OPGC
Power for Progress

Creating Value for all Stakeholders

29th Annual Report
2013

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OPGC
Power for Progress

Our Vision

A world-class power utility committed to generate clean, safe and reliable power, enhancing value for all stake holders and contributing to national growth.

Our Mission:

- To attain global best practices by adopting, innovating and deploying cutting edge solutions.
- To achieve excellence in reliability, safety and quality of power by creating a culture of empowerment and high performance.
- To be responsible corporate citizen having concern for environment, society, employees and people at large.

Our Values

- Put Safety First
- Honour Our Commitments
- Act with Integrity
- Strive for Excellence
- Have Organisational Pride
- Foster Teamwork

Our Strengths

Dedication
We are completely dedicated towards Safety, Health & Environment

Integrity
Integrity is the foundation of all that we do. With Honesty, Decency, Consistency and Courage.

Commitment
We are committed to generate and provide Clean, Affordable & Reliable Power

Corporate Social Responsibility
We are committed for inclusive growth & holistic development of all sections of society

Corporate Governance
The affairs of the Company is dealt with Fairness, Transparency & Accountability

The OPGC Portrait

Odisha Power Generation Corporation on November 14, 1984, started as a wholly owned Government Company of the State of Odisha with the main objective of establishing, operating & maintaining large thermal power generating stations. In the pursuit of its objective, OPGC established Ib Thermal Power Station having two units of 210 MW each in the Ib valley area of Jharsuguda District in the State of Odisha. The entire generation from these units is committed to GRIDCO on the basis of a long-term Power Purchase Agreement.

After divestment of 49% of the equity in favour of AES Corporation, USA in early 1999, OPGC with its present ownership structure is unique of its kind in the country and has excellent track record of plant performance and earnings. Today OPGC has firmly established its credentials as a successful power generating company both technically & commercially by providing clean, safe & reliable power. With the available resources and fuel security in terms of allocation of captive mine, the Company has rightfully capitalised on its credentials and experience to further expand its capacity by adding 2X660 MW units.

Focus

The year 2012-13 was marked with exceptional achievements for your Company, wherein it has taken active steps to implement the (2X660) MW power plant of unit 3 & 4.

During the year, your Company has registered a PLF of 86.48%, highest and the lowest cost producers of power, among all the generating stations of the country operating under the State PSUs.

Your Company's financial performance was exceptionally strong with a Profit After Tax (PAT) of Rs.167 crores, an increase of about 22% over the previous year PAT. The total income stood at Rs.636 crore, a growth of 11 %.

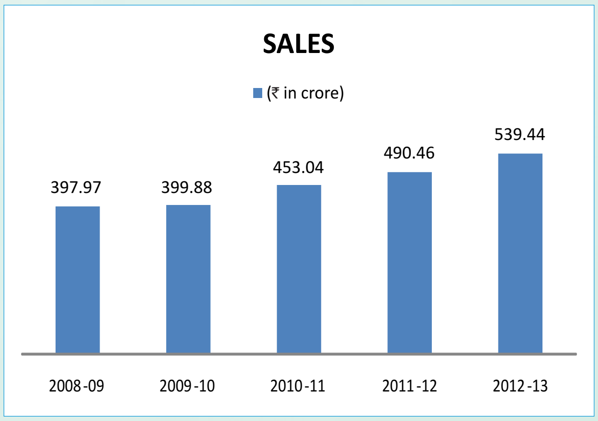
On the strength of the robust financial ratios and strong balance sheet, your Company has raised debt at optimal rates. The Company has entered into financial agreements with PFC and REC for financing the projects in the ratio of 50: 50 of the total debt component of Rs. 8660 crore i.e. up to a maximum amount of Rs. 4330 crore each for the Company expansion project comprising of 2 X 660 MW power plant (unit 3 & 4).

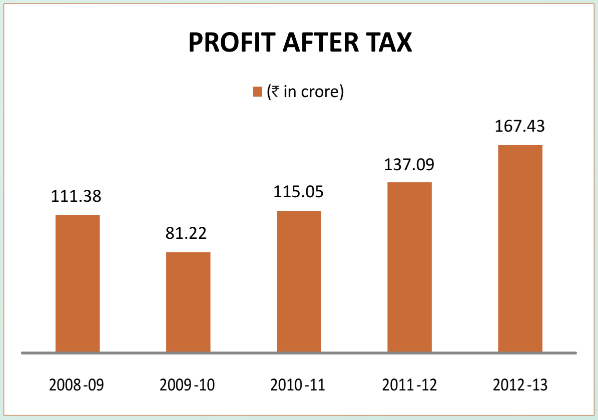
With focus on all round sustainability of growth and performance, your Company takes up well laid down initiatives in the areas of Environment, CSR and Corporate Governance.

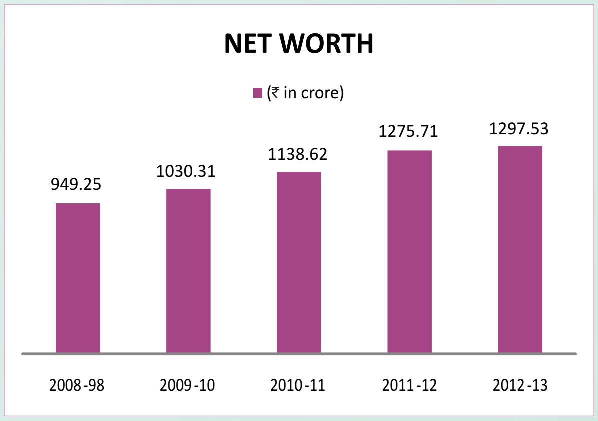
To cater to meet the growing huge energy demand, your Company is expeditiously adding generation capacity for providing clean, safe and affordable energy.

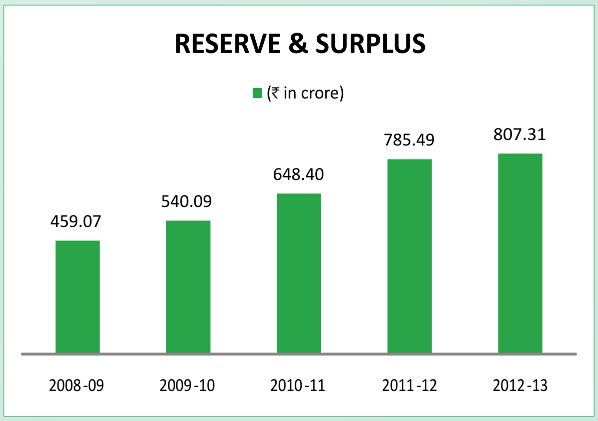
On the basis of the proven cabilities OPGC, is committed to live up to the expectations of all stakeholders.

Sustainable Performance









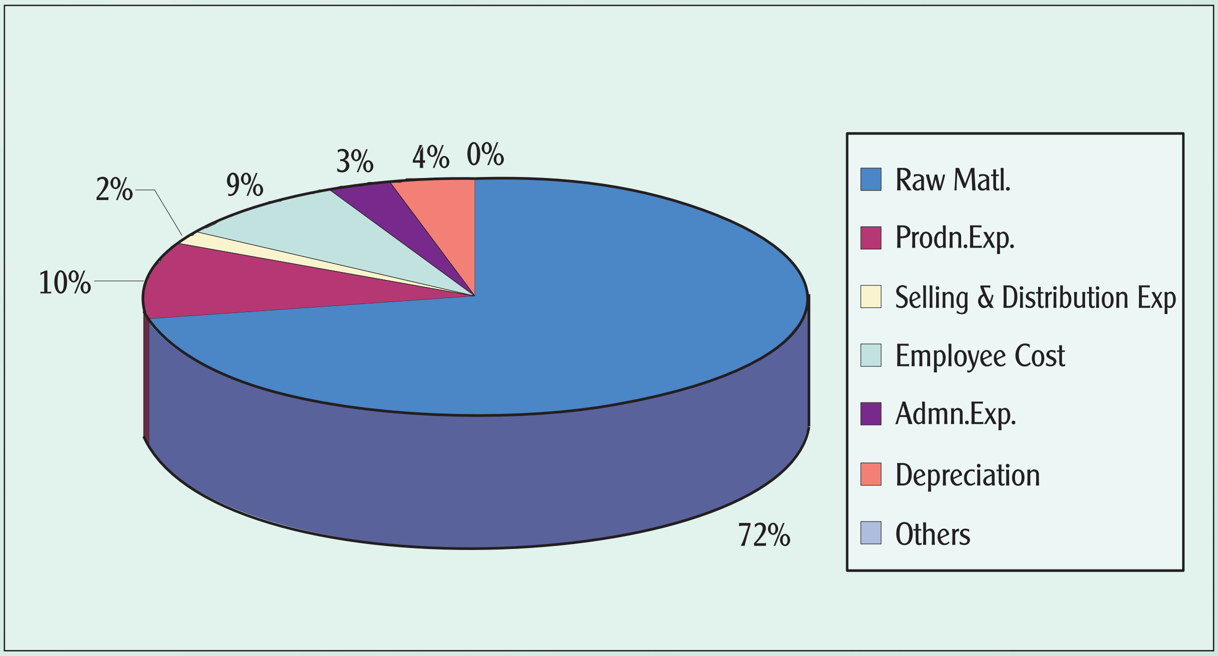
PERFORMANCE OF IB THERMAL POWER STATION (2 X 210) MW

Year	Generation	PLF	Sales	Auxilliary Consumption		Coal Consumption		Oil Consumption	
						Total Consumption	Specific Consumption	Total Consumption	Specific Consumption
	MU	%	MU	MU	%	MT	Kg/k Wh	KL	Ml/k Wh
2001-02	2,599	70.64	2,320	278	10.69	21,92,375	0.84	3,946	1.42
2002-03	2,621	71.24	2,329	290	11.06	22,28,453	0.85	4,385	1.45
2003-04	3,006	81.60	2,678	329	10.94	26,27,766	0.87	3,609	1.20
2004-05	3,160	83.28	2,833	327	10.35	26,39,799	0.84	2,064	0.65
2005-06	3,090	84.12	2,773	317	10.23	26,05,433	0.84	1,236	0.39
2006-07	3,311	89.98	2,974	337	10.18	27,45,345	0.83	1,271	0.38
2007-08	3,043	82.60	2,735	308	10.11	26,67,299	0.88	1,888	0.62
2008-09	3,187	86.62	2,858	330	10.35	28,16,846	0.88	2,125	0.67
2009-10	2,955	80.32	2,646	309	10.46	25,53,217	0.86	2,487	0.84
2010-11	3,184	86.53	2,843	340	10.67	27,35,714	0.86	2,220	0.69
2011-12	2,950	80.17	2,637	314	10.64	25,81,254	0.88	2,623	0.89
2012-13	3,181	86.48	2,838	336	10.58	27,57,202	0.86	2,131	0.67

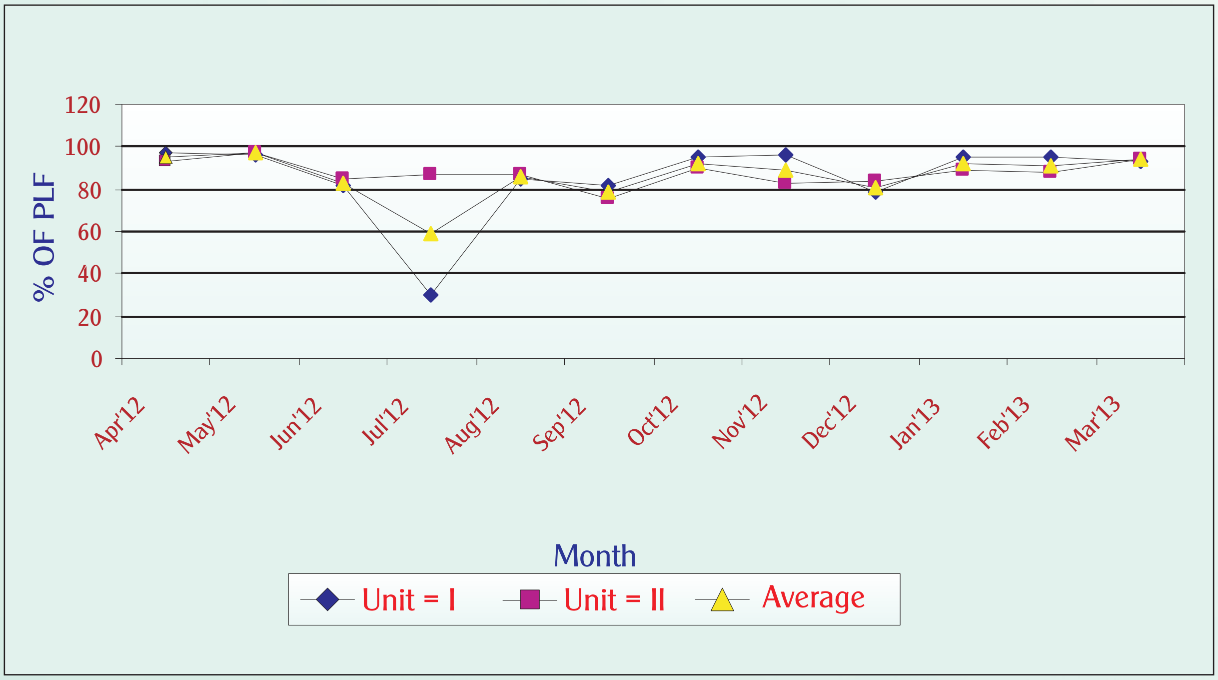
COMPARATIVE COST OF GENERATION

Sl.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1	Generation (MU)	3,181.59	2950.15	3184.69	2955.39	3187.33	3043.54	3310.53	3089.61
	PLF (Ib TPS) %	86.46	80.17	86.53	80.32	86.62	82.60	89.98	84.12
2	Variable Cost a) Coal	265.81	245.07	214.93	184.67	183.46	160.65	159.16	153.33
	b) Oil	12.51	14.85	9.79	9.70	8.86	5.30	4.07	3.25
	Total	**278.32**	**259.92**	**224.72**	**194.37**	**192.32**	**165.95**	**163.23**	**156.58**
3	Semi-Variable Cost Employee Cost	33.76	30.65	34.53	25.89	31.51	27.40	25.72	15.74
	Generation & Other Expenses	58.65	59.80	60.78	53.11	45.62	42.54	41.48	37.11
4	Fixed Cost Interest & Finance a) Charges		0.08	0.62	1.61	2.71	4.58	6.85	10.07
	b) Depreciation	15.25	15.21	15.88	51.38	57.30	58.52	60.71	59.14
	Total	**15.25**	**15.29**	**16.50**	**52.99**	**60.01**	**63.10**	**67.56**	**69.21**
	Grand Total (2+3+4)	**385.98**	**365.66**	**336.53**	**326.36**	**329.46**	**298.99**	**297.99**	**278.64**

