10,16,34,875	16,34,875	29,73,515
(r)	Staff Quarters	3,80,605	6,93,391	3,80,605
(s)	Gedcol CWIP	1,97,94,166	37,45,24,838	1,17,22,41,871
(t)	ERP	16,90,000	-	-
		69,12,54,130	76,77,54,477	1,67,62,64,991
4	Investments accounted for using equity method			
	Investments in Equity Instruments			
A.	In Joint Ventures and associates			
	The entities listed below have share capital consisting solely of equity shares, which are held by the group. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.			
(a)	Odisha Thermal Power Corporation	1,30,72,17,561	1,10,50,83,874	1,10,54,62,850
	(A Joint venture company between OMC & OHPC 50% each share holding) The principal place of business of OTPC is Odisha, India 1,342,047 shares of INR.1000/- each			



(b) Baitarni West Coal Company Limited	9,94,12,512	9,95,89,655	9,96,26,039
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(A Joint Venture company between OHPC, GPCL & KSEB with 1/3 each share holding)

The principal place of business of BWCCCL is Odisha, India
100,000 shares of INR. 1000/- each

(c) Odisha Coal & Power Limited	96,48,08,040	-	2,45,000
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(A company between OHPC & OPGC with 49% share of OHPC & 51% share of OPGC)

The principal place of business of OCPL is Odisha, India
9,80,00,000 shares of INR 10/- each

	2,37,14,38,113	1,20,46,73,529	1,20,53,33,888
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(a) Aggregate amount of quoted investments and market value thereof;

	-	-	-
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(b) Aggregate amount of unquoted investments;

	2,37,14,38,113	1,20,46,73,529	1,20,53,33,888
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(c) Aggregate amount of impairment in value of investments.

	-	-	-
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Non-Current Financial Asset

5 Loans

(a) Security Deposits

Unsecured , considered good	85,97,064	1,07,09,099	1,00,08,146
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	85,97,064	1,07,09,099	1,00,08,146
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6 Others

Debt Securitization of GRIDCO Dues	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
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	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
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The GRIDCO dues of R. 619 Crores as on 31.03.2013 has been securitized at 8% interest which shall be repaid by GRIDCO within 10 years including 3 years moratorium period which will start from May 2017.



7	Other non - current assets			
(a)	Capital advances			
	Unsecured, considered good	30,51,758	30,51,758	38,51,758
(b)	Advances other than capital advances			
	Unsecured, considered good			
	Plan Assets (employees)	52,09,85,978	77,54,65,051	1,21,25,23,958
		52,40,37,736	77,85,16,809	1,21,63,75,716
8	Inventories			
	(valued at lower of cost and net realizable value)			
(a)	Stores and spares	42,18,87,583	39,84,00,761	40,55,72,832
(b)	Loose Tools	8,77,762	8,77,762	9,31,187
(c)	Inventory in transit			
	-stores & spares	36,723	21,229	
		42,28,02,068	39,92,99,752	40,65,904,01
	Current Financial Asset			
9	Trade receivable			
(a)	Outstanding for a period exceeding six months from due date of payment			
	Unsecured , considered good	6,96,150	28,08,66,677	40,91,18,104
	Unsecured, considered doubtful	6,96,150	28,08,66,677	40,91,18,104
(b)	Outstanding for a period less than six months from due date of payment			
	Unsecured , considered good	1,40,47,99,138	78,82,70,026	1,01,12,68,938
	Less : Provision for doubtful trade receivables < 6 months	-	-	-
		1,40,47,99,138	78,82,70,026	1,01,12,68,938
		1,40,54,95,288	1,06,91,36,703	1,42,03,87,042
10	Cash and cash equivalents			
(a)	Balances with banks			
	(i) Earmarked Balance with Bank	11,06,84,00,000	10,87,63,31,847	8,73,85,70,000
	(ii) Other Bank Balance	1,02,92,75,725	32,33,18,143	23,03,36,164
(b)	Cash on hand	2,21,925	1,31,825	1,81,069
(c)	Others			
	Postal Orders & Stamps	16,887	5,922	18,094
	Remittance in transit	12,50,000		
		12,09,91,64,537	11,19,97,87,737	8,96,91,05,327

(i) Earmarked balance with banks for the following purpose			
	62,00,00,000	35,00,00,000	6,00,00,000
Terminal liabilities			
	30,23,00,000	45,23,00,000	78,00,00,000
Loan repayments			
	5,34,61,00,000	5,29,72,31,847	5,49,85,70,000
JV & new project			
	4,80,00,00,000	4,77,68,00,000	2,40,00,00,000
RMU & new project			
	11,06,84,00,000	10,87,63,31,847	8,73,85,70,000
11 Bank balance other than cash and cash equivalents			
(i) Held as margin money			
	46,39,00,000	31,00,00,000	31,00,00,000
	46,39,00,000	31,00,00,000	31,00,00,000
(ii) OHPC has pledged (a) Fixed deposit of INR.25 Cr. with Panjab & Sind Bank, Ashok Nagar Branch, Bhubaneswar towards its 1/3rd share of margin for facilitating the JV company BWCCCL to provide BG of INR.75,00,00,000/- in favour of Ministry of Coal, Govt. of India. (b) Fixed deposit of INR.6.00 Crs. with Axis Bank, Basua Ghai Branch, Bhubaneswar towards performance Bank Guarantee on behalf of GEDCOL. (c) Fixed deposit of INR.15.39 Crores with Yes Bank, Bhubaneswar towards Bank Guarantee on behalf of OCPL.			
12 Loans			
(a) Security Deposits			
Unsecured, considered good			
Deposit with Others	2,33,24,854	1,85,00,511	1,77,48,413
(b) Loans to related parties			
OCPL (49% Associate Company)	51,00,00,000	29,56,13,030	-
<i>(receivable with interest @ FD rate in the month of Drawl +1%)</i>			
	53,33,24,854	31,41,13,541	1,77,48,413
13 Others			
Claims Receivables	5,59,07,198	6,74,90,028	4,75,32,199
Receivable from GRIDCO on Machhukund	13,46,58,960	11,34,27,737	2,75,64,831
Dam Share Receivable from W.R.Department on accounts of Indravati	24,30,329	10,96,67,235	25,17,49,952
Interest Accrued but not due on bank deposit	23,33,36,685	18,61,03,258	33,39,63,337
Interest Receivable from others	8,60,17,143	4,52,32,504	4,77,896
Other Deposits	20,648	9,10,924	
	51,23,70,963	52,28,31,686	66,12,88,215



14 Other current assets**Capital advances**

Unsecured, considered good	14,76,19,642	14,65,97,913	14,46,90,800
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Advances other than capital advances**(a) Other Advances**

(i) Advance to supplier	17,80,38,053	19,23,50,192	3,55,78,211
(ii) Advances to contractors	4,83,75,501	4,34,56,482	5,49,02,570
(iii) Advance to other	1,64,24,452	1,70,84,130	2,27,19,795
(iv) Advance to staff	2,57,98,221	2,85,16,615	3,06,72,370

(b) Other Advances

(i) Advance income tax (TDS)	53,90,19,206	51,98,46,121	44,03,97,468
(ii) Advance income tax	55,47,84,433	61,13,00,000	21,91,86,000
(iii) Advance sales tax	5,152	5,152	5,92,326
(iv) Advance income tax (TCS)	21,492		

Others

(i) OHPC rehabilitation assistance trust fund	10,000	10,000	10,000
(ii) Pre-paid expenses	1,34,78,841	68,33,450	1,03,06,540
(iii) Other misc. asset	61,568	6,82,884	4,49,165
(iv) Other receivable from staff	39,599	2,591	1,784
(v) OHPC gratuity fund	5,60,000	-	

	1,52,42,36,160	1,56,66,85,530	95,95,07,029
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15 Equity share capital**(a) Authorized share capital**

Equity shares of INR.1000/- each (Nos)	1,00,00,000	1,00,00,000	1,00,00,000
Equity shares of INR.1000/- each (INR)	10,00,00,00,000	10,00,00,00,000	10,00,00,00,000

(b) Issued, subscribed and fully paid up

Equity shares of INR.1000/- each (Nos)	69,36,507	63,86,507	33,98,007
Equity shares of INR.1000/- each (INR)	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000
	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000

(c) Reconciliation of shares at the beginning and at the end of reporting period

Equity shares

At the beginning of the year in Nos	63,86,507	33,98,007	32,08,007
Issued during the year in Nos	5,50,000	29,88,500	1,90,000
Outstanding at the end of the year in Nos	69,36,507	63,86,507	33,98,007

Equity shares

At the beginning of the year in INR	6,38,65,07,000	3,39,80,07,000	3,20,80,07,000
Issued during the year in INR	55,00,00,000	2,98,85,00,000	19,00,00,000
Outstanding at the end of the year in INR	6,93,65,07,000	6,38,65,07,000	3,39,80,07,000



(d) Shares held by each share holder holding more than 5 % shares			
Governor of Odisha represented by DoE (Nos)	69,36,507	63,86,507	33,98,007
% of holding	1	1	1
(e) Shares issued for consideration other than cash (last five years)			
As per Dept. of Energy, Government of Odisha order no. 3060 dtd.31/03/2015 and subsequent DoE Notification No. 5843 dtd. 03/07/2015 total loan of R. 821.4690 crores is divided into two parts i.e., 298.85 crores as equity and balance as loan. Accordingly, 2,988,500 equity shares of 1000 each was issued during 2015-16 to convert Loan from government into Equity.			
(f) Terms/rights attached to equity shares			
The company has only one class of equity shares having par value of INR.1,000 per share. 100% of the shares are held by Government of Odisha represented by DoE.			
16 Other equity			
(i) Other reserves			
(a) Capital reserve			10,00,00,000
Transition date adjustment			(10,00,00,000)
Balance as per last financial statements	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
Dam sharing reserve			
Add: Transfer from surplus balance in profit & loss	-	-	-
Closing balance	1,00,00,00,000	1,00,00,00,000	1,00,00,00,000
Reserves representing unrealized gains/losses			
(b) Remeasurements of the net defined benefit plans	(37,32,81,826)	-	-
Add: During the year	(58,48,00,730)	(57,08,37,145)	
Less: Deferred tax (OCI)	20,23,87,837	19,75,55,319	-
Closing balance	(75,56,94,719)	(37,32,81,826)	-
(ii) Retained earnings			
(a) Surplus at the beginning of the year	7,67,01,45,508	8,03,33,99,179	5,63,80,77,998
Add : Profit for the year	1,32,92,95,906	1,24,20,62,952	16,30,82,591
Less : Transfer to general reserve	-	-	-
Less : Dividend paid	(26,18,91,970)	(4,67,83,252)	-
Less : Tax on Dividend	(5,33,15,043)	(93,53,867)	-
Less : Deferred tax liabilities not charged in previous years		(1,54,91,79,504)	
Transition date adjustment	-	-	91,08,38,591
(iii) Deemed Equity			
	-	-	1,32,14,00,000
Total	8,68,42,34,401	7,67,01,45,508	8,03,33,99,180
Non-Current: Financial Liability	8,92,85,39,682	8,29,68,63,682	9,03,33,99,180



Non - Current : Financial Liabilities

17 Borrowings

Term loans

From other parties - unsecured

(a) Foreign Currency loan - from PFC

- 16,55,06,737

(i) the loan availed from PFC for RM & U of Unit-3 & 4 of HHEP, Burla has been full repaid during the year and there is no outstanding of PFC loan for HHEP, Burla.