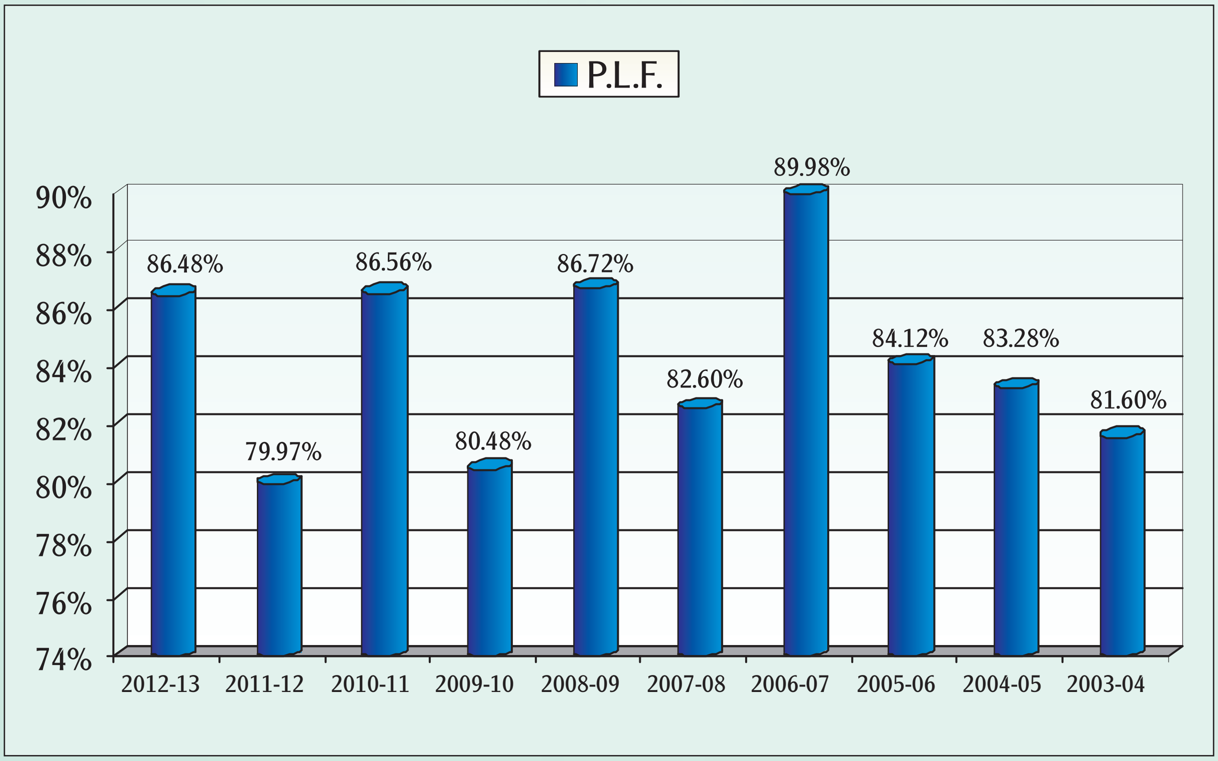
COST OF GENERATION 2012-13



P.L.F. GRAPH FOR THE CURRENT YEAR



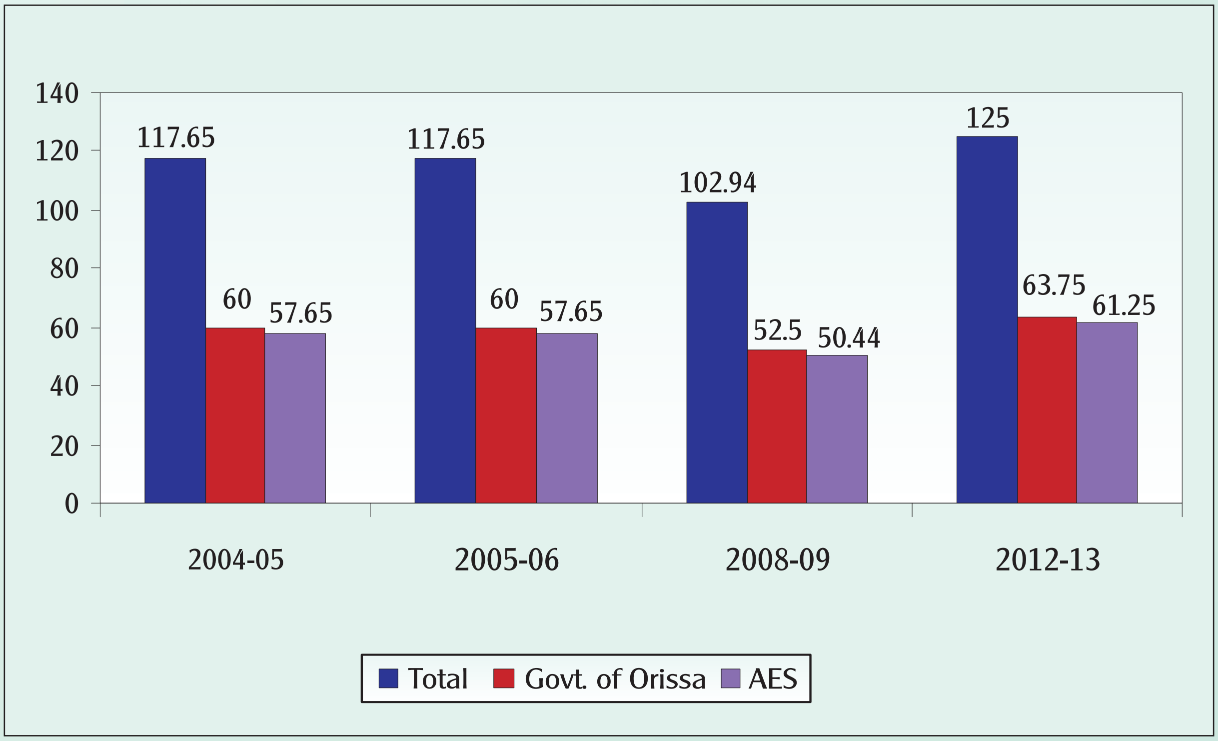
P.L.F. GRAPH YEARWISE



DIVIDEND PAYMENT – YEAR WISE DETAIL

(₹ in Crores)

Year	Dividends	Total	Govt. of Orissa	AES
2001-02	35%	171.58	87.50	84.08
2002-03	30%	147.07	75.00	72.07
2003-04	23%	112.75	57.50	55.25
2004-05	24%	117.65	60.00	57.65
2005-06	24%	117.65	60.00	57.65
2006-07	Nil	0.00	0.00	0.00
2007-08	Nil	0.00	0.00	0.00
2008-09	21%	102.94	52.50	50.44
2009-10	Nil	0.00	0.00	0.00
2010-11	Nil	0.00	0.00	0.00
2011-12	Nil	0.00	0.00	0.00
2012-13	25.5%	125.00	63.75	61.25



Spreading smiles to the faces of many

OPGC's vision of sustainable growth drives both business decisions as well as Corporate Social Responsibility (CSR) initiatives. OPGC strives to add value in the core sectors of education, community health, sustainable livelihood development and rural infrastructure development and its CSR efforts are primarily focused on protection of environment, providing infrastructure support in our operational areas, water management, protection and preservation of our heritage, arts and culture, promotion of sports, entrepreneurship building and sponsorship of seminars, conferences, workshops etc.

Directors' Profile

Mr. Pradeep Kumar Jena, IAS, Chairman: Mr. Pradeep Kumar Jena is an IAS Officer of the 1989 Batch. He is a Master Degree holder and Gold Medalist in Geology from Utkal University, Bhubaneswar, Odisha. Mr. Jena, at present is the Principal Secretary in the Department of Energy and Information and Public Relation Department, Government of Odisha. Prior to his present position Mr. Jena had occupied various positions of responsibility in State Government and served as Assistant Country Director, UNDP, Odisha and the Commissioner-cum-Secretary, Commerce & Transport Department, Panchayati Raj Department; Commissioner, Commercial Taxes, Government of Odisha, Director, Odisha Watershed Development Mission; Director, Department of Agriculture, Government of Odisha.

Being the Principal Secretary, Department of Energy, he has been instrumental in garnering government support to OPGC expansion project and provide the right leadership to OPGC Board to realise its vision.

Mr. Kotharamath Murali, Managing Director: Mr. Kotharamath Murali is M.Tech in Maintenance Engineering & Management from IIT Chennai and has an illustrious career of more than 30 years in various domestic and multinational companies. Prior to assuming office of Managing Director of the Company on 20th August, 2013, he was leading the engineering team of OPGC expansion project and was responsible for tendering and award of EPC contracts for OPGC 2x 660 MW expansion project. Presently focusing on construction, planning and implementation of various R&R and CSR policies for project areas at ITPS, Banharpali and coal mines areas of Hemgiri and Manoharpur in Jharsuguda and Sundergarh districts of Odisha. Mr. Murali exhibits strong passion for safety.

Mr. H. P. Nayak, IRAS, Director (Finance): Mr. H. P. Nayak is an IRAS Officer of 1994 Batch and a M. Phil, M.A. and Diploma holder in Financial Management and Management. Mr. Nayak is on deputation from the Indian Railways as Director (Finance) to the Company. Prior to his present assignment he has served as the Deputy Financial Adviser & Chief Accounts Officer of the Gauge Conversion Project of Gondia-Jabalpur, Nagpur- Chhindwada narrow gauge lines from July 2010.

He is responsible for the financial management of the Organisation including financial resource mobilization, optimum utilization of funds, budgetary controls, investment decisions and also for establishing adequate internal control systems and adherence to sound corporate governance practices.

Mr. Hemant Sharma, IAS, Director: Mr. Hemant Sharma is the Chairman-cum-Managing Director of GRIDCO & OPTCL, Bhubaneswar and on the Board of OPGC. Mr. Sharma is an IAS Officer of 1995 Batch and a graduate in Electrical Engineering from BITS Pilani. Prior to his present assignment he had served as the Managing Director of Aska Sugar Co-Op Mill, Odisha State Financial Corp., Industrial Development Corp. of Odisha (IDC), Bargarh and was Director at various Government Department of Government of Orisha.

Mr. Sharma has a rich experience in power sector, he guides the Board on all crucial matters and he was very instrumental in providing valuable inputs to the Board for taking various strategic decisions to enable the Company in achieving its visions.

Mr. Indranil Dutta, Director (Operation): Mr Indranil Dutta is B.Tech (Hon's) in Mechanical Engineering from IIT, Kharagpur. He has a rich and varied experience of over 23 years of Commercial, Engineering, Project Services, Power Station Management, development and implementation of strategies for the profitability and efficient functioning of the Business Unit. He has worked in Tata Steel for more than a decade and also worked in Bharat Aluminium Company Ltd (Balco), before joining AES India in 2011. He has competence at both strategic and the operational levels as commercially astute business leader.

Mr. A Srinivas Rao, Director: Mr. A. Srinivas Rao is having over 28 years of experience both in India and abroad in power sector and has played vital roles in various power sector projects. He is also the Country Manager of AES in India. Mr. Rao started his professional career as an Engineering Trainee Executive at NTPC and thereafter worked for 11 years on various power projects like: Rihand, Talcher and Unchahar. As the sector opened for private participation, Mr. Rao joined Reliance Power Ltd. in 1995 and was associated with development of Patalganga and Jamnagar IPP's and also Hazira and Jamnagar Captive Power Plants. In 1999, Mr. Rao moved on to Sri Lanka and began his abroad foray by joining AES Kelanitissa Pvt. Ltd., in Colombo. He then made his way to AES Transpower Pvt. Ltd, Singapore in 2001 for Business Development activities in the South East Asia and Pacific region. Mr. Rao took charge of OPGC as Managing Director till 2005. Mr. Rao followed this with leading the countries like India and Sri Lanka businesses before accepting the responsibility of Engineering and Construction for Asia Middle East region.

Notice for the 29th Adjourned Annual General Meeting

Notice is hereby given that the 29th Adjourned Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on Tuesday, November 19, 2013 at 11.00 AM at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following businesses

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.
2. To declare dividend for the financial year 2012-2013.
3. To note the appointment of M/s. J B M T & Associates, Chartered Accountants, as Statutory Auditors and authorize the Board to fix their remuneration.

By order of the Board
Sd/-
(M. Mishra)
Company Secretary

Date : 13.11.2013
Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur,
Bhubaneswar - 751 023

Note :

A member entitled to attend and vote may appoint Proxy to attend and vote in his/her place and the Proxy need not be a member of the Company.

Notice for the 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on Monday, September 30, 2013 at 11.00 AM at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following businesses:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.
2) To Declare dividend for the financial year 2012-2013.
3) To note the appointment of M/s. J B M T & Associates, Chartered Accountants, as Statutory Auditors and authorize the Board to fix their remuneration.

By order of the Board

Dated : 25.09.2013
Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur,
Bhubaneswar-751 023.

Sd/-
(M. Mishra)
Company Secretary

Note :
A member entitled to attend and vote may appoint Proxy to attend and vote in his/her place and the Proxy need not be a member of the Company.

Management Report

Opening the door to a glittering future

Directors' Report

Dear Members,

Your Directors are pleased to present the 29th Annual report on the performance and operating result of the Company for the financial year 2012-13 together with the Audited Statement of Accounts and the Report of the auditors thereon. The comments of the Comptroller and Auditor General of India U/s 619(4) of the Companies Act, 1956 on the said accounts also form part of the report.

During the year under report the company has started its journey for realisation of its vision and mission in a more focused and organised manner to enhance productivity and growth with a value based approach. This has become visible with plant performance and substantial progress in the project development activity as given below.

PERFORMANCE HIGHLIGHTS OF OPGC

Plant Operation:

At Plant availability of 93.57%, OPGC Units 2x210 MW at Ib Thermal Power Station (ITPS) in the year under report has recorded a total generation of 3181.594 MUs corresponding to an average Plant Load Factor (PLF) of 86.48% against last year generation of 2950.149 MUs corresponding to the PLF of 79.97 %.

With the PLF of 86.48 % in the year 2012-13, ITPS has registered the highest PLF among all the generating stations of the country operating under State PSUs.

During the peak summer, in the months of April and May 2012, OPGC's units at ITPS was catering to the state's requirement at its best with a PLF of 96.07% which was the highest among the state-run generating stations of the country and the second highest in the eastern region for the said two months as reported by CEA. OPGC units were the only thermal power unit in the state which continued to operate and provide uninterrupted power to the state even during the country wide grid failure in the month of August-2012.

Continuous efforts are on for improving the plant reliability and productivity through renovation / modernisation and system upgradation.

Your company has decided to take up ESP upgradation of the Units 1 & 2 with an objective to achieve stack emission level within 50 mg/Nm3 as per directives of the state pollution Control Board.

In the commercial front, OPGC and GRIDCO have come to a settlement and on 19th December 2012 executed an agreement amending the PPA which ensures stability to the terms and conditions of tariff over the rest of the tenure of the PPA. Consequently OPGC has pulled out of the litigation in the apex court and both OPGC and GRIDCO are preparing for filing a joint petition before the regulatory commission for its nod to the said contractual arrangement.

Project Development

OPGC's expansion project comprising of 2x660 MW power plant (Units 3 & 4), captive coal mine and dedicated railway line for transportation of coal has made formidable progress in bagging critical clearances and EPC tendering activities paving the way for the arranging finance for the project to go in to construction phase. The most important milestones that were accomplished during the year under report are as follows.

- The Govt. of Odisha, OPGC and GRIDCO entered in to a formal agreement on 6th of September 2012 amending the existing tripartite agreement to provide for modified arrangement of sharing with GRIDCO the power from the proposed 2x660 MW.
- Regulatory approval was accorded to the PPA with GRIDCO for sale of 50% of the power from the proposed units 3 & 4.

- Stage–I forest clearance was granted for the Manoharpur coal mines by the Ministry of Environment and Forest, Govt of India in October 2012.
- Financing agreements were executed with PFC and REC for financing the projects in the ratio of 50:50 of the total debt component of ₹ 8660 crores i.e. up to a maximum amount ₹ 4330 crores each.
- In December 2012, the Project Approval Committee of the state Govt. accorded approval to the OPGC expansion project with an estimate cost of ₹ 11,547crores with a debt-equity ratio of 75:25 and equity participation by the Govt. and AES at the ratio of 51:49
- OPGC proposal for grant of connectivity from project switch yard to Power Gride Corporation of India Ltd. (PGCIL) pooling station and Long Term Open Access for onward transmission to target state utilities in different regions was cleared by PGCIL.
- The commercial evaluation of the bids received for the main plant (BTG) and Balance of plant (BOP) was completed.
- Forest diversion proposal for construction of railway corridor to Manoharpur mines was recommended to Ministry of Environment and Forest, Govt. of India by State Govt.
- In-principle clearance for providing right up way by MCL for construction of railway corridor was accorded by the Ministry of Coal, Govt. of India.
- The proposal for obtaining mining lease was cleared by the Steel & Mines Department of the State and recommended to Ministry of Coal for obtaining Prior Approval.

FINANCE & ACCOUNTS

The statement of accounts for the year under consideration accompanied by the auditors' report and management's views on the audit observations form integral part of this report.

The state of affairs of the company on the closing day of the year under report can be well appreciated from the Balance Sheet and operational result from the Statement of Profit and Loss.

However, the following summarised financial results as compared to that of the previous year are furnished below for easy appreciation of the financial health of the company.

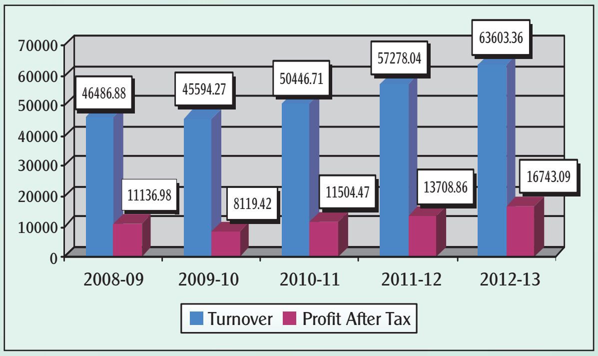
(₹ in lakhs)

	2012-13	2011-12
Income from sale of power	53,944.29	49,045.82
Other income	9,659.07	8,232.22
Total income	63,603.36	57,278.04
Expenses	37,073.93	35,036.86
Gross margin	26,529.43	22,241.18
Less interest and depreciation	1,525.59	1,529.16
Profit Before Tax and prior period adjustment	25,003.84	20,712.02
Prior period adjustment	(20.05)	83.45
Provision for taxes	8,280.80	6,919.71
Profit After Tax	16,743.09	13,708.86

The following comparative figures of net profit and turn over are indicators of performance of the Company in monetary terms over a period of last five years.

PROFIT & TURNOVER

(₹ in lakhs)



DIVIDEND & DIVIDEND POLICY

The Company did not declare dividend for last three financial years in the absence of clarity in the financing arrangement for the expansion project. However with the objective of value creation and in order to honour the expectations of the shareholders for a reasonable return on their investment, your company has adopted a policy of declaring such percentage of paid up share capital for each financial year as is equal to a minimum of 25% of the net profit after tax for that financial year consistently till the commissioning of the OPGC expansion project of 2X660MW Unit 3&4 and declare maximum dividend in post commissioning years subject to availability of distributable profit.

For the year under report, a final dividend of 25.5% on the paid up share capital has been recommended. This is subject to adjustment of interim dividend already declared and paid. The dividend entails a total payout of ₹ 125 Crores yielding a return of ₹ 63.75 Crores to the Govt. of Odisha and ₹ 61.25 Crores to AES towards their respective shareholdings.

The Company has declared interim dividend of 17% on the paid up share capital for the year under consideration in the month of November 2012 involving a total payout of ₹ 83.33 crores, yielding a return of ₹ 42.5 Crores to the Govt. of Odisha and ₹ 40.83 Crores to AES towards their respective shareholdings.

DIRECTORS

Mr. D. K. Singh ceased to be a Director of the Company with effect from 20th May, 2013 and Mr. Hemant Sharma was appointed as Director of the Company with effect from 20th May, 2013 as a nominee of Govt. of Odisha.

The Directors place on record their appreciation for the valuable services rendered by Mr. D. K. Singh during his tenure of office as a Director of the Company.

Mr. Venkatachalam Kuppusami ceased to be Managing Director of the Company with effect from 20th August, 2013 by resignation. Mr. Kotharamath Murali was appointed as Managing Director of the Company with effect from 20th August, 2013 as a nominee of AES.

The Directors place on record their appreciation for the valuable services rendered by Mr. Venkatachalam Kuppusami during his tenure of office as a Managing Director of the Company.

STATUTORY AUDITORS

M/s JBMT & Associates, Chartered Accountants, Bhubaneswar were appointed by the C&AG of India as the Statutory Auditors for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2012-13 and comments of C&AG of India u/s 619(4) of the Companies Act, 1956 are enclosed as part of the report.

COST AUDITORS

For the financial year 2012-13, the Board of Directors of the Company had re-appointed, after recommendations of the Audit Committee, M/s. Niran & Co., Cost Accountants (Firm's Registration No. 000113), as Cost Auditors for auditing the cost accounts of the power plant. Their appointment was approved by the Central Government. In terms of The Companies (Cost Audit Report) Rules 2011, as amended, the cost audit report relating to Power plant for the financial year ended 31st March, 2013 had been duly filed with the Ministry of Corporate Affairs. In terms of the said Rule 2011, as amended, the Compliance Report for the financial year March 31, 2013 as applicable has been duly filed. For the financial year 2013-14, the Board of Directors of the Company have re-appointed, on the recommendations of the Audit Committee, M/s. Niran & Co., as Cost Auditors of the Company for auditing the cost accounts in respect of the power plant.

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The comments of the statutory auditors and management's reply on each of the observations are placed in Annexure–I form part of the Directors' Report and Members' attention is drawn to the contents thereof for critical appreciation of the finance and accounts of the Company.

MANAGEMENT COMMENTS ON C&AG REVIEW

Review of the Accounts for the year ended March 31, 2013 by the Comptroller and Auditor General of India (C&AG) as furnished at Annexure–II also forms part of this report and Management's replies thereto given in the said annexure may also be read as a part of this report.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Your company is committed to achieve its mission to attain excellence in safety and as a good corporate citizen is concerned for the environment, society, employees and people at large. Hence the EHS management system is at the utmost priority of top management. The Health, safety and environment strategy prioritises eliminating workplace illness, injuries and environmental incident. Your Company has well defined processes and system for EHS function which enables it to take all safety measures for minimizing accidents. With its Health, Safety and Environment management system, OPGC aims to effectively control risks and prevent people from being injured or harmed during the course of their work. Accidents are investigated thoroughly and analyzed for its root cause so that recurrence can be prevented. As a part of EHS management system, a comprehensive EHS policy has been laid down for guidance and translating it into action. Focus is more on building an engaged safety culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood.

Waste management has been given due emphasis, enabling your company to attained zero discharge status. Administrative approval has been accorded for taking up ESP upgradation work as per stipulation of the state Pollution Control Board to further bring down the level of emission. OPGC, being aware of its social corporate responsibility, is in the process of further strengthening its current resources for better health, safety and environment management. The following are the highlights of the EHS initiatives of your company.

- OPGC, ITPS accredited to ISO 14001 Environment Management System & OHSAS 18001, Safety Management System
- Employees Safety Perception Survey conducted by DuPont to identify OPGC Safety Management System's strength & area of improvements in order to match with World Class Safety Standard.
- Guaranteed Lock Out & Tag Out Isolation practice implemented
- Safety Leadership training conducted to strengthen OPGC Safety Culture
- Risks involved with high risk activities during Unit Outages are being controlled through special safety plan
- Workplace Emergency Response capability strengthened by developing a ten member height rescue team.
- Medical emergency response capability strengthened by inclusion of Advanced Life Support Ambulance, Advanced life support training to doctors and best Medical Facilities tie up.
- Achieved Zero Lost Time Incident since 15th June 2012.
- Unit emission minimisation step taken to bring down the particulate matter concentration from 150mg/Nm3 to 50mg/Nm3 by retrofitting of ESPs
- Online Ambient Air quality monitoring started through two numbers of automatic online air quality monitoring stations.

INTEGRITY PACT

The Corporation has complied with Integrity Pact (IP) to enhance ethics / transparency in the process of awarding contracts as per the Memorandum of Understanding (MoU) signed with Transparency International of India (TII) in the year 2011. OPGC has implemented the IP with effect from December-2011. The IP has now become integral part for bidding process for all tenders for supply and work execution worth Rs.2.5 crores and above.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

OPGC's vision of sustainable growth drives both business decisions as well as Corporate Social Responsibility (CSR) initiatives. Seeking to herald an inclusive business paradigm, OPGC has CSR interventions that are based on social, environmental and economic considerations and are well-integrated into the decision-making structures and processes of the organization. OPGC works in the core sectors of Education, Community Health, sustainable Livelihood development and rural infrastructure development and its CSR efforts are primarily focused on protection of environment, providing infrastructure support in our operational areas, water management, protection and preservation of our heritage, arts and culture, promotion of sports, entrepreneurship building and sponsorship of seminars, conferences, workshops etc.

During the year under report the following CSR activities were undertaken in the peripheral villages of ITPS and Manoharpur coal block area.

ITPS Periphery

- Organised Shishu Mela & Shishu Mohatsav on the occasion of 15th August and 26th January respectively in 36 periphery schools.
- Supply of furnitures to 6 periphery schools.
- Financial support to 5 periphery schools.
- Supply of drinking water to 25 periphery villages.
- Day to day maintenance of periphery pipelines for supply of drinking water to 17 villages.
- Installation of additional water tank at village Rengali
- Construction of boundary wall of Samali Temple at village Bhutia.
- Earth work and strengthening the bund of Jamtudia Kanta (Pond) of village Dhubadera.
- Upgradation of periphery road from ITPS boundary towards Adhapada.
- Painting and distempering of boundary wall of Vattarika Temple at Kumarbandh.
- Construction of 2 nos. of bathing ghats at village Kantatikra.
- Upgradation of internal road of village Sardhapali.
- Repairing of Upper Primary School at village Banharpalli.
- Renovation of leading channel of Baragad MIP.
- Di-siltation of Hatipada Pond at village Adhapada.
- Distribution of Mosquito net at village Bhaludole.
- Dengue awareness campaign in the periphery villages.
- Free Health Camps to 3 periphery Ashram Schools.
- Anti-mosquito fogging spray in periphery villages.
- Free Trailoring training to 130 women and adolescent girls of periphery villages in two batches.
- Supply of Sports Kits to 6 periphery villages.

Mines periphery

- Socio economic survey report for MGR was finalized and submitted to respective Collectors.
- Cleaning of roads and construction of fair weather roads were completed.
- Draft R&R Plan was prepared by Project Team and Architect for design of R&R colony has been appointed.
- As per directions of DTET, temporary ITC facilities likes; repairs & modification of buildings, electricity supply & laboratory equipments were provided.

In addition a number of activities for promotion of sports and culture were under taken in the form of organising sports tournament, competition and sponsoring local cultural events. This has helped maintaining healthy relationship with the people around the plant area.

H.R.D. & MANPOWER PLANNING

Your company believes in retaining and nurturing a highly motivated work force to drive the company along its vision & mission with the values and work culture that foster operational excellence through team work.

Your company has devised an effective and progressive workforce intake strategy that is suited well to counter the varied complexities and evolving the business environment as well as aligned to the business needs of the organization. During the year under report 35 persons with requisite skill-sets were inducted in to the executive cadre to meet part of the manpower requirements of the Company as well as to replenish the manpower loss that occurred in the previous years. Steps were initiated to, hire in phases, young talents as engineer trainees and groom them to man the positions in the area of operation and maintenance of the present and the forthcoming units under expansion plan. As reported in the previous year, with the introduction of market based salary structure, it has been easier to move along the recruitment plan and retain existing manpower.

Your company believes in continuous development of its human resource to foster productivity and makes continuous endeavour to keep its employees updated in their respective areas of skill and proficiency was carried further during the year under report by imparting in-house training and encouraging their participation in external workshops, symposiums and crash courses organised by professional institutes of national repute. During the year, 47 in-house training programmes covering all employees were organised to empower them with up to date knowledge on various subjects and 88 employees were given opportunity to attend institutional training programmes and seminars. As a part of career progression policy and broader objective of maintaining a motivated workforce, 11 executives and 44 non-executives were promoted to higher positions.

INDUSTRIAL RELATIONS

Your company has maintained healthy, cordial and harmonious industrial relations at all levels. The year under report, has not registered any major concern in the industrial relation front and no man days were lost due to any industrial relation issues. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the company worked at site and corporate offices and made useful contribution to the all round progress of the company.