(ii) the foreign currency loan availed by BHEP, Balimela for extension project (unit 7 & 8) is repaid half-yearly on 15th of June & December.

b) there is no default in repayment of above loan during the year. A sum of INR. 1,00,944/- is received from PFC as cash discount for prompt repayment which is shown as deduction from finance cost.

(b) Indian rupee loan from Government of Odisha

UIHEP- TL (1)

3,11,00,90,000

3,41,23,90,000

3,71,46,90,000

As per Dept. of Energy, Govt. of Odisha order No.3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015 the total loan of INR.821.47 Crs. is divided into two parts i.e. INR.298.85 Crs. as equity included in Note-2 and balance of INR.522.62 Crs. as loan with 7% interest payable w.e.f. 01.04.2006. This loan is payable in 15 equal annual instalments w.e.f. 2010-11 with 4 years moratorium. OHPC, out of the said loan amount of R 522.62 Crs., repaid INR.211.61 Crs. till 31.03.2017 & balance loan amount of R 311.01 Crs is shown as above.

The loan is repayable in 15 years equal annual installments with 4 years of moratorium starting from 2010-11.

There is no default as on balance sheet date in repayment of borrowings and interest will be paid after repayment of principal is over as approved by Hon'l OERC in tariff order.

POTTERU

Loan for old project

7,66,20,00,000

7,66,20,00,000

7,66,20,00,000

As per Dept. of Energy, Govt. of Odisha order No. 3060 dtd.31.03.2015 and subsequent DoE Notification No.5843 dtd.03.07.2015, the total bond amount of INR.766.20 Crs. issued as per original Notification No.SRO250 dtd.01.04.1996, is now treated as loan @ 7% interest which is payable from the Financial Year 2015-16 & shown accordingly i.e. INR.766.2 crores loan as above and R 107.268 Crore interest payable to State Govt. of Odisha is shown at current-other financial liabilities

Government notification is silent regarding term of repayment of loan, OHPC consider 15 years equal instalment as repayment of loan in line with UIHEP loan and accordingly claims it in its ARR.

Borrowings (Term Loan - REC Ltd)

15,00,00,000

Since Principal & Interest payment as claimed is not allowed hence there is no default

10,92,20,90,000

11,07,43,90,000

11,54,21,96,737



18	Others			
	Security Deposits from contractors/ suppliers	10,02,588	14,20,840	4,90,761
		-	-	-
		10,02,588	14,20,840	4,90,761
19	Provisions			
	(a) Provision for employee benefits	33,39,27,068	52,71,78,855	43,13,45,571
	(b) Others	48,600	48,600	54,19,221
		33,39,75,668	52,72,27,455	43,67,64,792
20	Deferred tax liabilities (Net)			
	Deferred tax liabilities			
	Deferred tax liabilities / (assets) at the beginning of the year	1,33,82,06,926	-	-
	Deferred tax liabilities / (assets) during the year on account of temporary difference	32,98,94,368	1,79,82,62,859	46,81,67,242
	MAT Credit	-	-	-
	Deferred tax liabilities / assets at the end of the year	1,66,81,01,294	1,79,82,62,859	46,81,67,242
21	Other Non-Current liabilities			
	Grant In Aid (Govt.of Odisha)/ Deferred Income	86,90,00,000	20,00,00,000	10,00,00,000
		86,90,00,000	20,00,00,000	10,00,00,000
22	Borrowings			
	From other parties			
	Loans repayable on demand (unsecured) from Government of Odisha			
	POTTERU	14,30,00,000	14,30,00,000	14,30,00,000
	Inter Corporate Loan (OHPC)	-	-	-
	OD-Account-HDFC	-	19,16,19,793	-
	OD-Account-UNION BANK	-	2,55,95,418	-
		-	-	-
		14,30,00,000	36,02,15,211	14,30,00,000
	No interest is payable on this loan since 01.04.2001 as per the decision of Govt. vide DoE notification dt.29.01.2003 & DoE letter No. 2404 dt. 21.03.2011.			
23	Trade payables			
	Sundry creditors for supply of materials	46,16,14,072	54,44,95,247	1,05,89,49,334
	Sundry creditors for works	14,28,25,887	14,31,30,522	1,96,88,117
	Sundry creditors for others	58,98,711	5,77,857	25,31,987
		61,03,38,670	68,82,03,626	1,08,11,69,438



Current : Financial Liabilities

24 Others

(a)	Current maturities of long term debt		14,06,92,027	16,48,55,358
(b)	Interest accrued but not due on PFC Loan		25,70,897	60,99,488
(c)	Employees liabilities	6,92,54,646	8,21,14,567	6,17,11,280
(d)	OHPC PF trust	78,25,834	1,71,45,917	3,80,98,255
(e)	Liability to others			
(f)	Security deposit from contractors / suppliers	28,95,69,687	44,63,16,716	66,96,84,759
(g)	EMD from contractors / suppliers	5,55,52,931	5,48,75,621	5,69,44,473
(h)	Other security deposit	1,95,01,661	1,89,93,506	1,69,90,076
(i)	Retention money / withheld a/c	20,85,193	22,70,050	21,11,923
(j)		29,89,34,761	28,81,82,197	12,37,43,517
(k)	Payable to APGENCO on Machhakunda a/c	17,23,28,961	28,30,67,493	11,56,90,955
(l)	Payable to Machhakund	20,029	20,029	20,029
(m)	State Govt. loan converted to equity pending for allotment	-	-	2,98,85,00,000
(n)	Security deposit from employees	6,67,781	6,59,242	6,43,432
(o)	Interest payable on UIHEP Govt. loan	3,79,13,95,300	3,55,25,28,000	3,29,24,99,700
(p)	Interest on State Government loan	1,07,26,80,000	53,63,40,000	-
(q)	Deposit From Others		2,98,00,000	4,36,968
(r)	Branch adjustment account	2,98,00,000	5,12,06,927	
		5,80,96,16,784	5,50,67,83,189	7,53,80,30,213

The management of 30% share of Government of Odisha in Machhkund Joint Hydro Electric Project was transferred to OHPC vide Department of Energy, Govt. of Odisha Notification No.6052, dt.29.03.97 with effect from 01.04.1997. The erstwhile OSEB now GRIDCO and APSEB now APGENCO are the beneficiaries of this project. APGENCO has raised provisional bill after reconciliation upto 31.03.2016 towards O & M cost and cost of power for the current year where both OHPC & GRIDCO did not agree to pay interest on working capital. Accordingly, OHPC has taken the O & M cost and cost of power during the current year details of which are given below:

30% share of O & M cost	16,36,51,048
Cost of Power beyond 30% share	1,02,61,448
	17,39,12,496



OHPC received an amount of R 13,48,87,735/- in 2016-17 from GRIDCO including arrear dues of APGENCO for 2015-16 towards cost of power & O&M charges. So the amount shown as payable to APGENCO comes to INR17,23,28,961/- as on 31.03.2017. As the Odisha share of assets and liabilities have not been quantified and transferred to OHPC, the receipts and payments on account of Machhakund project are not shown in the profit and loss account of OHPC.

25 Other current liabilities

Advance against sale of scrap	74,64,136	80,61,005	80,72,926
	74,64,136	80,61,005	80,72,926

26 Provisions

(a) Provision for employee benefits			
(i) Provision for arrear salary	-	-	21,54,985
(ii) Provision for bonus	10,89,000	9,16,000	3,74,742
(iii) Provision for leave encashment of employees	29,40,38,398	4,54,92,090	1,31,29,038
(b) Other Provisions			
(i) Provision for income tax	71,39,51,473	72,75,48,043	31,21,29,114
(ii) Provision for others	4,68,43,014	5,14,48,597	3,91,07,535
(iii) Provision for loss asset	10,14,926		
	1,05,69,36,810	82,54,04,730	36,68,95,414



Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

The following table summarises the financial information of JVs and associates of the group and reconciliation of the carrying amounts of the group's interest in them

(a) **Odisha Thermal Power Corporation**

Summarised Balance Sheet

	31 March 2017	31 March 2016	1 April 2015
Current Assets			
Cash and cash equivalents	37,66,29,852	9,79,48,446	12,49,22,363
Other assets	2,07,16,818	16,23,927	64,68,490
Total current assets	39,73,46,670	9,95,72,373	13,13,90,853
Total non-current assets	2,22,01,16,615	2,11,31,67,325	2,08,02,35,468
Total assets (A)	2,61,74,63,285	2,21,27,39,698	2,21,16,26,321
Current liabilities			
Financial liabilities (excluding trade payables)			
Other liabilities	30,28,163	25,71,950	7,00,622
Total current liabilities	30,28,163	25,71,950	7,00,622
Non-current liabilities			
Financial liabilities (excluding trade payables)			
Other liabilities			
Total non-current liabilities	-	-	-
Total liabilities (B)	30,28,163	25,71,950	7,00,622
Net Assets (A-B)	2,61,44,35,122	2,21,01,67,748	2,21,09,25,699
Group's share of net assets (50%)	1,30,72,17,561	1,10,50,83,874	1,10,54,62,850
Carrying amount of interest in OTPC	1,30,72,17,561	1,10,50,83,874	1,10,54,62,850
	-	-	-

Summarised Statement of Profit & Loss

	31 March 2017	31 March 2016
Revenue		
Interest income	2,87,53,466	91,62,077
Depreciation & amortization	4,40,383	3,74,680
Interest expense		
Income tax expense	5,23,957	
Profit	42,67,374	(7,57,951)
Other comprehensive income		
Total comprehensive income	42,67,374	(7,57,951)
Group's share of Profit (50%)	2133687	378975.5
Group's share of OCI (50%)		
Group's share of total comprehensive income (50%)	2133687	-378975.5



(b) **Baitarni West Coal Company Limited**
Summarised Balance Sheet

	31 March 2017	31 March 2016	1 April 2015
Current Assets			
Cash and cash equivalents	8,42,02,011	8,42,94,209	8,46,61,586
Other assets	84,23,214	86,15,302	81,66,298
Total current assets	9,26,25,225	9,29,09,511	9,28,27,884
Total non-current assets	20,78,77,048	20,80,04,769	20,81,38,076
Total assets (A)	30,05,02,273	30,09,14,280	30,09,65,960
Current liabilities			
Financial liabilities (excluding trade payables)	-	-	-
Other liabilities	9,34,338	21,45,316	20,87,844
Total current liabilities	9,34,338	21,45,316	20,87,844
Non current liabilities			
Financial liabilities (excluding trade payables)	-	-	-
Other liabilities	13,30,399	-	-
Total non-current liabilities	13,30,399	-	-
Total liabilities (B)	22,64,737	21,45,316	20,87,844
Net Assets (A-B)	29,82,37,536	29,87,68,964	29,88,78,116
Group's share of net assets (33.33%)	9,94,12,512	9,95,89,655	9,96,26,039
Carrying amount of interest in BWCCCL	9,94,12,512	9,95,89,655	9,96,26,039

Summarised Statement of Profit & Loss

	31 March 2017	31 March 2016
Revenue	-	-
Interest income	64,42,292	72,73,402
Depreciation & amortization	1,39,221	1,36,907
Interest expense	-	-
Income tax expense	-	-
Profit	(5,31,428)	(1,09,152)
Other comprehensive income	-	-
Total comprehensive income	(5,31,428)	(1,09,152)
Group's share of Profit (33.33%)	(1,77,143)	(36,384)
Group's share of OCI (33.33%)	-	-
Group's share of total comprehensive income (33.33%)	(1,77,143)	(36,384)

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

Summarised Balance Sheet

	31 March 2017	31 March 2016	1 April 2015
Current Assets			
Cash and cash equivalents	9,17,39,000	7,43,58,000	-
Other assets	3,00,35,000	72,06,000	-
Total current assets	12,17,74,000	8,15,64,000	-
Total non-current assets	5,18,52,80,000	1,41,40,32,000	-
Total assets (A)	5,30,70,54,000	1,49,55,96,000	-
Current liabilities			
Financial liabilities (excluding trade payables)	3,28,03,91,000	1,45,70,30,000	-



Other liabilities	5,73,55,000	4,75,19,000	-
Total current liabilities	3,33,77,46,000	1,50,45,49,000	-
Non-current liabilities			
Financial liabilities (excluding trade payables)			
Other liabilities	3,12,000	-	-
Total non-current liabilities	3,12,000	-	-
Total liabilities (B)	3,33,80,58,000	1,50,45,49,000	-
Net Assets (A-B)	1,96,89,96,000	(89,53,000)	-
Group's share of net assets (49%)	96,48,08,040	(43,86,970)	-
Carrying amount of interest in OCPL	96,48,08,040	-	2,45,000
Adjusted against other interest of group in OCPL		(43,86,970)	

Summarised Statement of Profit & Loss

	31 March 2017	31 March 2016
Revenue	-	-
Interest income	-	-
Depreciation & amortization	1,34,62,000	40,000
Interest expense	-	-
Income tax expense	20,01,000	-
Profit	(2,15,51,000)	(94,53,000)
Other comprehensive income	-	-
Total comprehensive income	(2,15,51,000)	(94,53,000)
Group's share of Profit (49%)	(1,05,59,990)	(46,31,970)
Group's share of OCI (49%)	-	-
Group's share of total comprehensive income (49%)	(1,05,59,990)	(46,31,970)



Odisha Hydro Power Corporation Limited
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Note No.	Particulars	As at 31 March 2017	As at 31 March 2016
27	Revenue from operations		
	Revenue from		
	Sale of Electricity (sale of Electricity is the net sale after Rebates)	4,45,99,79,106	4,09,67,67,938
		4,45,99,79,106	4,09,67,67,938
	Other Operating Revenue	1,32,22,611	9,94,32,540
		1,32,22,611	9,94,32,540
		4,47,32,01,717	4,19,62,00,478
28	Other income		
	Interest on Employees advances	12,000	1,100
	Interest on Bank Deposits	96,19,83,665	93,36,19,769
	Interest on others	4,55,89,448	45,54,822
	Interest in lieu of DPS from GRIDCO	49,52,00,004	84,59,66,672
	Sale of tender paper	25,83,047	37,00,000
	House rent recovery	22,42,749	14,82,940
	Vehicle charges recovery	4,15,999	4,66,008
	Electricity charges recovery – Employees	2,74,788	5,82,861
	Electricity charges recovery – Contractors	2,63,594	1,09,33,044
	Guest house charges recovery	2,73,163	2,09,095
	Sale of scrap	26,800	24,70,468
	Other miscellaneous receipt	48,43,966	73,40,815
	Recovery from Penalties	11,76,224	10,49,412
	Receipt from RTI	3,844	3,371
	Insurance Claim Receipts	2,78,914	49,500
	Forfeiture of EMD/SD	28,21,440	95,506
	Dam Share from DOWR	9,66,17,779	10,96,67,235
	Recovery of foreign exchange fluctuation loss	3,71,00,000	4,20,00,000
	Profit on sale of Inventory	1,03,000	-
	Provisions written back	2,62,41,324	-
		1,67,80,51,748	1,96,41,92,618
29	Repair & maintenance expenses		
	R&M to Plant and Machinery	13,34,64,752	17,84,95,983
	R&M to Building	4,94,50,670	4,91,34,406
	R&M to Civil Works	4,49,06,502	4,13,37,580
	R&M to Hydraulic Works	2,91,20,225	36,07,080
	R&M to Line Cables Networks	22,67,061	30,83,186
	R&M to Vehicles	35,03,490	8,64,430
	R&M to Furniture & Fixture	64,809	43,169



Note No.	Particulars	As at 31 March 2017	As at 31 March 2016
	R&M to Office Equipment's	10,39,124	13,67,807
	R&M to Electrical Installation	64,51,628	49,05,989
	R&M to Water Supply Installation	41,69,247	33,90,276
	R&M to Misc. Assets	22,550	3,09,508
	R&M to Substation Equipment	47,61,364	1,45,43,064
	R&M to Dam Maintenance	17,21,80,611	17,86,03,188
		45,14,02,033	47,96,85,666
30	Operation expenses		
	Power and fuel	91,62,620	96,00,778
	Insurance charges	1,06,72,852	1,26,09,500
	Oil, Lubricant & Consumables	1,25,69,639	2,11,99,135
	Transportation charges	12,584	10,58,926
	Hire charges of vehicles/machineries	1,45,45,979	1,29,75,507
	Refreshment(Operation)	2,39,474	1,59,871
	Other Operation expenses	38,47,628	14,012
	Watch & Ward of Power House	4,61,34,794	4,09,76,552
		9,71,85,570	9,85,94,281
31	Employee benefits expense		
	Salaries & Allowances	50,51,44,378	49,05,32,352
	Wages & Allowances	46,92,00,615	44,20,61,758
	Overtime	9,84,473	14,95,013
	Bonus	23,81,045	9,44,378
	Payment to Apprentices & Trainees	84,39,776	85,31,022
	Contribution to PF and other Funds	14,27,70,571	(5,70,11,284)
	Employees welfare expenses	7,80,14,102	8,50,15,543
	Other employee benefit expenses	9,10,60,478	26,33,95,623
		1,29,79,95,437	1,23,49,64,405
32	Administrative & general expenses		
	Rent	70,96,278	73,58,984
	Rates and taxes	10,53,902	6,76,227
	Fees & subscriptions	8,60,408	16,89,507
	Insurance charges	6,07,117	8,67,064
	Communication expenses	79,88,245	52,18,438
	Traveling & conveyance expenses	2,16,70,380	1,95,98,281
	Printing & stationery	55,44,799	44,12,916
	Bank charges	74,709	3,31,232
	Electricity & water charges	1,58,32,816	5,46,01,266
	Legal expenses	21,92,218	19,14,683
	Professional & consultancy charges	36,66,242	47,75,341
	Audit fees & expenses	30,96,385	29,82,882
	Advertisement & Publicity	37,91,315	39,50,798
	Training, Seminar & Conference	83,87,153	58,95,979
	Office upkeep & Maintenance	22,55,864	16,02,447
	Watch & ward charges	2,04,51,961	1,94,69,153
	Repair & Maintenance others	53,343	31,171
	Recruitment expenses	16,07,126	92,729