PARTICULARS OF EMPLOYEES

As required by the provisions of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975, as amended till date the particulars are declared as nil.

INTERNAL CONTROL

The Company has a well placed, proper and adequate Internal Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Firms of Chartered Accountants are appointed as auditors for conduct of the internal audit function. The Internal Auditors independently evaluate the adequacy of internal controls and audit the majority of the transactions in value terms. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee. Internal audit programme of the company adequately covers the project management and operational controls and ensures adherence to policies and systems. Budget variance analysis of physical and financial performance of the company is done at the end of each quarter as a measure of budgetary control to ensure that the activities confirm to the annual plan.

AUDIT COMMITTEE

As a measure of good Corporate Governance your company has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board comprising of three Directors. Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of Internal audit environment and monitors implementation of internal audit recommendations including those relating to strengthening of company's control system against unscrupulous, unethical and fraudulent transactions.

Major terms of reference of the Committee include overseeing the financial reporting process, review of the financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of the internal, cost and statutory auditors to the Board of Directors and review of adequacy of internal control systems and internal audit function.

Composition and terms of reference of the Audit Committee are in compliance with the Section 292A of the Companies Act, 1956. During the year under review, Four meetings of the Committee were held on 3rd July, 2012: 26th July,2012; 29th September, 2012 and 20th October, 2012.

Composition of the Committee as on 31st March, 2013 are as below:

Mr. P. K. Jena, IAS	Chairman – non executive
Mr. Indranil Dutta	Director (Operation), Member- executive
Mr. A. S. Rao	Director, Member - non executive

The details of attendance of the members of the Committee are as under:

Name & Position	No. of Meetings held during the tenure of the member	Number of Meetings attended
Mr. G. Mathivathanan, IAS, Chairman	2	2
Mr. P. K. Jena, IAS, Chairman	2	2
Mr. Indranil Dutta, Director (Operation), Member	4	4
Mr. A. S. Rao Director, Member	4	4

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars of information on conservation of energy are annexed and forms part of this report. The technology of power generation is indigenous and hence disclosure norm is not applicable.

RESPONSIBILITY STATEMENT U/S 217 (2AA)

Pursuant to Section217(2AA) of the Companies Act, 1956, the Directors, based on the information and records maintained by the Company confirm in respect of the audited annual accounts for the year ended 31st March-2013 that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures;

(ii) the Directors had, in consultation with the Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2013 and the profit of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledge and place on record their appreciation for the support, guidance and co-operation extended to the Company by various departments of the Govt. of Odisha and Ministries of the Govt. of India particularly the Ministry of Coal and Ministry of Environment & Forest.

Your Directors also place on record their appreciation on the continued co-operation and support received from GRIDCO, IDCO, MCL, SBI, Union Bank of India, IDBI Bank, REC, PFC, Auditors, Solicitors, business associates and shareholders during the year and look forward to their continuous support in future.

Your Directors also wish to place on records their appreciation for the support and co-operation extended by all members of the OPGC family.

For and on behalf of the Board of Directors

sd/-
(P. K. Jena)
CHAIRMAN

Annexure to the Directors' Report

Form - A (See Rule - 2)

Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption	Current Year 2012-13	Previous Year 2011-12
1. Electricity		
a) Purchased Unit	0.775 MU	1.282 MU
Total amount (Rs. in lacs)	14.73	23.85
Rate/unit	1.9	1.86
b) Internal Consumption	336.757402 MU	307.994 MU
(i) Through diesel generator Unit		
Unit per-ltr. of diesel oil cost/unit		
(ii) Through steam turbine/generator Units		
Unit per-ltr. of diesel oil cost/unit (Rs.)		
2. Coal		
Quantity (tonnes)	2757202 MT	2581254 MT
Total cost Rs. in lakhs	26617.48	24506.32
Average rate Rs.	965.38	949.40
3. Furnace oil HSD/LDO		
Quantity (K.Ltrs.)	2131.433 KL	2623.187 KL
Total amount Rs. in lakhs	1252.93	1485.32
Average rate Rs.	58728.3	56622.72
4. Others/internal generation		
Quantity		
Total cost		
Rate/unit		

B. Consumption per unit of production	Current Year 2012-13	Standards, if any
Electricity (in MUs)	0.1058	0.12 Kwh/Kwh
Electricity		
Furnace oil HSD/LDO	0.67	3.5 ML/Kwh
Coal F/G Grade	0.867	0.85 Kg/Kwh
Others :		
Raw water	2.5527 Kg/Kwh	7.90 Kg/Kwh
D. M. Water	0.0370 Kg/Kwh	0.12 Kg/Kwh
Acid	0.0090 Gm./Kwh	0.009 Gm./Kwh
Caustic	0.0030 Gm./Kwh	0.045 Gm./Kwh
Alum	0.0187 Gm./Kwh	0.03 Gm./Kwh
Lime	0.0011 Gm./Kwh	0.016 Gm./Kwh

Replies of the Management on the Comments of Statutory Auditors on Accounts for the Year 2012-13

Sl.No.	Comments of the Statutory Auditors	Management Reply
1.	Four Mini Micro Hydel projects namely Harbhangi, Banpur, Barboria and Badanela have been under execution since more than sixteen years with almost no progress since last few years due to which the provision to the extent of expenditure amounting to ₹ 1314.18 lakhs incurred lying in CWIP minus salvage value should have been made in the books of accounts. In the absence of any technical/ economic estimate of the salvage value the amount of provision is not ascertainable for which the profit for the year and the amount of carrying value of CWIP is overstated to that extent.	The matter will be reviewed during the year 2013-14 in view of General Accepted Accounting Principles and Accounting Standards for appropriate accounting.
2.	In view of the observation in Preliminary Observation Memo (POM-1) of The Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 for the year 2010-11 regarding charging of depreciation at lower rates than the minimum rates provided in The Schedule XIV of The Companies Act,1956, based on the guidance note on Accounting of Depreciation issued by ICAI and other interpretation of various provisions/guidelines, we are of the opinion that the minimum rates of depreciation as provided in schedule XIV of the Companies Act, 1956 should be charged on the plant & machineries. The charging of depreciation at rates lower than the minimum rates of depreciation provided in The Schedule XIV of The Companies Act,1956 has resulted in understatement of current year depreciation	As per Clause-11.7 of Note - 1 to Financial Statements - Significant Accounting Policies **"Where the original estimate of useful life of an asset is revised by a committee constituted for assessment of useful life of the asset based on several factors such as technical & non technical, the unamortized depreciable amount of the asset including the expenditure incurred on renovation and modernization is charged to revenue over such revised remaining useful life"** When the matter was referred to ICAI by the previous Statutory Auditors for an opinion, the Expert Advisory Committee of ICAI had declined to give any opinion on the ground that the matter did not involve accounting / auditing issues, rather the issue involved the legal interpretation of the relevant enactments. That means the issue was related to interpretation of provisions of Electricity Act 2003 and Companies Act, 1956

Sl.No.	Comments of the Statutory Auditors	Management Reply
	by ₹ 162.13 Lakh understatement of prior period adjustment by ₹ 1528.59 lakh with overstatement of plant and machineries and profit for the current year by ₹ 1690.72 lakh.	Electricity Supply Act 2003 does not prescribe the rate of depreciation. It is stated that as per Circular No.51/ 23/ 2011 – CL–III issued by GOI, Ministry of Corporate Affairs, since the rates of depreciation and methodology notified under Electricity Act, 2003 are inconsistent with the rates given in Schedule XIV of the Act and the former being special Act, the former shall prevail over rates notified under Schedule XIV of Companies Act by virtue of section 616(c) of Companies Act. The tariff policy notified by GOI, provides for rate of depreciation as notified by CERC would be applicable for accounting. Following the same principles, depreciation has been calculated by taking revised useful life of the plant and machineries & in such cases the unamortized amount has been amortised over balance period of useful life. In view of above there is no understatement of current year depreciation by ₹ 162.13 Lakh, understatement of prior period adjustment by ₹ 1528.59 lakh with overstatement of plant and machineries and profit for the current year by ₹ 1690.72 lakh.

Replies of the Management on the comments of C & AG of India on Accounts for the year 2012-13

Sl.No.	Comments of C & AG of India	Management Reply
A.	**Comments on Profitability** **Statement of Profit and Loss** **Profit for the Year ₹ 167.43 crore**	
1.	The above is overstated by ₹ 38.40 crore (₹ 27.37 crore towards MAT credit payable and ₹ 11.03 crore interest liability u/s 244A of IT Act) due to non-provision of the amount payable to GRIDCO as per Power Purchase Agreement (PPA). This has resulted in understatement of Current Liabilities (Short term provisions, Notes-10) by the same amount.	Total MAT credit as admitted by Income Tax Department is ₹ 19.16 crores vide order dated 18th August, 2013. Share of MAT Credit of GRIDCO amounting to ₹ 6.74 crores had already been provisioned in the accounts during 2010-11. There is no requirement for provision of ₹ 27.37 Crores. MAT credit was accrued to OPGC during the year 2005-06, 2006-07 and 2007-08, claimed as adjustment during 2008-09 and 2009-10 and finally admitted by department vide their order dated 8th August 2013. As per section 115JAA of Income Tax act no interest shall be payable on the MAT credit allowed. Section 244A of Income Tax is related to interest on refund (Income Tax - MAT Credit alloed - tax deduction at source - advance tax). There is no interest liability ₹ 11.03 crores on MAT Credit. In view of above there is no understatement of Current Liabilities (Notes - 10 - Short term provisions).
2.	**Generation and other expenses (Note-26.4)** **Peripheral Development expenses:** **₹ 42.85 lakh.**	
	The Company booked ₹ 63.71 lakh (₹ 35.75 lakh for 2008-09 to 2011-12 and ₹ 27.96 lakh for 2012-13) out of profit towards peripheral developments expenses as a part of its CSR activities to Capital Works in Progress, instead of charging to Profit and loss account. This has resulted in understatement of prior period	As per paragraph 9.3 of AS-10, Administration and other general overhead expenses are usually excluded from the cost of fixed assets because they do not relate to a specific fixed asset. **However in some circumstances, such expenses as are specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to**

Sl.No.	Comments of C & AG of India	Management Reply
	expenses (net) (Notes-27) by ₹35.75 lakh, peripheral development expenses (Notes-26) by ₹ 27.96 lakh, overstatement of Capital Work-in-progress (Notes-26) by ₹27.96 lakh, overstatement of Capital Work-in-progress (Notes-12) and Profit for the year by ₹ 63.71 lakh.	its working condition, may be included as part of the cost of the construction project or as a part of the fixed asset. Peripheral development expenses are incurred specifically attributable to construction of unit III & IV and Coal Mining Project and correctly accounted as Capital Work in Progress in compliance to AS -10. In view of above there is no understatement of prior period expenses (net) (Notes-27) by ₹35.75 lakh, peripheral development expenses (Notes-26) by ₹27.96 lakh, overstatement of Capital Work-in-progress (Notes-26) by ₹ 27.96 lakh, overstatement of Capital Work-in-progress (Notes-12) and Profit for the year by ₹ 63.71 lakh.
3.	Earlier years Tax: ₹ 12.82 lakh	
	As against the demand of Income Tax of ₹ 67.88 crore for the year 2009-10 as assessed by the IT Authorities, the Company has accepted the liability to the extent of ₹ 60.34 crore but made, a provision for ₹ 54.54 crore in the accounts. Short provision against accepted liability has resulted in understatement of Short-term provisions (Notes-10) with corresponding overstatement of Profit for the year by ₹ 5.80 crore each.	The Company had filed its return of income with tax liability of ₹ 56.84 crores for the year. Against ₹ 56.84 crores the company made provision in profit and loss account for ₹ 55.80 Crores during the year and balance amount of ₹ 1.04 crores has been provided as earlier year Income Tax provision during 2011-12. During assessment, the tax liability has been determined by assessing officer as ₹ 60.62 crores excluding interest and non adjustment of MAT Credit. Against said demand an appeal was filed before CIT (A), Bhubaneswar and rectification application filed before JCIT. So the company has not accepted excess liability over ₹ 56.84 crores. Since the company has only accepted tax liability of ₹ 56.84 crores and not ₹ 60.34 crores as pointed out by audit no further provision is required. However an amount of ₹ 5.03 crores has been disclosed in the contingent liability.

OPGC
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Sl.No.	Comments of C & AG of India	Management Reply
		So there is no understatement of provisions (Note-10) with corresponding overstatement of Profit for the year by ₹ 5.80 crore
C. D.	**Comments on Financial Position** **Balance Sheet** **Equities and Liabilities** **Current Liabilities** **Short-term provisions(Note-10)** **Provision for Taxation: ₹ Nil**	
4.	The above is understated by ₹ 263.04 crore due to netting up of Provision for Taxation of ₹ 263.04 crore(Income Tax: ₹ 262.36 crore and FBT: ₹ 0.68 crore) against Advance Income Tax (₹270.78 crore), Advance Fringe Benefit Tax (₹ 0.74 crore), Disputed Income Tax/Sales Tax (₹ 0.22 crore) and Income Tax / Interest receivable ₹ 1.51 crore). Since these taxes are governed by different tax laws, netting off of assets and liabilities is not in consonance with AS-28. This has resulted in understatement of Current Assets(Short term loans and advances, Notes-18) by the same amount.	Netting off of tax assets and liabilities is governed by AS-22 and not AS-28 as pointed out by Audit. **As per paragraph 28 of AS-22, an enterprise will normally have a legally enforceable right to set off an asset and liability representing current tax when they relate to income taxes levied under the same governing taxation laws and the taxation laws permit the enterprise to make or receive a single net payment.** Out of provision for income tax ₹ 263.04 Crores, an amount of ₹ 262.89 crores is governed by Income Tax laws which has been correctly netted against tax liabilities and disclosed. An amount of ₹ 0.15 crores is governed by Sales Tax laws which is noted for correction during next year. So there is no understatement of Current Assets (Short term loans and advances, Notes-18) by ₹ 262.89 crores.
5.	Non-provision of ₹ 2.12 crore being the penal interest payable to revenue authorities due to delay in settlement land premium on 226.46 acres of revenue forest land allotted to OPGC, has also resulted in understatement of expenses, Current Liabilities (Short-term provisions) and overstatement of profit for the year by the same amount.	In the Steering Committee chaired by Chief Secretary to the Govt. of Odisha it was decided as follows **'As an amicable settlement on the long pending land issue on Unit 1&2, Revenue Department will waive off penal interest charges and OPGC will pay the balance principal amount with normal interest.**