Note No.	Particulars	As at 31 March 2017	As at 31 March 2016
	Meeting expenses	20,38,078	28,65,252
	Transit house expenses	11,33,495	5,79,523
	Electrical Accessories	1,25,609	960
	Loss of Assets	2,72,200	56,24,511
	Survey & Inspection Exp. for Pump Storage Project	1,35,87,300	-
	Loss on Inventories	-3,43,167	18,10,862
	Corporate Social Responsibility Expenses	32,00,000	30,37,959
	Other Administrative & General expenses	3,11,08,142	2,17,36,018
		15,73,51,917	17,11,24,182
33	Finance costs		
	Interest on Bank loan & Others	98,17,219	12,64,008
	Interest on PFC loan	75,12,497	2,06,64,916
	Interest on Gov. loan	23,88,67,300	26,00,28,300
	Interest on Gov. loan - Old power house	53,63,40,000	53,63,40,000
	Guarantee commission	7,03,460	1,08,12,000
	Foreign exchange fluctuation loss	34,82,957	1,44,81,974
	Interest on Term Loan (REC Ltd)	1,23,41,095	-
		80,90,64,528	84,34,90,254
34	Depreciation and amortization expense		
	Depreciation of tangible assets	1,21,20,28,575	1,37,92,10,627
		1,21,20,28,575	1,37,92,10,627
35	Exceptional items		
	Voluntary separation scheme payment	21,48,310	1,93,924
		21,48,310	1,93,924
36	Payments to auditor		
	Statutory audit fees	4,40,425	4,48,275
	Statutory audit expenses	1,52,551	2,67,845
	Other audit fees	16,23,709	15,77,705
	Other audit expenses	8,79,700	6,89,057
		30,96,385	29,82,882



Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March 2017
 (All amounts in Indian rupees, except share data and unless otherwise stated)

37	Income tax expense		
	i) Income tax recognised in profit or loss		
a)	Current tax expense	31 March 2017	31 March 2016
	Current year	71,39,51,473	72,75,48,043
	Deferred tax expense		
	Origination and reversal of temporary differences	7,22,26,271	(2,15,28,568)
	Reduction in tax rate		
	Total income tax expense	78,61,77,744	70,60,19,475
	ii) Income tax recognised in OCI		
		31 March 2017	31 March 2016
	Remeasurements of defined benefit plans	(20,23,87,837)	(19,75,55,319)
	Total income tax expense relating to OCI items	(20,23,87,837)	(19,75,55,319)
b)	Reconciliation of tax expense and accounting profit		
		31 March 2017	31 March 2016
	Accounting profit before tax from continuing operations	2,11,54,73,650	1,94,80,82,427
	Accounting profit before tax from discontinued operations		-
	Accounting profit before tax	2,11,54,73,650	1,94,80,82,427
	Tax using the Company's domestic tax rate	34.608%	34.608%
	Adjustments in respect of current income tax of previous years	73,21,23,121	67,41,92,366
	Utilisation of previously unrecognised tax losses		
	Exceptional item not considered for tax purpose		-
	Income not considered for tax purpose	86,03,446	1,44,89,764
	Expense not allowed for tax purpose	2,72,200	56,24,511
	Carried forward tax losses utilised		
	Other temporary differences	(3,06,41,848)	13,65,34,985
	At the effective income tax rate of 34.608% (31 March 2016: 34.608%)	(75,32,847)	5,42,13,176
	Difference in tax rate for subsidiary	1,06,38,800	8,57,499

	Income tax reported in the statement of profit and loss	71,39,51,473	72,75,48,043
	Income tax attributed to discontinued operations		
	Total	71,39,51,473	72,75,48,043
c)	Amounts recognised directly in equity		
		31 March 2017	31 March 2016
	Current tax	-	-
	Deferred tax	-	1,54,91,79,504
	Total	-	1,54,91,79,504
d)	Deferred tax assets and liabilities		
	Deferred tax relates to the following:		
		31 March 2017	31 March 2016
			1 April 2015
	Accelerated depreciation for tax purposes	(10,78,27,492)	(20,66,40,703)
	Leave	(1,44,51,214)	(4,12,90,819)
	On actuarial gain and losses - employee expense	-	(5,89,02,770)
	Adjustment to PPE from stores consumption, inventory, major overhaul expense, repairs and maintenance expenses and corresponding depreciation	(1,64,94,470)	10,29,23,774
	On prior period adjustments	-	(4,44,07,009)
	Other items giving rise to temporary differences	86,11,611	2,92,33,639
	Total	(13,01,61,565)	(21,90,83,887)
e)	Reconciliation of deferred tax assets / liabilities		
		31 March 2017	31 March 2016
			1 April 2015
	Opening balance	1,79,82,62,859	46,81,67,242
	Deferred tax recognized for the first time		1,54,91,79,504
	Tax income/expense during the period recognised in profit or loss	(13,01,61,565)	(21,90,83,887)
	Tax income/expense during the period recognised in profit or loss from discontinued operations		-
	Closing balance	1,66,81,01,294	1,79,82,62,859

38 Earnings Per Share:

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

Particulars	2016-17	2015-16
Opening Balance (A)	63,86,507	33,98,007
Weighted average number of equity shares issued during the year (B)	22,603	20,22,355
Weighted average number of equity shares outstanding for the year (A+B)	64,09,110	54,20,362
Profit for the year attributable to equity shareholders	1,32,92,95,906	1,24,20,62,952
EPS	207.41	229.15



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39 1. Financial instruments

A. Accounting classification and fair values

March 31, 2017 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	12,09,91,64,537	12,09,91,64,537	-	-	-	12,09,91,64,537
Bank balance other than above	-	-	46,39,00,000	46,39,00,000	-	-	-	46,39,00,000
Non- current Financial Asset: Loans	-	-	85,97,064	85,97,064	-	-	-	85,97,064
Current Financial Assets: Loans	-	-	53,33,24,854	53,33,24,854	-	-	-	53,33,24,854
Trade and other receivables	-	-	1,40,54,95,288	1,40,54,95,288	-	-	-	1,40,54,95,288
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current Financial Asset	-	-	51,23,70,963	51,23,70,963	-	-	-	51,23,70,963
	-	-	21,21,28,52,706	21,21,28,52,706	-	-	-	21,21,28,52,706
Financial liabilities								
Long term borrowings	-	-	10,92,20,90,000	10,92,20,90,000	-	-	-	10,92,20,90,000
Short term borrowings	-	-	14,30,00,000	14,30,00,000	-	-	-	14,30,00,000
Trade and other payables	-	-	61,03,38,670	61,03,38,670	-	-	-	61,03,38,670
Other Non-Current financial liabilities	-	-	10,02,588	10,02,588	-	-	-	10,02,588
Other Current financial liabilities	-	-	5,80,96,16,784	5,80,96,16,784	-	-	-	5,80,96,16,784
	-	-	17,48,60,48,041	17,48,60,48,041	-	-	-	17,48,60,48,041

March 31, 2016 INR	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	11,19,97,87,737	11,19,97,87,737	-	-	-	11,19,97,87,737
Bank balance other than above	-	-	31,00,00,000	31,00,00,000	-	-	-	31,00,00,000

Non- current Financial Asset: Loans	-	-	1,07,09,099	1,07,09,099	-	-	-	1,07,09,099
Current Financial Assets: Loans	-	-	31,41,13,541	31,41,13,541	-	-	-	31,41,13,541
Trade and other receivables	-	-	1,06,91,36,703	1,06,91,36,703	-	-	-	1,06,91,36,703
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current Financial Asset	-	-	52,28,31,686	52,28,31,686	-	-	-	52,28,31,686
Financial liabilities	-	-	19,61,65,78,766	19,61,65,78,766	-	-	-	19,61,65,78,766
Long term borrowings	-	-	11,07,43,90,000	11,07,43,90,000	-	-	-	11,07,43,90,000
Short term borrowings	-	-	36,02,15,211	36,02,15,211	-	-	-	36,02,15,211
Trade and other payables	-	-	68,82,03,626	68,82,03,626	-	-	-	68,82,03,626
Other Non-Current financial liabilities	-	-	14,20,840	14,20,840	-	-	-	14,20,840
Other Current financial liabilities	-	-	5,50,67,83,189	5,50,67,83,189	-	-	-	5,50,67,83,189
	-	-	17,63,10,12,866	17,63,10,12,866	-	-	-	17,63,10,12,866

Carrying amount

April 1, 2015 INR	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	-	8,96,91,05,327	8,96,91,05,327	-	-	-	8,96,91,05,327
Bank balance other than above	-	-	31,00,00,000	31,00,00,000	-	-	-	31,00,00,000
Non- current Financial Asset: Loans	-	-	1,00,08,146.00	1,00,08,146	-	-	-	1,00,08,146
Current Financial Assets: Loans	-	-	1,77,48,413	1,77,48,413	-	-	-	1,77,48,413
Trade and other receivables	-	-	1,42,03,87,042	1,42,03,87,042	-	-	-	1,42,03,87,042
Other Non Current Financial Asset	-	-	6,19,00,00,000	6,19,00,00,000	-	-	-	6,19,00,00,000
Other Current financial asset	-	-	66,12,88,215	66,12,88,215	-	-	-	66,12,88,215
Financial liabilities	-	-	17,57,85,37,143	17,57,85,37,143	-	-	-	17,57,85,37,143
Long term borrowings	-	-	11,54,21,96,737	11,54,21,96,737	-	-	-	11,54,21,96,737
Short term borrowings	-	-	14,30,00,000	14,30,00,000	-	-	-	14,30,00,000
Trade and other payables	-	-	1,08,11,69,438	1,08,11,69,438	-	-	-	1,08,11,69,438
Other Non-Current financial liabilities	-	-	4,90,761	,90,764	-	-	-	4,90,761
Other Current financial liabilities	-	-	7,53,80,30,213	7,53,80,30,213	-	-	-	7,53,80,30,213
	-	-	20,30,48,87,149	20,30,48,87,149	-	-	-	20,30,48,87,149

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

B. Measurement of fair values

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)



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40 Financial risk management objective and policies

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

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

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

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

Credit Risk

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

Trade receivables

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

Investment

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



Cash and cash equivalents

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

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

	31 March 2017	31 March 2016	1 April 2015
Trade and other receivables	1,40,54,95,288	1,06,91,36,703	1,42,03,87,042
Debt Securitization of GRIDCO Dues	6,19,00,00,000	6,19,00,00,000	6,19,00,00,000
Cash and cash equivalents	12,09,91,64,537	11,19,97,87,737	8,96,91,05,327

Ageing analysis

	31 March 2017	31 March 2016	1 April 2015
Up to 3 months	1,03,71,28,408	78,82,70,027	97,37,81,803
3-6 months	29,79,36,747	28,01,70,527	-
More than 6 months	7,04,30,135	6,96,150	44,66,05,239
	1,40,54,95,289	1,06,91,36,704	1,42,03,87,042

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

Liquidity risk

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

Financing arrangements

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

	31 March 2017	31 March 2016	1 April 2015
At fixed rate	97,00,00,000	1,44,31,71,173	55,17,08,115



Maturities of financial liabilities

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

As at 31 March 2017	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	30,54,25,000	1,27,17,00,000	9,34,49,65,000	10,92,20,90,000
Short term borrowings	14,30,00,000	-	-	14,30,00,000
Trade and other payables	61,03,38,670	-	-	61,03,38,670
Other non current financial liabilities	-	10,02,588	-	10,02,588
Other current financial liabilities	5,80,96,16,784	-	-	5,80,96,16,784
	6,86,83,80,453	1,27,27,02,588	9,34,49,65,000	17,48,60,48,041

As at 31 March 2016	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	30,23,00,000	1,20,92,00,000	9,56,28,90,000	11,07,43,90,000
Short term borrowings	36,02,15,211	-	-	36,02,15,211
Trade and other payables	68,82,03,626	-	-	68,82,03,626
Other non current financial liabilities	9,528	14,11,312	-	14,20,840
Other current financial liabilities	5,50,67,83,189	-	-	5,50,67,83,189
	6,85,75,11,554	1,21,06,11,312	9,56,28,90,000	17,63,10,12,866

As at 1 April 2015	Less than 1 year	1-5 years	>5 years	Total
Long term borrowings	30,23,00,000	1,37,47,06,737	9,86,51,90,000	11,54,21,96,737
Short term borrowings	14,30,00,000	-	-	14,30,00,000
Trade and other payables	1,08,11,69,438	-	-	1,08,11,69,438
Other non current financial liabilities	-	4,90,761	-	4,90,761
Other current financial liabilities	7,53,80,30,213	-	-	7,53,80,30,213
	9,06,44,99,651	1,37,51,97,498	9,86,51,90,000	20,30,48,87,149

Market risk

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



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

Foreign currency risk

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

(a) Foreign currency risk exposure:

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

	31 March 2017	31 March 2016	1 April 2015
Financial Liabilities			
Foreign currency loan from PFC	-	14,06,92,027	33,03,62,095
Other financial Liability	-	25,70,897	60,99,488
Net exposure to foreign currency risk (liabilities)	-	14,32,62,924	33,64,61,583

b) Sensitivity analysis

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

Interest rate risk

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

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

a) Interest rate risk exposure

	31 March 2017	31 March 2016	1 April 2015
Fixed rate borrowings	10,92,20,90,000	11,07,43,90,000	11,54,21,96,737

b) Sensitivity analysis

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



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41 A) Capital management

The primary objective of the Company's capital management is to maximize the shareholder value. OERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the OERC

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

	31 March 2017	31 March 2016	1 April 2015
Total liabilities	21,42,15,25,950	20,98,99,68,915	21,68,47,87,523
Less : Cash and cash equivalent	(12,25,30,64,537)	(11,19,97,87,737)	(8,96,91,05,327)
Adjusted net debt	9,16,84,61,413	9,79,01,81,178	12,71,56,82,196
Total equity	15,86,50,46,682	14,68,33,70,682	12,43,14,06,180
Net debt to equity ratio	0.58	0.67	1.02

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

b) Dividends

	31 March 2017	31 March 2016
Equity Shares		
Final dividend for the year ended 31 March 2016 of INR 37.755 (31 March 2015-INR 7.325) per fully paid shares	26,18,91,970	4,67,83,252
DDT on final dividend	5,33,15,043	93,53,867

	31 March 2017	31 March 2016
Dividends not recognised at the end of the reporting period		
In addition to the above, since year end the directors have recommended the payment of a final dividend of INR XX (31 March 2016 - INR 37.755)per fully paid equity shares. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting		26,18,91,970

DDT on proposed dividend 5,33,15,043



42 **Other Explanatory Notes to Accounts**

Commitment & Contingent Liabilities

(a)

(INR. in crores)

	31 March 2017	31 March 2016	1 April 2015
(i) Estimated amount of contracts to be executed on capital account (net of advances and LCs opened) UIHEP, Mukhiguda & HHEP, Burla	634.15	184.78	33.05
(ii) Estimated amount to be required for CATP	0	13.58	0
Claims against the Company not acknowledged as debt: Stamp duty on bonds of INR.766.20 crores issued to GoO on account of up valuation of assets which has been kept in abeyance.	5.75	5.75	5.75
EPF & Sales Tax liability of UIHEP, Khatiguda	0.32	0.32	0.32
Claims of the contractor M/s Trafalgar House Construction (T) Satyam Sankaranarayan Joint Venture of UIHEP, Khatiguda	65.57	65.57	65.57
Workman compensation pending before the Hon'ble High Court of Odisha. (CHEP)	0.06	0.06	0.06
Claim of Dam Division, Rengali Dam site under water Resources Department towards water rent in respect of residential & non residential building of OHPC (RHEP)	0.15	0.16	0.15
Entry Tax, appeal before the commission of commercial Taxes, Cuttack (BHEP).	0.01	0.01	0.01
Wrong assessment of water cess by Department of Water Resources and interest charged thereon.	0.01	0.01	0.01
50% of the Fixed deposit of INR.25 CINR. pledged for the BG of BWCCCL in favour MOC, GoI.	12.5	12.5	12.5



(i) Pending cases on account of Income Tax demand raised by AO with different appellate authority for the Assessment Year 2007 -08 and 2014 -15 amounting to INR.2.18 CINR. and INR.5.45 CINR. respectively.	7.63	33.44	60.03
(ii) Pending cases at High Court on account of refund of Income Tax for RM & U of Unit I & II, HHEP, Burla.	3.57	3.57	3.57
Disputed Dam Maintenance Cost with DoWR for the FY 2013-14 & 2014-15 and 2015-16 & 2016 -17 for an amount of INR.9.27 Crs and 12.61 Crs respectively.	21.88	9.27	0
	751.6	329.02	181.02

(b) Against the claim of INR.65.57 Crs. Of M/s TSS stated at (iii) above, OHPC has lodged a claim of INR. 135.87 Crore on the said contractor. The arbitration is in process.

(c) BHEP, Balimela unit has deposited INR.40,000/- under protest during the year against the assessed entry Tax of INR. 1,13,852/- for the year 2000-01 stated at (VI) above. Against this demand, the unit has filed an appeal before the commissioner of commercial Taxes, Cuttack.

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

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

- 43 The book value of stores & spares partly not available due to theft, fire and shortages in both civil stores & Electrical Store Mukhiguda and Central Stores Khatiguda of Civil wing as per the stock verification report of M/s. JBMT Associates, C.A., Bhubaneswar for the year ending 31.03.2017 are as follows :-

Particulars.	Central Store			(INR.)
	Civil Stores Mukhiguda (INR.)	Khatiguda (INR.)	Total Amount	
Theft	2,73,312		13,75,323	16,48,634
Fire Damage	-		1,55,12,500	1,55,12,500



Shortages during 2011-12.	18,86,900	5,80,939	24,67,839
Total Loss of Stores up to 31.03.12	21,60,212	1,74,68,762	1,96,28,973
Theft during 2012-13	17,08,318	-	17,08,318
Shortages during 2012-13	3,81,310	71,800	4,53,110
Shortages written off in 2016-17	-	(2,80,089)	(2,80,089)
Total loss of stores as on 31.03.2017	42,49,840	1,72,60,472	2,15,10,313

(a) The value of inventory of Hirakud HEP as on 31st March,2017 includes the cost of spares theft in the year 2008, amounting to INR.4,15,350/-. Out of the said amount, INR.2,18,344/- has been received from insurance company as full and final settlement of the claim in the year 2010-11 and provision has been made for balance amount of INR.1,97,006/- in the accounts 2011-12 which is yet to be written off.

(b) The value of inventory of RHEP, Rengali includes INR.18,10,862/- towards shortage due to theft amounting to INR.2,89,458/- and unserviceable stores amounting to INR.15,21,404/- which has been provided & charged to P & L account in the year 2015-16. The same shall be written off after approval of Competent Authority.

(c) Out of INR.5,81,279.23 shortage during 2011-12 INR.2,80,089/- being the shortage of HSD oil against late M. Sudhakar, Ex-JE (Mech.) has been written off as per Corporate Office Lr. No.1308 dtd.25.02.2017.

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

The outstanding Energy Charges of INR 27,38,046/- of UIHEP, Mukhiguda are pending with different offices of DOWR, BSNL & banks for which letters for confirmation of balance as on 31.03.2017 were issued on 25.04.2017 by Regd. post but confirmations were not received viz.

	Amount in INR		Amount in INR
E.E., Left Canal Divn.	4,43,464/-	SDO, BSNL,Nabarangpur	9,47,376/-
		SDO, BSNL,Dharamgarh	12,11,191/-
		SBI, Jaipatna	1,36,015/-
Total Receivable from DOWR:	4,43,464/-	Total Receivable from BSNL&Banks:	22,94,582/-

45 Operating Segment

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

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

- A) The sale of energy compared to the design energy for sale during the year 2016-17 are as under:



Power stations	Actual sale of energy (in MU)	Design energy for sale (in MU)
UIHEP, Mukhiguda	1472.077	1942.38
RHEP, Rengali	531.919	519.75
BHEP, Balimela	983.306	1171.17
UKHEP, Upper Kolab	603.53	823.68
HHEP, Burla	522.301	677.16
CHEP, Chiplima	196.89	485.1
Total	4310.023	5619.24

B) As per the OERC tariff order dt. 21.03.2016, the tariff for the year 2016-17 for energy sold to GRIDCO is as follows.