Sl.No.	Comments of C & AG of India	Management Reply
		Certificate case will be withdrawn by ADM, Jharsuguda and OPGC will withdraw the case from High Court' Board of Directors in their 157th Meeting held on dated 3rd July 2012 authorised MD to make payment of principal amount and interest amount if any be finalized based on discussion with Tahsildar. Tahsildar, Lakhanpur had raised a demand vide his letter No. 3714 dated 18th Aug 2012 for payment towards Principal amount which had been paid. OPGC had requested Collector, Jharasuguda vide letter no. 103 dated 28.08.2012 for waiver of interest. On receipt of the same, the final decision on payment will be taken. However the amount of interest is disclosed in the accounts as contingent liability. There is no overstatement of profit for the year.
6.	Assets Non-Current Assets Fixed Assets (Note-11) Plant & Equipment - ₹ 940.71 crore (Net)	
	The above is overstated by ₹ 3.04 crore (Net of depreciation of ₹ 0.82 crore) due to accounting of ₹ 0.36 crore (net) towards installation of two numbers of on line Ambient Air Monitoring and ₹ 2.68 crore (net) towards supply, civil works, erection, commissioning etc. of Fly Ash Dry Handling Systems at IB Thermal Power Station (ITPS) during 2011-12 instead of booking the amount as receivable since, GRIDCO has to pay the entire cost of installation of these system coming within the purview of environmental protection as per the Power purchase Agreement.	As per para **10. Revenue Recognition** of Note-1- (Significant Accounting policies) of the Financial statements **"Revenue (income) including delayed payment surcharge on late payment/ overdue payment from debtor on sale is recognized when no significant uncertainty as to the measurability or collectability exists."** **Para 9 of AS-9 explains the effect of Uncertainties on Revenue Recognition. As per said Para 9.2** *"Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved. In such*

Sl.No.	Comments of C & AG of India	Management Reply
	This has resulted in understatement of profit for the year by ₹ 0.82 crore, Other Non-Current Assets (Other Receivables) by ₹ 3.86 crore. Consequently the environmental equipment should be shown at a nominal value only.	*cases, it may be appropriate to recognise revenue only when it is reasonably certain that the ultimate collection will be made."* Even though OPGC raised bills during 2010-11. 2011-12 & 2012-13 on Gridco as per PPA, the same had not been admitted and not even confirmed till date even after 3 years. So there exists uncertainty as to the collectability of the bills which needs no recognition. **So in absence of recognition of revenue due to above reason, the same has been accounted correctly under appropriate head of asset.** So there is no understatement of profit for the year by ₹ 0.82 crore, Other Non-Current Assets (Other Receivables) by ₹ 3.86 crore. There is no need to show environmental equipment at a nominal value.
7.	**Intangible Assets (Note-11)** **Software and SAP licence (Net) - ₹ 46.65 lakhs**	
	The company paid ₹ 0.69 crore towards license fee in February 2009, and capitalized the amount during the year. Further ₹ 0.68 crore was annually paid towards Annual Enterprise Support (AES) Fee for Software and SAP maintenance up to March 2013 and charged to P & L accounts in these years. As the required software was not procured and installed as on the date of the Balance sheet entire expenditure on this account should have been booked to Capital Works in progress. This has resulted in understatement of Capital Work-in-Progress by ₹ 1.37 crore, Profit for the period by ₹ 0.96 crore and overstatement of Fixed assets by ₹ 0.41 crore (net of depreciation ₹ 0.28 lakh).	Observation of Audit that the software not procured is not correct. OPGC procured the SAP ERP ECC6.0 Software licence from SAP India for implementation of the SAP Project and the end user licence agreement (EULA) was signed between OPGC & SAP India on 27 December 2008 on payment of Rs.68.79 lakhs. **The Licence is for unlimited period and updated only on payment of Annual Enterprises support fee. On signing of agreement, the Software covering modules such as FICO, MM, PM, PS, HR, Pay Roll, ESS etc were received by the company.** As per **paragraph 63 of AS-26,** the depreciable amount of an intangible asset should be allocated on a systematic basis

Sl.No.	Comments of C & AG of India	Management Reply
		over the best estimate of its useful life. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. **Amortisation should commence when the asset is available for use.** Since the asset is available for use, the company accepted observations of Statutory Auditors (accounts for the year 2009-10) and based upon their advice amortised the same over ten years in compliance to AS -26. There is no understatement of Capital Work-in-Progress by ₹ 1.37 crore, Profit for the period by ₹ 0.96 crore and overstatement of Fixed assets by ₹ 0.41 crore (net of depreciation ₹ 0.28 lakh).
8.	Capital Works in Progress (Note-12) - ₹ 183.60 crore	
	The Company paid up front fee of ₹ 4.38 crore (10%) of loan sanctioned by REC after deduction of TDS of 0.49 crore which was deposited with IT authorities. Consequent upon reduction of upfront fees to 0.05% of loan, REC refunded ₹ 2.19 crore after adjustment of 0.50% of TDS (₹ 0.24 crore), excess deposited with IT Authorities. Since REC being the assessee, is to get refund of the excess deposit, the Company should have booked the amount as receivable from REC instead of debiting to Capital Work in Progress. This has resulted in overstatement of Capital Works in progress and understatement of Current Assets (Receivables) by ₹ 0.24 crore each.	REC has been requested vide letter No. 2230 dated 17.08.2013 to refund the excess amount of ₹0.24 Crores. Noted for rectification during 2013-14.
9.	The above is overstated by ₹ 117.36 crore due to booking of the Capital Advance paid to Orissa Industrial Development Corporation (IDCO) for acquisition of land (₹ 117.16 crore), and advance consultancy fees (₹ 0.20 crore) in	The matter will be reviewed during the year 2013-14 in view of General Accepted Accounting Principles, Accounting Standards for appropriate disclosure and

Sl.No.	Comments of C & AG of India	Management Reply
	connection with development of Unit-III & IV power plants and Manoharpur coal mines instead of showing as Long term loans and advances as required under the revised Schedule-VI, of the Companies Act. This has resulted in understatement of Long term loans and advances by the same amount.	requirements of Schedule –VI (Revised) under Companies Act.
C.	**Comments of Disclosure** **Tangible Assets(Note-11)** **Leasehold Land ₹ 21.44 crore**	
10.	The above includes ₹ 9.24 lakh being the value of Freehold Land related to Coal Mines. The same should have been shown separately.	Noted
11.	The fact of non deposit of undisputed statutory dues towards royalty amount of ₹ 68.52 lakh withheld from the bills of the Contractors / Suppliers of Odisha Construction Corporation Limited during the period from 2007-08 to 2010-11 in connection with the development of Ash Pond-A, should have been suitably disclosed.	The royalty deducted from M/S OCC Ltd is kept under Retention account in the books as necessary forms were submitted by party with bills and requested not to deposit the same with Tahasildar till clearance is obtained. Once final bill is settled, the same will either be refunded to the party or deposited with appropriate authority. There is no such requirement either under Schedule –VI(R) or provisions of Companies Act for disclosure of such undisputed liabilities.
D.	**Comments on Auditors Report**	
12.	A reference is invited to Para - (ix) (b) of the Annexure-A of the Auditors Report wherein it is reported that a sum of ₹ 55.51 lakh being the Income Tax demand raised on the Company had been disputed and the case was pending in ITAT. In fact the amount was subsequently refunded by the IT authorities on 17 December 2012. Hence, the report of the Auditors under this Para is incorrect to that extent.	This observation is with reference to report of the Statutory Auditors . There is a disputed income tax liability of ₹ 1.61 crores against which the company had preferred appeal before CIT (Appeal) and the said amount was adjusted from advance taxes during assessement. CIT (Appeal) had disposed the appeal partly in favour of the company which has the reduction of tax liability of ₹ 1.47 crores. Balance amount of tax liability remains as ₹ 0.13 crores for which the appeal pending before ITAT for disposal. No action is required.

Financials

Ahead with Confidence

Independent Auditors' Report

JBMT & ASSOCIATES
Chartered Accountants

To

The Members of

ODISHA POWER GENERATION CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ODISHA POWER GENERATION CORPORATION LIMITED, ('the company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information in terms of the letter of appointment issued by Office of The Comptroller & Auditor General of India.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the Accounting Standards referred to in sub-section (3C) of the section 211 of The Company Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to frauds or errors. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and accounting to the explanations given to us, the financial statement subject to our observations in enclosed **Annexure-B**, gives the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory requirements

1. As required by The Companies (Auditor's report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of Sub-section (4A) of the section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
   d. In our opinion, the Balance Sheet, Statements of Profit & Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Company Act, 1956;
   e. In terms of Government of India, Department of Company Affairs Notification No. GSR 829 (E) dated 21st October, 2003, Government companies are exempt from the applicability of provisions of section 274 (1) (g) of the Companies Act, 1956.

For JBMT & ASSOCIATES
Chartered Accountants
FRN : 320232E

sd/-
(CA. B. D. Ojha, FCA)
Partner
(M. No. 055193)

Place : Bhubaneswar
Date : 10^{th} July, 2013

Annexure-A to the Auditors' Report

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing, full particulars including quantitative details and situation of its fixed assets.

(b) The management has carried out physical verification of a major portion of fixed assets, during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) In our opinion and according to the information and explanations given to us, there is no substantial disposal of fixed assets during the year.

(ii) (a) The inventories have been physically verified by the Management during the year and in our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory. The discrepancies between physical stocks and book records arising out of physical verification, which were not material, have been dealt with in the books of account.

(iii) According to information and explanations given to us:

(a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the sub clauses (b) to (d) of the Order are not applicable.

(b) The company has not taken any loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the sub clauses (f) and (g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the company.

(v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 and therefore sub Clauses (a) and (b) of the Order are not applicable.

(vi) The Company has not accepted any public deposits during the year.

(vii) The Company has outsourced the internal audit to a firm of Chartered Accountants for the year as per the scope of work laid down by the management. In our opinion, the company's internal audit system is commensurate with its size and nature of its business.

(viii) We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate and complete.

(ix) According to the information and explanations given to us, in respect of statutory and other dues:

(a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues, with appropriate authorities.

(b) According to the information and explanations given to us, there are disputed statutory dues which have not been deposited as given herein below:

(₹ in lakhs)

Name of the Statute	Nature of Dues	Amount	Amount Deposited	Forum where disputes are Pending
The Odisha Sales Tax Act	Sales Tax	15.90	14.72	Sales Tax Tribunal, Odisha
The Entry Tax Act, 1999	Entry Tax	713.31	80.00	High Court of Odisha
The Income Tax Act, 1961	Income Tax	137.44	NIL	- do -
The Income Tax Act, 1961	Income Tax	55.51	NIL	ITAT
The Income Tax Act, 1961	Income Tax	2771.02	NIL	CIT (A-II), BBSR
	TOTAL	**3693.18**	**94.72**	

(x) There are no accumulated losses of the company as at the end of the year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

(xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a Nidhi / Mutual benefit fund / society.

(xiv) The Company has not dealing in or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) To the best of our knowledge and belief, and according to the information and explanations given to us, the Company has not raised any term-loans during the year under audit.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment of the company.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us and records examined by us, the company has not issued any securities.

(xx) The company has not raised any money by public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.

For JBMT & ASSOCIATES
Chartered Accountants
FRN : 320232E

sd/-

(CA. B. D. Ojha, FCA)
Partner
(M. No. 055193)

Place : Bhubaneswar
Date : 10th July, 2013

Annexure-B to the Auditors' Report

(Referred to in our report of even date)

1. Four Mini Micro Hydel projects namely Harbhangi, Banpur, Barboria and Badanala have been under execution since more than sixteen years with almost no progress since last few years due to which the provision to the extent of expenditure amounting to ₹ 1314.18 Lakhs incurred lying in CWIP minus salvage value should have been made in the books of accounts. In the absence of technical / economic estimate of salvage value the amount of provision is not ascertainable for which the profit for the year and the amount of carrying value of CWIP is overstated to that extent.

2. In view of the observation in Preliminary Observation Memo (POM-1) of The Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 for the year 2010-11 regarding charging of depreciation at lower rates than the minimum rates provided in The Schedule XIV of the Companies Act, 1956, based on the guidance note on Accounting of Depreciation issued by ICAI and other interpretation of various provisions / guidelines, we are of the opinion that the minimum rates of depreciation as provided in schedule XIV of the Companies Act, 1956 should be charged on the plant & machineries.

   The charging of depreciation at rates lower than the minimum rates of depreciation provided in The Schedule XIV of The Companies Act, 1956 has resulted in understatement of current year depreciation by ₹ 162.13 lakh understatement of prior period adjustments by ₹ 1528.59 lakh with overstatement of plant and machineries and profit for the current year by ₹ 1690.72 lakh.

Odisha Power Generation Corporation Ltd.
Balance Sheet as at 31st March, 2013

(₹ in lakhs)

	Note	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	49,021.74	49,021.74
Reserves and Surplus	3	80,731.25	78,548.80
		1,29,752.99	1,27,570.54
Non-Current Liabilities			
Deferred tax liability (Net)	4	2,134.75	2,054.48
Other Long term liabilities	5	71.50	93.87
Long term provisions	6	1,947.15	1,795.13
		4,153.40	3,943.48
Current Liabilities			
Short-term borrowings	7	-	-
Trade payables	8	543.72	628.38
Other current liabilities	9	3,252.92	3,228.49
Short-term provisions	10	5,974.56	1,042.87
		9,771.20	4,899.74
TOTAL		**1,43,677.59**	**1,36,413.76**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	11	19,868.65	20,468.09
Intangible assets	11	46.65	52.26
Capital work-in-progress	12	18,359.82	13,117.88
Long term loans and advances	13	245.03	286.64
Other non-current assets	14	139.24	139.17
		38,659.39	34,064.04
Current Assets			
Inventories	15	4,862.38	4,801.92
Trade receivables	16	7,719.22	11,168.98
Cash and Bank Balances	17	89,723.20	83,267.24
Short-term loans and advances	18	1,334.67	1,873.51
Other current assets	19	1,378.73	1,238.07
		1,05,018.20	1,02,349.72
TOTAL		**1,43,677.59**	**1,36,413.76**

Notes accompanying the financial statements 1 to 36

In terms of our report of even date attached

For & on behalf of JBMT & Associates
Chartered Accountants

Sd/-
(B. D. Ojha)
Partner
Membership No. 055193

For & on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(M. R. Mishra)	**(H. P. Nayak)**	**(V. Kuppusami)**
Company Secretary	**Director (Finance)**	**Managing Director**

Bhubaneswar
Date - 10th July, 2013

Odisha Power Generation Corporation Ltd.