Name of Power Station	Energy charge Rate (Paisa per Unit)	Capacity charges (Rupees in Crs.)
RHEP	58.039	30.166
UKHEP	27.434	22.597
BHEP	45.261	53.008
HHEP	70.013	47.41
UIHEP	37.679	73.187
CHEP	26.848	13.024
TOTAL		239.392

- C) The sale of energy includes 16.3750 MU to CSPDCL @INR.1.9564 per unit as provisionally approved by OERC which has been decided in a joint meeting held on 28.10.2014 between OHPC & CSPDCL at Raipur, Chhatisgarh.
- D) The energy sold to GRIDCO has been reconciled both in quantity & value till 2014-15. Necessary rectification entries relating to sale of energy have been passed by the respective units.
- E) During FY 2015-16, the tariff rate for the purpose of revenue recognition in the Financial statement was considered at Rs.4.50/- per unit as there was a delay in commissioning of the project and as per the terms of the PPA executed with SECI, the Unit rate will be reduced proportionately from the original agreed sale price of Rs.5.45/- per unit. Whereas in FY 2016-17, SECI vide their letter dtd.25.11.2016 has informed inter alia that "since the project was not commissioned within stipulated 24 months as MNRE Guidelines, the same was referred to the Committee constituted by MNRE to remove difficulties to take a view for continuance of the project under the JNNSM Phase -II, Batch-I scheme. The matter was discussed by the Committee and in-principle approval was given to regularise the delay as a special case". Accordingly, in the FY 2016-17, the Tariff rate @ Rs.5.45/- has been considered for Revenue recognition purpose. The total unit of Solar Power generated from the project during FY 2016-17 was 27.019627 MU.
- 47 During the year INR.10,78,093/- has been paid and adjusted to SOUTHCO towards electricity charges for power consumed in UIHEP.
- 48 Expenses in respect of employees who are in receipt of remuneration of not less than INR.2400000/- per annum and employed throughout the year or INR.200000/- per month and employed for part of the year is Nil.
- 49 The Corporation has not received any information from suppliers regarding their status under Micro, Small & Medium Enterprises Development Act 2006. Resultantly disclosure if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- 50 The details of installed capacity, generation and sale of power during the year are as under.



(INR. in Crores)

Power Stations	Installed Capacity (MW)	Gross Generation (MU)	Sale of Power (MU)	Auxiliary consumption (MU)	Transformation loss (MU)	Internal consumption (MU)
CHEP	72.00	200.807	196.89	0.7422	3.1749	-
HHEP	275.50	535.632	522.301	2.894	10.437	-
RHEP	250.00	553.0844	531.919	1.2619	8.032	11.8715
UKHEP	320.00	619.472	603.53	2.961	12.981	-
BHEP	450.00	1001.5666	983.3062	4.896	7.189	6.1754
UIHEP	600.00	1522.634	1472.077	2.875	41.587	6.095
GEDCOL	20.00	27.0196	27.0196	0	0	0
Total	1987.50	4460.22	4337.04	15.63	83.40	24.14
Previous year	2047.50	4263.97209	4121.73909	15.5298	102.0255	24.6844

51 Mobilization advance of INR.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 INR. 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 INR.50 Lakhs was recovered from the bills of LCB 1/1997-98 Agreement (Depletion sluice Gate of Benakhamar Bye pass tunnel) and INR.150 Lakhs was recovered from the bills of LCB 2/1997-98 Agreement (Depletion Sluice Gate of Indravati Dam). The recovered amount of INR.2.00 Crores is now accounted for during the current financial year by deducting from the Gross Block with corresponding deduction from cumulative depreciation under the sub head " Hydro Works, Dam, Penstock and Main Head" Power House Electro Mechanical Work".

52 Deposit with others

(I) Mukhiguda

The Deposit with Others amounting INR.48,06,873/- at UIHEP, Mukhiguda represents security deposit of INR.2,000/- with BSNL, Bhawanipatna towards Mobile Phone of S.G.M. (Electrical) vide MDB Sl. No.134 of 9/2004, with SOUTHCO for INR.45,10,436/- for 8 Nos. of New 11 KV metering at Khatiguda Unit & INR.59,537/- with WESCO for 2 Nos 11 MV metering at Intake & Surge shaft respectively. INR.2,34,900/- deposited with EE, Testing & Calibration-cum-DEI, Bhubaneswar.

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

	INR. In Lakhs		INR. In Lakhs
23.03.1994	40	1994-95	40
28.03.1994	30	1994-98	0.03
31.03.1995	22	28.06.96	14.03
15.03.1996	12		
	104		54.06

Out of INR.1,04,00,000/-, a sum of INR.5,20,986/- has been refunded by CTO, Koraput (now Nabarangpur) through challan vide BRV No.1333 dtd.24.03.2012 after finalization of appeal. So total deposit of INR.1,52,82,127/- is with Sales Tax Authorities. The sales Tax tribunal has directed the concerned CTOs for re-assessment of Sales Tax & the matter is dealt by E.E., Stores & mechanical Divn



- 53 I) OHPC has lodged a insurance claim of INR 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 INR 5.00 crores in two spells i.e. INR 3.50 crores in May 95 and INR 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 INR 95.98 lacs which was not accepted by OHPC. OHPC invoked the arbitration clause, and referred the matter to arbitration. In the process of Arbitration the Hon'ble Arbitrators in the interim order dtd 26.07.2009 directed the Insurance Company to pay INR 95.58 lacs. The said amount received from the Insurance Company has been shown as income in the year 2009-10. Now the Arbitral award is delivered on dated 13.06.2013 and directed to M/s. United India Insurance Company Ltd. to pay INR. 74023445/- within two months of the order dated.

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

II) Insurance claim for INR.2,76,666/- has been lodged to National Insurance Company on 09.06.2015 for unit-V, CB & CT. (b) Insurance claim of INR.31,47,840/- has been lodged to national insurance Company on 02.07.2015 for damage of assets of Conference Hall & other equipments due to fire against which an amount of INR.1,39,914/- has been settled by Insurance Company. (c) Insurance claim of INR.7,21,712/- has been lodged to National Insurance company on 16.12.2015 for theft of store materials.

- 54 It was decided in 105th Board of directors meeting held on 11th March 2011 to make valuation of the Assets of Potteru Small Hydro Electric project after government approval for disposal of the project on "as-is-where-is basis which is still pending for Cabinet approval.
- 55 The consolidate financial statement has been prepared separately taking the Audited Accounts of OHPC, GEDCOL, OTPCL, BWCCCL & OCPL with Generally Accepted Accounting Principles as per Companies Act 2013. Inadvertent omissions or errors if any will be rectified in the accounts of year of identification.
- 56 The Company spent INR.32.00 lakhs towards CSR i.e. INR.30.00 lakhs towards promoting education & others and INR.2.00 lakhs towards rural development projects under schedule (vii) of Section 135 of Companies Act 2013.:

Year	INR. In Laks			
	2013-14	2014-15	2015-16	2016-17
Net profit before tax as per Section 198	1112.32	4668.14	19570.58	-
Average profit for last 3 years	-	-	-	25351.04
2% of average profit	-	-	-	507.02
Expenditure made during the year	-	-	-	32

Amount spent during the year on:
In Lakhs.

	INR		
	In cash/ Cheque	Yet to be paid in cash	Total
Construction/acquisition of any asset.	-	-	-
On purposes other than (i) above	32	-	32

- 57 Foreign currency transactions:

Particulars	2016-17 (INR.)	2015-16 (INR.)
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(a) Value of Imports calculated on CIF basis in respect of components and spare parts through LC.(₹ 113673600)	NIL	6,47,46,491
(b) Value of Imports calculated on CIF basis in respect of capital goods (HHEP, Burla € 21112.60 & \$ 86506.60 and CHEP, Chiplima € 9659.40 & \$ 70353.60)	NIL	1,27,74,437
Total expenses	NIL	7,75,20,928

58 Specified Bank Notes (SBN)

Particulars	SBNs*	Other Denomination notes	Total
Closing cash in hand as on 08th November 2016	2,19,000.00	58,865.72	2,77,865.72
(+) Permitted receipts	3,500.00	16,75,234.00	16,78,734.00
(-) Permitted payments	15,000.00	10,66,801.00	10,81,801.00
(-) Amount deposited in Banks	2,07,500.00	3,12,700.00	5,20,200.00
Closing cash in hand as on 30th December 2016		3,54,598.72	3,54,598.72

* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs No. S.O. 3407(E), dated 08th November 2016.



Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March 2017
(All amounts in Indian rupees, except share data and unless otherwise stated)

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

(a) Interest in Subsidiaries:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at		
			31-03-2017	31-03-2016	31-03-2015
Green Energy Development Corporation LTD	India	Power Generation	100%	100%	100%

(b) Interest in Joint Ventures:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at		
			31-03-2017	31-03-2016	31-03-2015
Odisha Thermal Power Corporation LTD	India	Power Generation	50%	50%	50%
Baitarni West Coal Company LTD	India	To own, acquire, develop , operate and carry on the business of coal mining and coal washerces etc.	33.33%	33.33%	33.33%

(c) Interest in Associates Company:

Name of Companies	Principal place of operation	Principal activities	Proportion of Ownership interest as at		
			31-03-2017	31-03-2016	31-03-2015
Odisha Coal and Power Limited	India	Extraction of Coal	49%	49%	49%

(d) List of Other Related Parties:

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



(e) Key Management Personnel:

S.No	Name	Position Held
1	Sh Hemant Sharma, IAS,	CMD w.e.f 10.02.2017
2	Sh Rajesh Verma, IAS,	CMD upto 09.02.2017
3	Sh Hemant Sharma, IAS,	Director upto 09.02.2017
4	Sh Vijay Arora, IAS,	Director
5	Sh D K Jena, IAS,	Director
6	Sh Pravakar Mohanty,	Director (Finance) w.e.f 25.10.2016
7	Sh S C Bhadra,	Independent Director
8	Sh R C Tripathy,	Independent Director
9	Mrs. Saveeta Mohanty,	Independent Director
10	Sh. Rajesh Sharma,	Director (HRD) Upto 31.07.2016
11	Late Sh S K Jena,	independent director upto 23.01.2017
12	Sh A.K Mishra, CGM(EL.)	Director (Operation)
13	Sh B.K Behera, OFS(SAG),FA-cum-Addl. Secy., DoE	Director (Finance) Upto 24.10.2016
14	Sh S. Nayak, OAS(SAG), Special Secretary, DoE, Department of Energy	Director HRD w.e.f 01.08.2016
15	Sh P.P Sahu	CFO
16	Sh P.K Mohanty	Company Secretary