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in lakhs)

	Note	2012-13	2011-12
INCOME			
Revenue from Operations	20	53,944.29	49,045.82
Other Income	21	9,659.07	8,232.22
Total Revenue		**63,603.36**	**57,278.04**
EXPENDITURE			
Cost of Material Consumed	22	27,832.36	25,991.63
Employee Benefits Expense	23	3,376.15	3,065.05
Finance costs	24	-	6.35
Depreciation and amortization expense	25	1,525.59	1,521.15
Generation and Other Expenses	26	5,865.42	5,981.84
Prior Period Expenses (net)	27	(20.05)	83.45
Total Expenses		**38,579.47**	**36,649.47**
Profit before Exceptional and Extraordinary items and tax		25,023.89	20,628.57
Exceptional Items		-	-
Profit Before Extraordinary items and tax		**25,023.89**	**20,628.57**
Extraordinary Items		-	-
Profit Before Tax		**25,023.89**	**20,628.57**
Current Tax		8,187.71	6,803.43
Earlier years Tax		12.82	59.78
Deferred Tax		80.27	56.50
Profit for the Year		**16,743.09**	**13,708.86**
Earning per equity share of face value of ₹1000/- each Basic & Diluted (in ₹)		**341.54**	**279.65**
Notes accompanying the financial statements	1 to 36		

In terms of our report of even date attached
For & on behalf of JBMT & Associates

For & on behalf of Board of Directors

Chartered Accountants
Sd/-
(B. D. Ojha)
Partner
Membership No. 055193

Sd/-	Sd/-	Sd/-
(M. R. Mishra)	**(H. P. Nayak)**	**(V. Kuppusami)**
Company Secretary	Director (Finance)	Managing Director

Bhubaneswar
Date - 10th July, 2013

Odisha Power Generation Corporation Ltd.

Cash Flow Statement for the year ended 31st March, 2013

(₹ in lakhs)

Particulars	2012-13		2011-12	
Cash Flow from Operating Activities				
Net profit before tax		25,023.91		20,628.57
Adjustment for				
Depreciation	1,573.90		1,844.17	
Interest & finance charges	-		5.19	
Provisions (net)	148.26		-	
Effect of Exchange rate change	0.25		(0.08)	
Interest Income from investment & deposits	(9,434.56)		(7,621.29)	
Consumption of mechanical spare(capital spare adj.)	4.36		-	
Stores & spares written off	13.66		5.87	
Loss/(Profit) on sale / retired assets	0.00		5.81	
Excess provision written back / off (net)	-		(309.46)	
PP (Income)/expenses	(55.02)		-	
Profit on sale of stock / Excess Stock	(0.00)		-	
Assets & advances written off	0.52		1.01	
		(7,748.64)		(6,068.78)
Operating profit before working capital changes		17,275.25		14,559.79
Adjustment for				
Inventories	(46.81)		(778.43)	
Trade & other receivables	3,792.84		1,664.90	
Trade payables, other liabilities and provisions	(82.59)		282.06	
		3,663.44		1,168.53
Cash Generated from Operations		20,938.69		15,728.32
Misc & Other deferred expenses	-		-	
Direct taxes paid (net)	(7,770.72)		(6,853.50)	
		(7,770.72)		(6,853.50)
Net Cash from Operating Activities		13,167.97		8,874.82
Cash Flow from Investing Activities				
Purchase of fixed assets (net)	(6,210.84)		(9,064.34)	
Interest received	9,184.46		7,972.25	
Net Cash Used in Invseting Activities		2,973.62		(1,092.09)
Cash Flow from Financing Activities				
Short term borrowing	-		(231.95)	
Long term borrowing	-		-	
Interest & Finance charges	-		(12.43)	
Dividend including dividend tax paid	(9,685.63)		-	
Net Cash Used in Financing Activities		(9,685.63)		(244.38)
Net changes in Cash & Cash equivalent		6,455.96		7,538.33
Cash & Cash Equivalent - Opening balance		83,267.24		75,728.91
Cash & Cash Equivalent - Closing balance		89,723.20		83,267.24

Note- Figures in brackets are cash outflows / incomes.
(i) The above cashflow statement has been prepared under the indirect method set out in Accounting Standard - 3.
(ii) Notes accompanying the financial statements - 1 to 36
(iii) Previous years figures have been rearranged / regrouped where ever necessary to conform to current year's classification.

In terms of our report of even date attached
For & on behalf of JBMT & Associates
Chartered Accountants

Sd/-
(B. D. Ojha)
Partner
Membership No. 055193

For & on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(M. R. Mishra)	**(H. P. Nayak)**	**(V. Kuppusami)**
Company Secretary	**Director (Finance)**	**Managing Director**

Bhubaneswar
Date - 10th July, 2013

Note 1 - Significant Accounting Policies

1. **Basis of Accounting:**

   The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 1956 including Accounting Standards notified there under.

2. **Use of Estimates**

   In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses during reporting period and the disclosure of contingent liabilities as at the end of financial year. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such difference is recognized in the period in which the same is determined.

3. **Grants**

   Grants received from Central/ State Government or any other authorities towards capital works are initially treated as capital reserve and adjusted in the carrying cost of such asset on the commencement of commercial production.

4. **Fixed Assets**

   4.1 All fixed assets are carried at historical cost less accumulated depreciation / amortization.

   4.2 Expenditure on renovation and modernization of tangible assets resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

   4.3 Deposits, payments, liabilities made provisionally towards compensation, rehabilitation and other expenses including expenses on development of land related to acquisition of land are treated as cost of land.

   4.4 In the case of assets put to use , where final settlement of bills with contractors are yet to be effected, capitalization is made on provisional basis and the adjustment, if any, is accounted for in the year of final settlement.

   4.5 Establishment expenditure related to Capital projects is treated as revenue expenditure if the projects are inordinately delayed for commissioning.

   4.6 Expenses of capital nature incurred on assets laid on land not belonging to the company are capitalised under appropriate asset heads. Capital expenditure on assets not owned by the company is reflected as a distinct item in CWIP till the period of completion.

   4.7 Machinery spares which can be used only in connection with an item of fixed asset & whose use is expected to be irregular (except small value items valuing less than ₹ 1 lakh per unit) are capitalized & fully depreciated over the residual useful life of related plant & machinery.

4.8 Application software packages acquired / developed from / by outside agencies for internal use treated as intangible asset are recorded at their cost of acquisition.

5. **Capital Work in Progress**

5.1 In respect of supply-cum-erection contracts, the value of supplies received at site is taken as capital work in progress.

5.2 Allocation of incidental expenditure during construction between pre-commissioning and post-commissioning period as per the scope of the contract is made on the basis of technical assessment.

5.3 Deposit work/cost plus contracts are accounted for on the basis of statement of accounts received from the contractors.

5.4 Unsettled liability for price variation / exchange rate variation in case of contracts are accounted for, on receipt/ acceptance of bills.

5.5 Apportionment of expenses not clearly identifiable to specific assets including common expenses of operation & construction between pre commissioning & post commissioning period as per the scope of the contract is made on the basis of best judgement.

6. **Development of Power Projects & Coal Mines**

6.1 Expenditure on exploration and development of new coal mines is capitalized as "Development of Coal Mine" under "Capital Works in Progress" till the Mines Project brought to operation.

6.2 Expenditure on development of new power projects is capitalized as "Development of Power Projects" under Capital Work in Progress.

6.3 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/techno economic clearance are charged to revenue.

7. **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent assets are neither recognized nor disclosed in the financial statements.

8 **Cash Flow Statement**

Cash flow statement is prepared in accordance with the Indirect Method prescribed in Accounting Standard (AS) – 3 on "Cash Flow Statements".

9. Inventories

9.1 Inventories of construction materials, raw materials, stores, chemicals, spare parts and loose tools are valued at weighted average cost or net realizable value whichever is lower. Materials in transit and materials pending for inspection are valued at cost.

9.2 In case of identified unserviceable/ obsolete stores & spares, necessary provision is made and charged to revenue.

9.3 The assets retired from active use are disclosed under inventories at book value or net realizable value whichever is lower.

10 Revenue Recognition

10.1 Revenue (income) including delayed payment surcharge on late payment/ overdue payment from debtor on sale is recognized when no significant uncertainty as to the measurability or collectability exists.

10.2 Interest recoverable on advances to suppliers including other parties, warranty claims, liquidated damages, subsidies, insurance claims including related to capital items are accounted for on receipt / acceptance.

10.3 Revenue from sale of scrap is recognized in the statement of profit and loss only on disposal.

11 Depreciation and Amortization

11.1 Depreciation on fixed assets is provided on straight line method at the rates and manner prescribed in Schedule XIV of the Companies Act, 1956 except the following assets in respect of which depreciation is charged at the rates mentioned below.

11.2 Cost of leasehold land including development expenses thereon is amortized over the lease period or 30 years which ever is less. Leasehold land whose lease period is yet to be finalized is amortized over a period of 30 years.

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

11.4 Cost of computer software recognized as intangible assets is amortized on straight line method over a period of legal right to use subject to maximum ten years.

11.5 Capital expenditure on assets used/usable but not owned by the company is amortized over a period of 5 years from the period in which the relevant asset becomes available for use. However, such expenditure for community or periphery development in case of stations under operation is charged off to revenue.

11.6 Ash Ponds have been depreciated over remaining period of useful life, evaluated on the basis of technical estimate made annually which includes the estimates of generation, utilization and increase of capacity in future years.

11.7 Where the original estimate of useful life of an asset is revised by a committee constituted for assessment of useful life of the asset based on several factors such as technical & non technical, the unamortized depreciable amount of the asset including the expenditure incurred on renovation and modernization is charged to revenue over such revised remaining useful life.

11.8 Depreciation on additions to / deductions from fixed assets during the year is charged on pro rata basis from / up to the month in which the assets is available for use / disposal / retirement from active use.

12 Prior Period Income / Expenditure & Prepaid Expenses

Income/ Expenditure relating to prior period & prepaid expenses not exceeding ₹ 0.50 lakh in each case is treated as income/ expenditure of the current year.

13. Employee Benefits

13.1 Short term employee benefits are recognized as expenses at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

13.2 The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through group gratuity assurance scheme of Life Insurance Corporation of India. The company accounted for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

13.3 The Company Contribution to the Provident Fund is charged to Statement of Profit and Loss. Above contribution to the provident fund is administered through a separate Trust. Any payment towards deficiency of the Trust fund is also charged to Statement of Profit and Loss.

13.4 Liabilities towards leave encashment / availment as the case may be of the employees at the end of the year are provided for on the basis of actuarial valuation.

13.5 Expenses on ex-gratia payment under voluntary separation scheme are charged to Statement of Profit and Loss in the year in which it is incurred.

13.6 Expense on leave travel concession, leave salary and pension contribution of deputation employees are accounted for on cash basis.

14. Consumption of Raw Materials & Inventories

Windage and handling losses / gain of coal including carpeting of coal is charged off to coal consumption. Carpeting of coal during pre commissioning period is treated as inventory and charged off to consumption in the first year of commercial operation.

15. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability/ Asset resulting from "timing difference" between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred Tax Asset, if any, is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

16. **Impairment of Assets**

The company reviews the carrying cost of its fixed assets, whenever circumstances indicate that the carrying cost of asset may not be recoverable. The company assesses recoverability of carrying value of assets by grouping assets of thermal power plant & mini hydel projects separately. If the estimated discounted future cash flows expected to result from the use of assets are less than its carrying amount, the asset is deemed to be impaired and the difference amount between the recoverable amount and the carrying amount is charged to the statement of profit & loss.

17 **Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as expenses in the period in which these are incurred.

18 **Foreign Exchange Transactions**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses in foreign exchange transactions other than those long term liabilities relating to fixed assets, are recognized in the statement of profit and loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognized in the statement of profit and loss over the period of the contract.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities relating to fixed assets are adjusted in the carrying cost of such assets.

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

2. SHARE CAPITAL

(₹ in lakhs)

	As at 31st March, 2013		As at 31st March, 2012	
Authorised Share Capital:				
100,00,000 (Previous Year 100,00,000) Equity Shares of ₹ 1000/-each.		100,000.00		100,000.00
Issued , Subscribed & fully Paid Up :				
49,02,174 (Previous Year 49,02,174) Equity Shares of ₹ 1000 each fully paid up.	49,021.74		49,021.74	
		49,021.74		49,021.74
TOTAL		**49,021.74**		**49,021.74**

2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

	As at 31st March, 2013		As at 31st March, 2012	
	Nos.	Amount	Nos.	Amount
Equity Share at the beginning of the year	49,02,174	49,021.74	49,02,174	49,021.74
Add:Equity Shares issued during the year	-	-	-	-
Less: Equity Shares bought back during the year	-	-	-	-
Equity Share at the end of the year	**49,02,174**	**49,021.74**	**49,02,174**	**49,021.74**

2.2 The details of Shareholders holding more than 5% of shares

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Government of Odisha	25,00,109	51.00%	25,00,109	51.00%
AES India Pvt Ltd	796,178	16.24%	796,178	16.24%
AES OPGC holding (Incorporated in Mauritius)	16,05,887	32.76%	16,05,887	32.76%
Total number of Shares	**49,02,174**	**100.00%**	**49,02,174**	**100.00%**

3. RESERVE AND SURPLUS

	As at 31st March, 2013		As at 31st March, 2012	
3.1 Securities Premium Reserve				
As per Last Balance Sheet	5,888.43		5,888.43	
Add- Addition during the year/period	-		-	
Less- Adjustment During the period	-		-	
		5,888.43		5,888.43
3.2 Grant -in-Aid *				
As per Last Balance sheet	185.58		185.58	
Less: Adjusted to carrying cost of assets	-		-	
		185.58		185.58

*Received from Minstry Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects

	As at 31st March, 2013		As at 31st March, 2012	
3.3 Other Reserves				
(i) General Reserve				
As per Last Balance sheet	7,285.92		7,285.92	
Add: Transferred from Statement of Profit & Loss	1,674.31		-	
		8,960.23		7,285.92

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

(ii) Surplus in Statement of Profit and Loss				
As per Last Balance sheet	65,188.87		51,480.01	
Add- Profit for the year	16,743.09		13,708.86	
	81,931.96		65,188.87	
Less : Appropriations				
Transfer to General Reserve	1,674.31		-	
Dividend Paid (₹170/- per Share (previous year Nil)	8,333.70		-	
Tax on Dividend Paid	1,351.93		-	
Proposed Dividend (₹85/- per Share (previous year Nil)	4,166.85		-	
Tax on Dividend	708.16		-	
		65,697.01		65,188.87
TOTAL		80,731.25		78,548.80

4. DEFERRED TAX LIABILITY (NET)

	As at 31st March, 2013		As at 31st March, 2012	
Deferred Tax Liability	-		-	
Depreciation and amortisation	2,912.23		2,722.30	
Deferred Tax Assets	-		-	
Employee benefits	(753.86)		(663.93)	
Others	(23.62)		(3.89)	
TOTAL		2,134.75		2,054.48

5. OTHER LONG TERM LIABILITIES

	As at 31st March, 2013		As at 31st March, 2012	
Trade Payables	20.97		34.93	
Security Deposits	22.58		34.57	
EMD and Retention Money	27.95		24.37	
TOTAL		71.50		93.87

6. LONG TERM PROVISIONS

	As at 31st March, 2013		As at 31st March, 2012	
Provision for Employees benefit	1,947.15		1,795.13	
Others	-		-	
TOTAL		1,947.15		1,795.13

Provision for employee benefits consists of gratuity and retirement benefits

7. SHORT TERM BORROWINGS

	As at 31st March, 2013		As at 31st March, 2012	
(i) Secured Loans	-		-	
(ii) Unsecured Loans	-		-	
Loans repayable on demand	-		-	
from banks	-		-	
from other parties	-		-	
Loans & advances from related parties	-		-	
Other Loans & Advances	-		-	
TOTAL		-		-

8. TRADE PAYABLES

	As at 31st March, 2013		As at 31st March, 2012	
Micro and Small Enterprise	6.21		2.82	
Others	537.51		625.56	
TOTAL		543.72		628.38

Difference of ₹28.28 lakhs in MCL account is due to non adjustment at their end of differential entry tax, quantity difference, pumping charges of water supplied & credit allowed in un-graded coal etc.

Note: Notes on Financial Statements for the Year ended 31st March 2013

(₹ in lakhs)

8.1 The details of amount outstanding to Micro and Small Enterprises based on available information with the Company is as under.

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Principal amount due and remaining unpaid	6.21		2.82	
Interest due on above and unpaid interest	-		-	
Interest paid	-		-	
Payment made beyond appointed day during the year	-		-	
Interest due and payable for the period of delay	-		-	
Interest accrued and remaining unpaid	-		-	
Amount of further interest remaining due and payable in succeeding years	-		-	
TOTAL		6.21		2.82

9. OTHER CURRENT LIABILITIES

	As at 31st March, 2013		As at 31st March, 2012	
Interest accrued but not due on borrowings	-		-	
Interest accrued and due on borrowings	-		-	
Income received in Advance	2.26		0.87	
Unpaid Dividend	-		-	
Creditors for Capital Expenditures	35.88		115.40	
Other payables *	3,214.78		3,112.22	
TOTAL		3,252.92		3,228.49
*Other payables includes:				
Statutory dues	620.78		435.57	
Liability for expenses	1,467.30		1,564.59	
Deposits and retention money from contractors	1,125.20		1,111.74	
Other dues	1.50		0.32	

10. SHORT TERM PROVISIONS

	As at 31st March, 2013		As at 31st March, 2012	
Provision for employee retirement benefits	163.22		107.83	
Others				
Provision for taxation	-		-	
Proposed dividend	4,166.85		-	
Tax on dividend	708.16		-	
Other provisions	936.33		935.04	
TOTAL		5,974.56		1,042.87
(i) Other provisions include				
Provision for performance incentive	243.95		240.95	
Provision for MAT credit payable to customer	673.51		673.51	
Provision for Management Service Charges	18.87		20.58	

(ii)MAT credit of ₹ 2069.81 lakhs has been accounted during the year 2005-06 to 2007-08 under section 115JAA of the Income Tax Act and carried forward for set off against the future income tax liability. The company has claimed MAT Credit of ₹ 633.07 lakhs in the revised return of income for the year 2008-09 which was allowed in the rectification order of assessement. Balance amount of ₹ 1436.74 lakhs was claimed in the return of income for the year 2009-10 which was not allowed in the assessement and the Company has submitted an application for rectification of mistake apparent in the order of assessement which is pending for disposal by the Assessing Officer. The exact amount of MAT credit will be confirmed on allowability of the same in the rectification of assessement order for the year 2009-10. At the same time an opinion was also obtained from tax consultant on the eligibility of MAT Credit of the Customer which was submitted to them for their view. The proportionate amount of MAT Credit based on the claims made during above years, attributable to the return of equity claimed in the tariff was provisionally calculated for an amount of ₹ 673.51 lakhs which is continuing as payable to customer on receipt of credit from income tax department and completion of undisputed assessment of the said years. The final amount that will be payable depends upon allowability of MAT Credit by the income tax department and opinion obtained from tax consultant.

11. FIXED ASSETS

(₹ in lakhs)

Descriptions	Gross Block				Depreciation					Net Block	
	As at 01.04.2012	Addition	Deduction / Adjustment	As at 31.3.2013	Up to 01.04.2012	For the Year	Arrear Depreciation	Deduction/ Written Back	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
A. TANGIBLE ASSETS:											
Freehold Land including devolopment cost	1.59	-	-	1.59	-	-	-	-	-	1.59	1.59
Leasehold Land including devolopment cost	1,930.79	213.69	-	2,144.49	843.65	87.29	-	-	930.95	1,213.54	1,087.14
Total Land	1,932.38	213.69	-	2,146.08	843.65	87.29	-	-	930.95	1,215.13	1,088.73
Building	6,407.75	50.00	(1.31)	6,456.45	4,408.83	180.82	-	(1.31)	4,588.34	1,868.11	1,998.92
Plant & Equipment	1,08,780.14	569.03	(17.95)	109,331.21	92,922.50	1,152.99	5.79	(10.31)	94,070.98	15,260.24	15,857.63
Furniture & Fixture	306.74	21.32	-	328.06	190.21	12.83	-	(0.21)	202.83	125.23	116.52
Vehicle	124.97	12.71	-	137.68	73.93	11.65	-	-	85.58	52.10	51.04
Office & Other Equipment	1,912.98	82.57	-	1,995.55	1,337.25	63.51	-	-	1,400.76	594.79	575.73
Others											
Road Bridge & Culvert	1,212.69	6.51	-	1,219.20	771.11	20.29	-	-	791.40	427.80	441.58
Water Supply Drainage & Sewerage	456.30	(0.00)	-	456.30	234.38	19.97	-	-	254.35	201.95	221.92
Power Supply Distribution & Lighting	473.65	0.00	-	473.65	371.27	5.03	-	-	376.30	97.35	102.38
Heavy Mobile Equipment.	272.40	13.78	-	286.17	258.78	1.43	-	-	260.21	25.97	13.62
Library and Books	12.16	0.50	-	12.66	12.16	0.50	-	-	12.66	-	-
Sub Total	**1,21,892.17**	**970.11**	**(19.26)**	**122,843.02**	**101,424.08**	**1,556.31**	**5.79**	**(11.83)**	**1,02,974.35**	**19,868.65**	**20,468.09**
B. INTANGIBLE ASSETS:											
Software & SAP licence	79.15	6.20	-	85.35	26.90	11.80	-	-	38.70	46.65	52.26
Sub Total	**79.15**	**6.20**	**-**	**85.35**	**26.90**	**11.80**	**-**	**-**	**38.70**	**46.65**	**52.26**
Total	**1,21,971.32**	**976.31**	**(19.26)**	**1,22,928.37**	**1,01,450.98**	**1,568.11**	**5.79**	**(11.83)**	**103,013.05**	**19,915.30**	**20,520.35**
Previous Year	**1,21,279.06**	**864.03**	**(171.77)**	**121,971.32**	**99,700.49**	**1,845.90**	**9.38**	**(104.79)**	**101,450.98**	**20,520.34**	**21,578.57**

(i) Gross Block of Road, Bridge & Culvert includes assets laid on land not belonging to the Company of ₹ 453.49 lakhs.

(ii) Leasehold Land is amortized over a period of 30 years from the year following commissioning of both the units.

(iii) Value of land includes advance payments made for the land which are in possession of the company. Out of the total land AC.452.00 of Hirakud Reservoir land, lease deeds for AC.226.46 . village Forest land & AC.60.80 patta land (in the possession of the company) are yet to be executed.

(iv) Land includes AC.69.38 of Govt. land & AC.104.47 of private land valuing ₹ 222.35 lakhs which were surrendered in favour of State Govt. for eventual transfer to AES IB Valley Corporation for construction of Unit 5 & 6 of IB Thermal Power Station. The company requested Govt. of Odisha for restoration of title / right for expansion of unit 3 & 4. Pending restoration as above, the same has been disclosed under land including land development & amortized over balance life as per accounting policy

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

12. CAPITAL WORK IN PROGRESS

	As at 31st March, 2013		As at 31st March, 2012	
Tangible Assets				
Capital work in progress	351.15		35.81	
Capital work in progress Mini Micro Hydel Projects	1,314.18		1,314.12	
Expenditure on development of power plant	6,686.39		2,552.82	
Expenditure on development of coal mines	10,006.41		9,213.88	
		18,358.13		13,116.63
Intangible Assets under Development				
Software	1.69		1.26	
		1.69	-	1.26
TOTAL		18,359.82		13,117.88

(i) Capital work in progress includes project development expenses of ₹16,692.80 lakhs (previous year ₹11,766.70 lakhs) related to development of power plant and coal mines.Details of Expenditure related to project develpoment of power plant and coal mines are as follows.

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Coal Mine	Power Plant	Coal Mine	Power Plant
Consultancy	950.19	624.21	871.23	514.20
Geological report	425.44	-	425.44	-
Statutory clearances including data collection	12.68	8.90	12.68	8.90
Employee Remuneration and Benefits including Traveling Expenses	905.80	807.19	611.10	629.26
Administrative Expenses	499.42	188.78	229.41	88.28
Financing Expenses	19.99	511.26	19.99	0.42
Land Acquisition	7,179.59	4,536.54	7,044.03	1,311.76
Advance Against Consultancy Works (Capital)	13.28	9.50	-	-
TOTAL	10,006.41	6,686.39	9,213.88	2,552.82

(ii) The Board of Directors have approved for execution of Mini Micro Hydel Projects in a phased manner. Out of seven Mini Micro Hydel Projects, three (Biribati, Kendupatna & Andharabhangi projects) are in operation & generating electricity. Power Purchase Agreement related to above projects is at final stage. Execution of balance work in respect of other four projects will be taken up on the basis of commercial viability.

13. LONG TERM LOANS AND ADVANCES

	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good		
Loans and advances to related parties	-	-
Loans and advances to employees	179.15	167.50
Advance to suppliers and contractors	56.22	107.08
Advance to others	-	2.41
Tax Refunds receivables	9.66	9.66
TOTAL	245.03	286.64

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

14. OTHER NON CURRENT ASSETS

	As at 31st March, 2013	As at 31st March, 2012
Long term trade Receivable		
Others Receivables	30.84	30.84
Security Deposits	108.40	108.34
TOTAL	139.24	139.17

15. INVENTORIES*

		As at 31st March, 2013	As at 31st March, 2012
Raw Materials		1,331.54	1,706.60
Components, Chemicals, Stores & spares	3,299.48		2,921.93
Less: Provison for Obsolete Stores & Spares	112.47	3,187.01	(112.47)
Loose Tools & Tackles		117.85	115.33
Stock in Transit and Stock pending Inspection		184.48	129.03
Assets retired from active use and pending for disposal & Scrap		41.50	41.50
TOTAL		4,862.38	4,801.92

*As certified by management and valued as per clause 9 of the Accounting Policy at Note No.1.

16. TRADE RECEIVABLES

	As at 31st March, 2013	As at 31st March, 2012
Unsecured and Considered Good		
Over six months from the date they were due for payment	2,330.64	2,952.13
Others	5,388.58	8,216.85
	7,719.22	11,168.98
Less: Provision for Doubtful Debt	-	-
TOTAL	7,719.22	11,168.98

Trade receivables includes ₹ 3020.55 lakhs (previous year ₹ 7892.48 lakhs) which is yet to be confirmed/received.

17. CASH AND BANK BALANCES

	As at 31st March, 2013	As at 31st March, 2012
(i) Cash and cash equivalents		
(a) Balance with banks	-	-
In current accounts	97.96	307.46
In cash credit account	28.41	-
Fixed deposits with banks	81,595.35	68,272.91
(b) Cheque draft on hand / transit	-	-
(c) Cash on hand	1.30	0.83
(d) Others (Fixed deposits with maturity period of less than three months)	2,000.00	7,486.04
(ii) Fixed deposits with banks held as security against guarantees of ₹ 6060.00 lakhs	6,000.00	7,200.00
(iii) Fixed deposits with banks pledged as security	0.18	-
TOTAL	89,723.20	83,267.24

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

18. SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good		
Loans and advances to related parties	-	-
Loans and advances to employees	102.51	86.54
Advance to suppliers and contractors	176.69	472.24
Advance to Group Gratuity Trust	-	45.06
Advance to others	33.68	13.47
Advance tax including refunds receivables (net)	1,021.79	1,256.20
TOTAL	1,334.67	1,873.51

19. OTHER CURRENT ASSETS

	As at 31st March, 2013	As at 31st March, 2012
Interest accrued on fixed deposits	1,280.53	1,143.30
Security deposits	3.69	1.89
Other receivables	69.93	65.14
Prepaid expenses	24.58	27.74
TOTAL	1,378.73	1,238.07

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

20. REVENUE FROM OPERATION

	2012-13	2011-12
Sale of Power	53,944.29	49,045.82
TOTAL	53,944.29	49,045.82

(i) Sale has been accounted as per tariff calculated on the basis of power purchase agreement with GRIDCO by taking minimum plant load factor (PLF) at 80% in place of 68.49% mentioned in PPA for billing of incentive amount in terms of agreed amendments to PPA which is yet to be approved by OERC.

(ii) Sale does not include internal consumption of 342.73 MU including transformer loss of 16.123MU for the year (previous year 313.58 MU including transformer loss of 12.43MU), the cost of which has been determined at ₹ 4083.20 lakhs (previous year ₹ 3826.18 lakhs) approximately

(iii) In absence of power purchase agreement, 0.327 MU net (previous year 0.260 MU net) of energy generated from Mini Hydel Projects (Kendupatana, Biribati and Andharbhangi) has not been accounted.