(f) Name and Nature of Relationship with Government:

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

(g) Key Management Personnel (KMP) compensation:

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016
i) Short Term Employee Benefits	6829354	4459586
ii) Post Employment Benefits	1328853	1909113
Other Transactions with KMP	For the Year ended 31.03.2017	For the Year ended 31.03.2016
Sitting Fees and other reimbursements to non-executive/ Independent directors	729800	713731



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

Particulars	During the FY 2016-17	During the FY 2015-16
(I) Transaction with Government that has control over company (OHPC)- State Govt.		
Guarantee commission Due	7,03,460	1,08,120
Interest on Govt Loan Due	77,52,07,300	79,63,68,300
Loan Repaid	30,23,00,000.00	30,23,00,000
Guarantee commission paid	8,03,77,918	7,22,37,397
(II) Transaction with Entities controlled by the same Government that has control over company (OHPC)		
	During the FY 2016-17	During the FY 2015-16
Sale Of Goods (Electricity)	4,27,96,46,146	4,08,55,05,969
Service Received by the Company (SLDC)	1,51,92,876	1,78,35,360
Service Received by the Company (Rent)	69,42,720.00	68,32,520.00
(III) Transaction with Subsidiaries		
	During the FY 2016-17	During the FY 2015-16
Loan Given To GEDCOL	30,50,00,000	15,00,00,000
Interest receivable for the year	1,16,83,904	1,03,37,671
Fixed deposit pledged with Axis Bank towards performance Bank Guarantee on behalf of GEDCOL	6,00,00,000	6,00,00,000
(IV) Transaction with joint ventures		
	During the FY 2016 17	During the FY 2015 16
Fixed deposit pledged with Punjab and Sindh Bank, BBSR towards margin money on behalf of BWCCCL	25,00,00,000.00	25,00,00,000.00
Advance to others (Other Expenses paid for BWCCCL)	-	4,726.00
(V) Transaction with Associates		
	During the FY 2016-17	During the FY 2015-16
Loan Given To OCPL	51,00,00,000.00	30,00,00,000.00
Interest receivable for the year	4,55,73,435.00	41,49,316.00
(VI) Transaction with Trust created for Post employment Benefit plans of OHPC		
1. PF Trust	During the FY 2016-17	During the FY 2015-16
Contribution to Trusts	12,06,43,120.00	12,76,46,652.00
2. Gratuity Trust		
Contribution to Trusts	19,11,757.00	1,00,000.00
3. Rehabilitation Trust		
Contribution to Trusts	41,50,000.00	40,00,000.00
4. Pension Trust		
Contribution to Trusts	34,05,21,985.00	5,98,58,703.00
Total of transactions with above trusts	46,72,26,862.00	19,16,05,355.00

Odisha Hydro Power Corporation Limited
Notes to Consolidated Financial Statements for the year ended 31st March
2017

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

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

(a) Description of plans

(i) Provident Fund

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

(ii) Pension :

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

(iii) Gratuity

The Corporation has taken a group Gratuity Insurance Policies with LIC of India w.e.f. 01.01.2005 and 01.04.2014. The Corporation has a defined benefit gratuity plan. The ceiling limit of Gratuity is fixed as per payment of Gratuity Act 1972 for the employees covered under EPF Act. As per this, an employee rendering service of five years or more are entitled to get gratuity at 15 days salary (15 / 26 X last drawn basic salary plus DA) for each completed year of service subject to maximum of Rs.0.10 Crs. on superannuation, resignation, termination, disablement or on death. Further the ceiling limit of Gratuity for the employees transferred from Govt. / erstwhile OSEB covered under pension scheme and rendered continuous service of ten years or more are entitled to get gratuity equal to ¼ th of his last salary (Basic Salary + GP) for each completed six monthly period of qualifying services subject to maximum of 16 ½ times of the emoluments or Rs.7.50 lakhs whichever is lower on superannuation. But in case of death, the ceiling limit of gratuity is fixed depending upon the length of service corresponding to rate of gratuity as given below:

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



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

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

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

(v) Allowances on Retirement / Death :

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to his / her native place as recorded in Service Book where he / she may settle after retirement is paid as per the rules of the corporation. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actual payment. In addition, the Corporation has a policy to pay Rs.15,000/- to the family of the deceased employee towards transportation pay of dead body and obsequies expenses.

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

The Corporation has a policy of providing Memento valuing Rs.4,500/- to employee on superannuation. The liability for the same is recognised on the basis of actual payment.

Disclosure of Balance Sheet amounts and sensitivity analysis of plans

(i) Gratuity: The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015-16 and 2016-17 are as follows:

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2015-16	
Opening Balance as at 01.04.2015	58,57,86,344	65,07,73,665	(6,49,87,321)
Current Service Cost	2,63,51,520		2,63,51,520
Past Service Cost	-	-	-
Interest Expenses/ (Income)	4,68,62,908	5,20,61,893	(51,98,985)
Total Amount recognised in Profit or Loss	7,32,14,428	5,20,61,893	2,11,52,535
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	2,04,01,702	17,35,570	1,86,66,132
Total Amount recognised in Other Comprehensive Income	2,04,01,702	17,35,570	1,86,66,132

Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(3,03,37,293)	(3,03,37,293)	-
Closing Balance as at 31.03.2016	64,90,65,181	67,42,33,835	(2,51,68,654)

Amount in INR

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii) 2016-17	Net Amount iii=(i)-(ii)
Opening Balance as at 01.04.2016	64,90,65,181	67,42,33,835	(2,51,68,654)
Current Service Cost	2,73,41,995	-	2,73,41,995
Past Service Cost	-	-	-
Interest Expenses/ (Income)	5,19,25,214	5,39,38,707	(20,13,493)
Total Amount recognised in Profit or Loss	7,92,67,209	5,39,38,707	2,53,28,502
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1,80,26,339		1,80,26,339
Experience (gains)/Losses	(3,56,84,896)	9,74,422	(3,66,59,318)
Total Amount recognised in Other Comprehensive Income	(1,76,58,557)	9,74,422	(1,86,32,979)
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(3,46,19,526)	(3,46,19,526)	-
Closing Balance as at 31.03.2017	67,60,54,307	69,45,27,438	(1,84,73,131)

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

Particulars	31 March 2017	31 March 2016	1 April 2015
Present Value of funded obligations	67,60,54,307	64,90,65,181	58,57,86,344
Fair value of Plan Assets	69,45,27,438	67,42,33,835	65,07,73,665
Deficit/(Surplus) of funded plans	(1,84,73,131)	(2,51,68,654)	(6,49,87,321)
Unfunded Plans	-		
Deficit/(Surplus) before asset ceiling	(1,84,73,131)	(2,51,68,654)	(6,49,87,321)

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



	31 March 2017	31 March 2016
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	67,60,54,307	64,90,65,181
a) Impact due to increase of 0.50%	(1,80,30,020)	(1,78,76,815)
b) Impact due to decrease of 0.50%	1,90,30,421	1,88,36,803
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	67,60,54,307	64,90,65,181
a) Impact due to increase of 0.50%	1,90,30,421	1,89,26,763
b) Impact due to decrease of 0.50%	(1,81,94,810)	(1,81,22,082)

(ii) Pension: The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015-16 and 2016-17 are as follows:

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii) 2015-16	Net Amount iii=(i)-(ii)
Opening Balance as at 01.04.2015	2,40,32,73,172	3,55,08,09,809	(1,14,75,36,637)
Current Service Cost	6,45,00,085	-	6,45,00,085
Past Service Cost	-	-	-
Interest Expenses/ (Income)	16,99,46,302	27,69,63,165	(10,70,16,863)
Total Amount recognised in Profit or Loss	23,44,46,387	27,69,63,165	(4,25,16,778)
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	53,77,49,060	3,81,33,339	49,96,15,721
Total Amount recognised in Other Comprehensive Income	53,77,49,060	3,81,33,339	49,96,15,721
Contributions:-			
-Employers		5,98,58,703	5,98,58,703
-Plan participants			
Benefit payments	(50,41,08,317)	(50,41,08,317)	
Closing Balance as at 31.03.2016	2,67,13,60,302	3,42,16,56,699	(75,02,96,397)

Particulars	Present Value of Obligation (i)	Fair value of Plan Assets (ii) 2015-16	Net Amount iii=(i)-(ii)
Opening Balance as at 01.04.2016	2,67,13,60,302	3,42,16,56,699	(75,02,96,397)
Current Service Cost	7,14,17,275	-	7,14,17,275
Past Service Cost	-	-	-
Interest Expenses/ (Income)	21,10,37,464	27,03,10,879	(5,92,73,415)
Total Amount recognised in Profit or Loss	28,24,54,739	27,03,10,879	1,21,43,860
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/ (Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	15,20,83,861	-	15,20,83,861
Experience (gains)/Losses	46,72,23,779	4,31,45,965	42,40,77,814
Total Amount recognised in Other Comprehensive Income	61,93,07,640	4,31,45,965	57,61,61,675
Contributions:-			
-Employers		34,05,21,985	34,05,21,985
-Plan participants			
Benefit payments	(54,49,39,040)	(54,49,39,040)	
Closing Balance as at 31.03.2017	3,02,81,83,641	3,53,06,96,488	(50,25,12,847)
The net liability disclosed above related to funded and unfunded plans are as follows:			
Particulars	31 March 2017	31 March 2016	1 April 2015
Present Value of funded obligations	3,02,81,83,641	2,67,13,60,302	2,40,32,73,172
Fair value of Plan Assets	3,53,06,96,488	3,42,16,56,699	3,55,08,09,809
Deficit/(Surplus) of funded plans	(50,25,12,847)	(75,02,96,397)	(1,14,75,36,637)
Unfunded Plans	-		
Deficit/(Surplus) before asset ceiling	(50,25,12,847)	(75,02,96,397)	(1,14,75,36,637)
Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:			



a) Impact of the change in discount rate		31 March 2017	31 March 2016
	Present Value of Obligation at the end of the period	3,02,81,83,641	2,67,13,60,302
a)	Impact due to increase of 0.50%	(19,38,24,911)	(17,44,03,907)
b)	Impact due to decrease of 0.50%	20,20,30,223	18,17,87,808

b) Impact of the change in salary increase

	Present Value of Obligation at the end of the period	3,02,81,83,641	2,67,13,60,302
a)	Impact due to increase of 0.50%	20,68,56,901	18,61,30,869
b)	Impact due to decrease of 0.50%	19,79,13,144	17,80,83,231

(iii) Earned Leave : The amount recognised in the Balance Sheet as at 31.03.2016 & 31.03.2017 along with the movements in the net defined benefit obligation during the years 2015 -16 and 2016 -17 are as follows:

Particulars	Present Value of Obligation	
	2016-17	2015-16
Opening Balance as at 01.04.2016	57,24,29,565	44,38,68,199
Current Service Cost	2,78,82,502	5,83,37,304
Past Service Cost		
Interest Expenses/ (Income)	4,57,94,365	3,37,75,645
(Gain)/loss from change in financial assumptions	1,81,45,344	30,91,974
Experience (gains)/Losses	91,26,690	4,94,63,298
Total Amount recognised in Profit or Loss	10,09,48,901	14,46,68,221
Contributions:		
-Employers		
-Plan participants		
Benefit payments	(4,56,54,360)	(1,61,06,855)
Closing Balance as at 31.03.2017	62,77,24,106	57,24,29,565

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

a) Impact of the change in discount rate		31 March 2017	31 March 2016
	Present Value of Obligation at the end of the period	62,77,24,106	57,24,29,565
a)	Impact due to increase of 0.50%	(1,81,45,344)	(1,73,94,330)
b)	Impact due to decrease of 0.50%	1,92,22,402	1,79,54,287



b) Impact of the change in salary increase

	Present Value of Obligation at the end of the period	62,77,24,106	57,24,29,565
a)	Impact due to increase of 0.50%	1,92,22,402	1,80,67,981
b)	Impact due to decrease of 0.50%	(1,83,11,003)	(1,75,34,734)

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial Statements for the year ended 31st March 2017

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

61 Transition to Ind AS

The Company's financial statements for the year ended 31 March 2017 are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in accordance with the accounting policies notified in Note 1. For the year ended 31 March 2016, the company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the act ('previous GAAP').

The accounting policies as set out in Note No. 1 have been applied in preparing financial statements for the year ended 31 March 2017 including comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition date i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1st April 2015 and in preparing the comparative information for the year ended 31 March 2016, the company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous gaap, and how the transition from previous GAAP to Ind AS has affected the company's financial position.

A. Exceptions:

- 1) Estimates exception: Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except for actuarial valuation of employee liabilities and where estimates were required by Ind AS and not required by Indian GAAP.
- 2) The Company has classified financial assets and liabilities in accordance with Ind AS 109 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



B. Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- 1) The Group has elected to apply the deemed cost option available under Para D7AA of Ind AS 101 i.e. all items of property, plant and equipment have been recognised in the financial statements as at the date of transition to Ind AS at the carrying value measured as per previous GAAP.
- 2) The Group has elected to apply exemption given as per para D31AA of Ind AS 101. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognise its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

C. Reconciliation:

- (i) Equity as at April 1, 2015 and March 31, 2016
 - (ii) Total Comprehensive Income for March 31, 2016
- Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

(i) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Note	31 March 2016	1 April 2015
Equity under previous GAAP		12,16,18,57,619	10,24,30,30,470
Adjustments			
Classification of interest free perpetual loan into deemed equity	1	1,32,14,00,000	1,32,14,00,000
Change in policy for recognition of Property, plant and equipment and consequential effect of depreciation	2	29,28,63,719	(45,35,073)
Remeasurement of post employment benefit obligations*	3	1,10,87,54,284	1,27,89,54,150
Proposed dividend (including dividend distribution tax)	4	31,52,07,013	5,61,37,119
Prior period adjustments	5	(1,50,44,301)	10,55,56,058
Classification of grant in aid from part of equity to deferred income	9	(20,00,00,000)	(10,00,00,000)
Share of profit/(loss) of equity accounted investees (net of taxes)	10	(7,15,109)	-
Tax effect of adjustments made on transition to Ind AS	6	(46,86,67,544)	(46,90,53,548)
Other deferred tax adjustments	11	16,77,15,001	(82,996)
Total Adjustments		2,52,15,13,063	2,18,83,75,710
Total equity as per IND AS		14,68,33,70,682	12,43,14,06,180

* reflects errors made under previous GAAP. Refer note 3.



(ii) **Reconciliation of total comprehensive income for the year ended 31 March 2016**

Particulars	Note	31-Mar-16
Profit after tax as per Previous GAAP		69,47,13,667
Change in policy for recognition of Property, plant and equipment and consequential effect of depreciation	2	29,73,98,792
Remeasurement of post employment benefit obligations*	3	40,06,37,279
Prior period adjustments	5	(12,06,83,355)
Tax effect of adjustments made on transition to Ind AS	6	(19,71,69,315)
Share of profit/(loss) of equity accounted investees (net of taxes)	10	(7,15,109)
		16,78,80,993
Total Adjustment		54,73,49,286
Profit after tax as per Ind AS (A)		1,24,20,62,953
Other Comprehensive Income		
Remeasurement of post employment benefit obligations*	3	(57,08,37,145)
Tax effect of adjustments made on transition to Ind AS	5	19,75,55,319
Other Comprehensive Income (B)		(37,32,81,826)
Total Comprehensive Income (A+B)		86,87,81,127

Odisha Hydro Power Corporation Limited

Notes to Consolidated Financial Statements for the year ended 31st March 2017

Explanation for reconciliations of Equity, Total Comprehensive Income and Cash Flow as previously reported under IGAAP to Ind AS

1 Interest Free Perpetual Loan

Perpetual loan having no contractual obligation ever to pay interest and no obligation to repay the principal has been treated as deemed equity as per the definition of equity under Ind AS 32 para 16. Consequently the total equity increased by 132,14,00,000 with a corresponding decrease in borrowings.

2 Property Plant & Equipment

Inventories that satisfies the definition and recognition criteria of PPE as per Ind AS 16 has been recognized as PPE. Also cost incurred towards any major overhauling and repairs and maintenance expenses which satisfies recognition criteria has been capitalised. Corresponding depreciation impact has also been considered.

Consequent to the above on transition to Ind AS, stores inventory amounting to 14,14,25,140 was capitalized and depreciation amounting to INR 45,35,077 was charged.

Subsequently for the year ended March 31, 2016 repairs and maintenance and major overhaul expense amounting to INR 35,98,17,241 was capitalized and the corresponding depreciation effect of the said adjustment was INR 6,24,18,449.



3 Remeasurement of Post Employment Benefit Obligations - error made under previous GAAP

Under Ind AS 19- Employee Benefits, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in OCI instead of the Statement of Profit or Loss. Under the previous GAAP the company did not provide for post employment benefit based on actuarial valuation (i.e. AS -15). This has resulted in additional adjustment on transitioning to Ind AS which is an error made under previous GAAP. The effect has been explained below:

On the transition date, an additional plan asset amounting to INR 127,89,54,150 was recognized on account of Pension and Gratuity. Subsequently for the year ended March 31, 2016, additional expense (PL + OCI) amounting to INR 170,199,866 was booked.

4 Proposed Dividend

Under previous GAAP, dividends proposed by the Board of Directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with the relevant dividend distribution tax) as liabilities at reporting date. Under Ind AS, dividend so proposed by the board are considered to be non- adjusting event. Accordingly provision for proposed dividend and dividend distribution tax recognized under previous GAAP has been revised

5 Prior Period Adjustments

Current principles require companies to disclose prior period items separately in the financial statements of the current period and do not require an adjustment to the previously reported numbers of the period to which the errors relate (i.e. a restatement of the previous periods is not required or permitted for such errors). Under Ind AS, material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods in which the error occurred. If the error occurred before the earliest period presented, the opening balance of equity/ retained earnings for the earliest period presented are adjusted.

6 Deferred Tax Adjustments

The various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

7 Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans,

8 Impact of Ind AS adoption on the cash flows for the year ended March 31, 2016

Under the previous GAAP, all the Bank Balances were part of Cash & Cash Equivalents. However, as per IND AS, only short term Bank Deposit with original maturity of less than three months shall be part of Cash & Cash Equivalent. Accordingly Bank deposits amounting to INR 310,000,000 which were classified as Cash & Cash Equivalents in Indian GAAP are classified as "Financial Assets - Current - Bank Balances Other than Cash & Cash Equivalents" under Ind AS.



9 Grant in Aid - Classified as Deferred Income

Under previous GAAP, grant in aid was classified as part of Reserves & Surplus. Under Ind AS, grant related to assets has been classified as deferred income and will be amortized over the useful life of the related assets. Accordingly, grant in aid has been presented under non-current liabilities instead of other equity.

10 Net effect JV consolidated using equity method

Under previous GAAP, joint ventures were classified as joint controlled entities and accounted for using the proportionate consolidation method. Under Ind AS, these joint ventures are accounted for using the equity method based on the balances as at the transition date.

11 Deferred tax asset on unabsorbed tax losses

Under previous GAAP, deferred tax asset is recognised on unabsorbed tax losses only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Under Ind AS, deferred tax assets is created in the books of accounts to the extent it is probable that taxable profit will be available against which deductible temporary differences and unused tax losses and unused tax credits carried forward can be utilised. Accordingly, the group has created deferred tax asset on unused tax losses.

Significant Accounting Policy and Accompanying notes forming part of the Financial statements in term of our report of even date attached.

For GNS & ASSOCIATES

Chartered Accountants

FRN-318171E

**N P Sahu
Partner
M.No.55224**

**P K Mohanty
Company Secretary**

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

**Vishal Kumar Dev, IAS
CMD
DIN:01797521**

Place : Bhubaneswar

Date : 27.10.2017





OHPC Training Centre



**OHPC Employees with Directors at Corporate Office, BBSR.
on 22nd Foundation Day 21.04.2018**





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