20.1 Particulars of Generation, Auxiliary Consumption and Sale of power

Particulars	2012-13	2011-12
Generation (MU)*	3,181.59	2,950.15
Sale (MU)	2,838.87	2,636.57
Internal consumption (MU)**	342.73	313.58
Sale (Net) (₹ in lakhs)	53,944.29	49,045.82
Internal consumption (₹ in lakhs)	4,083.46	3,826.18

* It does not include 0.327 MU net (previous year 0.260MU net) generated by Mini Hydel Projects and exported to GRIDCO.

** It includes transformer loss of 16.123MU (previous year 12.433 MU).

21. OTHER INCOME

	2012-13	2011-12
21.1 Interest		
From Fixed Deposits	9,321.69	7,621.29
From Others	125.75	11.79
	9,447.44	7,633.08
21.2 Other Non-Operating Income		
Sale of Scrap / residual materials	14.30	103.03
Miscellaneous Income	137.14	192.49
Loss on sale of Fixed Assets (net)	(0.00)	(5.92)
Exchange Gain (net)	(0.25)	0.08
Excess Provision written back	60.44	309.46
	211.63	599.13
TOTAL	9,659.07	8,232.22

(i) Miscellaneous Income includes ₹ 14.05 lakhs (previous year ₹ 22.16 lakhs) liquidated damage recovered from contractors

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

(ii) Excess Provision written back related to

	2012-13	2011-12
Provision for Debtor	-	163.48
Obsolete stores / spares	-	26.19
Performance Incentive	59.36	89.61
Other Expenses	1.08	30.18

22. COST OF RAW MATERIALS CONSUMED

	2012-13	2011-12
Imported	-	-
Indigenous	27,832.36	25,991.63
TOTAL	**27,832.36**	**25,991.63**

Excess of Coal for 3822.21 MT amounting to ₹ 37.76 lakhs (Previous year shortage of 8378.19 MT amounting to ₹ 80.93 lakhs) found during physical verification has been adjusted to consumption of coal.

22.1 Particulars of raw materials consumed

	2012-13	2011-12
COAL	26,580.61	24,506.31
FO /LDO	1,251.75	1,485.32
TOTAL	**27,832.36**	**25,991.63**

23. EMPLOYEE BENEFIT EXPENSE

	2012-13	2011-12
Salaries & Wages	2,991.63	2,838.54
Contribution to		
Provident fund	252.82	222.41
Gratuity fund	139.19	46.65
Staff Welfare Expenses	437.34	405.25
	3,820.98	**3,512.85**
Less transferred to Fuel Cost	444.83	447.80
TOTAL	**3,376.15**	**3,065.05**

(i) Previous year figure includes an amount ₹ 179.18 lakhs paid under Voluntary Separation Scheme to the employees on their separation from Company.

(ii) Pending finalization of final payment of Variable Pay to the employees of the company under performance management system, a provision of ₹ 242.22 lakhs (previous year ₹ 240.95 lakhs) has been made on an estimated basis.

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

(iii) In terms of Accounting Standard 15 (Revised) on " Employee Benefits", the company has determined the liabilities arising on Employee Benefits on the basis of actuarial valuation . The summarized position of different benefits recognized in statement of profit and loss and balance sheet as under.

Sl. No.	Particulars	2012-13				2011-12			
		Provident fund	Earned Leave	Gratuity	Half Pay Leave	Provident fund	Earned Leave	Gratuity	Half Pay Leave
(A)	**The amounts to be recognized in balance sheet and related analysis**								
a)	Present value of obligation as at the end of the period	5,949.70	1,484	1,940	531	**5,311.78**	1,385	1,745	475
b)	Fair value of plan assets as at the end of the period	5,973.46	-	1,912.20	-	**5,213.49**	-	1,846.67	-
c)	Funded status / Difference	23.76	(1,483.80)	(27.55)	(531.44)	**(98.29)**	(1,384.70)	101.54	(475.39)
d)	Excess of actual over estimated return on plan asset	-	-	(5.11)	-	-	-	(0.75)	-
e)	Unrecognized actuarial (gains) / losses	-	-	-	-	-	-	-	-
f)	Net asset / (liability) recognized in balance sheet	23.76	(1,483.80)	(27.55)	(531.44)	**(98.29)**	(1,384.70)	101.54	(475.39)
(B)	**Expense recognized in the statement of profit and loss**								
a)	Current service cost	-	78.18	97.46	25.70	-	72.30	89.01	**24.21**
b)	Past service cost	-	-	-	-	-	-	-	-
c)	Interest cost		116.32	146.59	39.43	-	118.92	145.40	**39.44**
d)	Expected return on plan assets	-	-	(173.59)	-	-	-	(128.44)	-
e)	Curtailment cost / (Credit)	-	-	-	-	-	-	-	-
f)	Settlement cost / (credit)	-	-	-	-	-	-	-	-
g)	Net actuarial (gain)/ loss recognized in the period	-	28.02	58.63	(9.58)	-	(168.25)	(108.50)	**(52.23)**
h)	Company Contribution to the PF Fund	258.79	-	-	-	**229.88**	-	-	-
i)	Expenses recognized in the statement of profit & loss*	-	166.47	129.10	56.05	-	22.98	(2.52)	**11.41**

*In case of leave encashment and gratuity, an additional liability of ₹23.59 lakhs & ₹2.89 lakhs (previous year ₹72.08 lakhs and ₹49.18 lakhs) respectively have been adjusted as not considered in valuation and balance is recognized in statement of Profit and loss

(C) Change in present value of obligation

Sl. No.	Particulars	Provident fund (2012-13)	Earned Leave (2012-13)	Gratuity (2012-13)	Half Pay Leave (2012-13)	Provident fund (2011-12)	Earned Leave (2011-12)	Gratuity (2011-12)	Half Pay Leave (2011-12)
a)	Present value of obligation as at the beginning of the period	-	1,384.70	1,745.12	475.39	-	1,399.11	1,710.54	463.98
b)	Acquisition adjustment	-	-	-	-	-	-	-	-
c)	Interest cost	-	116.32	146.59	39.93	-	118.92	145.40	39.44

Note: Notes on Financial Statements for the Year ended 31st March 2013

(₹ in lakhs)

d)	Past service cost	-	-	-	-	-	-	-	-
-	Past service cost (Vested benefits)	-	-	-	-	-	-	-	-
e)	Current service cost		78.18	97.46	25.70	-	72.30	89.01	24.21
f)	Curtailment cost/(Credit)	-	-	-	-	-	-	-	-
g)	Settlement cost/(Credit)	-	-	-	-	-	-	-	-
h)	Benefits paid	-	(67.38)	(102.94)	-	-	(37.39)	(90.57)	-
i)	Actuarial (gain)/loss on obligation	-	(28.02)	53.52	(9.58)	-	(168.25)	(109.25)	(52.23)
j)	Present value of obligation as at the end of period	-	1,483.80	1,939.76	531.44	-	1,384.70	1,745.12	475.39

(D) Movement in the liability recognized in the balance sheet

a)	Opening net liability	-	1,384.70	1,745.12	475.39	-	1,399.11	1,710.54	463.98
b)	Expenses as above	-	166.47	129.10	56.05	-	22.98	(2.52)	11.41
c)	Benefits paid	-	(67.38)	(102.94)	-	-	(37.39)	(90.57)	-
d)	Actual return on plan assets	-	-	168.48	-	-	-	127.68	-
e)	Closing net Liability	-	1,483.80	1,939.76	531.44	-	1,384.70	1,745.12	475.39

(E) Principal Assumptions used for actuarial valuation

a)	Method used		Projected Unit Credit Method				Projected Unit Credit Method		
b)	Discounting Rate	0.09	8.40%	8.40%	8.40%	-	8.50%	8.50%	8.50%
c)	Future salary Increase	-	7.50%	7.50%	7.50%	-	7.80%	7.80%	7.80%
d)	Expected Rate of return on plan assets	-	-	9.40%		-	-	9.40%	-
e)	Retirement Age (Years)	58	58	58	58	-	58	58	58

(F) Major categories of plan assets (as percentage of total plan assets)

	Funds Managed by Insurer	OPGC Ltd EPF Trust	-	100	-	OPGC Ltd EPF Trust	-	100	0
	Total	-	-	100	-	-	-	100	0

(i) Gratuity is a post employment partly funded defined employee benefit plan. The actuarial valuation has been made taking into account maximum grauity limit of ₹10 lakhs, in place of providing liability @ 15 days salary for each completed year of service subject to maximum 20 months salary. Extra liability towards gratuity if any due to above is not accounted for.

(ii) Other benefits are un-funded defined employee benefit plan.

(iii) Besides above, the company provided liability towards gratuity and leave encashment in respect of employees those ceased from services and whose dues are not settled by 31st March 2013 and not considered in actuarial valuation.

(iv) The estimate of future salary increases considered in actuarial valuation by taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

24. FINANCE COST

	2012-2013	2011-2012
Interest Expenses	-	5.19
Other borrowing Cost	-	1.16
TOTAL	-	6.35

25. DEPRECIATION AND AMORTISATION EXPENSE

	2012-2013	2011-2012
Depreciation	1,573.90	1,681.90
Impairement of Assets *	-	173.36
Total Depreciation and Amortisation	1,573.90	1,855.27
Less transferred to Fuel Cost	42.52	324.74
Less related to prior period	5.79	9.38
TOTAL	1,525.59	1,521.15

*** Impairement of Assets consists of following cash generating units**

Mini Hydel Project, Andharbhangi	104.77
Mini Hydel Project, Kendupatana	32.12
Mini Hydel Project, Biribati	36.48

(i) In terms of Accounting Standard 28 (Impairment of Assets), the company has determined the recoverable amount on the basis of the 'Value in Use' of the assets of three Mini Hydel Projects. The " Value in Use " i.e. the discounted present value of future cash flow from continuing use of assets has been worked out on the basis of expected tariff and found negative. No adjustment is required as the impairment loss amounting ₹ 173.36 lakhs has been recognised in the statement of profit and loss during previous year.

(ii) Life of the ash pond 'A' has been evaluated on the basis of technical estimation as per clause no.11.6 of the accounting policy for depreciation and accordingly an amount of ₹ 458.99 lakhs (previous year ₹ 298.07 lakhs) is charged to the Statement of Profit and Loss. Due to reassessment of useful life of Ash Pond, an amount of ₹ 160.92 lakhs has been over charged in the statement of profit and loss as depreciation incomparision to last year.

26. GENERATION AND OTHER EXPENSES

	2012-2013	2011-2012
26.1 Generation Expenses:		
Consumption of Stores, spares & chemicals	1,417.03	1,333.24
Electric Power, Electricity Duty and Water	1,288.25	1,192.09
Contract Job outsourcing expenses	1,001.49	1,241.46
Insurance	76.81	74.92
Other generation expenses	340.25	333.43
Repairs to buildings	291.57	227.16
Repairs to Machinery	70.83	42.34
	4,486.23	**4,444.64**
26.2 Selling & Distribution Expenses:		
Rebate in the nature of cash discount to customer	723.06	902.57
	723.06	**902.57**
26.3 Administrative Expenses:		
Rent	96.60	101.02
Professional Fees and expenses	7.06	6.81
General expenses	530.70	460.78

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

Management Service Charges	21.26	19.05
Rate, Taxes & Cess	24.86	17.40
Other Repairs	60.01	60.37
Travelling expenses	144.74	155.88
Watch and Ward expenses	209.50	165.66
Community development and welfare expenses	82.60	69.73
	1,177.33	**1,056.71**
26.4 Other Expenses		
Payment to Auditors	4.28	4.48
Peripheral development expenses	42.85	80.94
Donation	-	50.00
Provision for Advances / Debts (net)	-	-
Provision for Shortage and Obsolecence of Stores (net)	-	-
Bad Debt Written Off / Back (net)	-	-
Advances Written Off / Witten Back (net)	0.52	1.01
Stores / assets Written Off / Witten Back (net)	13.65	5.76
	61.30	**142.19**
	6,447.92	6,546.11
Less transferred to Fuel Cost	582.50	564.28
TOTAL	**5,865.42**	**5,981.84**

(i) In absence of demand raised by the Govt. of Odisha, no provision has been made in the accounts for the year in respect of outstanding ground rent and land cess of the land in the possession of the company.

(ii) Expenses shown under the head electric power , electricity duty and water does not include a demand of ₹ 7.22 Crores raised by OHPC ltd. towards compensation for the water drawal from Hirakud Reservoir. This demand has been raised with reference to letter No.6140 dtd.31.07.2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. The amount could not be recognized in the accounts in absence of confirmation from GRIDCO for reimbursement of the same in the tariff. This has no financial impact in the profitability of the Company.

26.5 Payment to Auditors As:

	2012-13	2011-12
(a) As Auditors		
Statutory Audit Fees	1.96	1.97
Statutory Audit expenses	0.44	0.70
Tax Audit Fees	0.54	0.31
(b) Certification fee	0.22	0.22
(c) As Cost Auditors	-	-
Cost Audit Fees	0.68	0.84
Cost Audit expenses	0.28	0.28
(d) As VAT Auditors	0.15	0.15
TOTAL	**4.28**	**4.48**

27. PRIOR PERIOD EXPENSES (Net)

	2012-13	2011-12
Other non operating income	(10.13)	1.65
Depreciation written back (net)	-	1.73
Employee benefit expenses	3.81	73.34
Depreciation & amortisation (net)	5.79	-
Generation and other expenses	(39.77)	13.49
TOTAL	**(20.05)**	**83.45**

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

28. VALUE OF STORES, SPARES, CHEMICALS CONSUMED

	2012-13		2011-12	
	Value	%	Value	%
Imported	18.92	1.34	43.70	3.28
Indigenous	1,398.11	98.66	1,289.54	96.72
TOTAL	**1,417.03**	**100.00**	**1,333.24**	**100.00**

29. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2012-13	2011-12
Raw Materials	Nil	Nil
Components & spare parts	40.53	7.58
Capital Goods	Nil	Nil

30. (a) EXPENDITURE IN FOREIGN CURRENCY:

	2012-13	2011-12
Traveling Expenses & Consultancy Charges	21.19	20.35
(b) EARNINGS IN FOREIGN CURRENCY:	Nil	Nil

31. EARNINGS PER SHARE (EPS)

	2012-13	2011-12
Net Profit after Tax as per Statement of Profit and Loss attributable to equity shareholders used as numerator - ₹ in Lakhs	16,743.09	13,709.00
Weighted average number of equity shares used as denominator for calculating EPS	4,902,174	49,02,174
Earning per equity share (Basic and Diluted) - in ₹	341.54	279.65
Face value per equity share - in ₹	1,000	1,000

32. RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

(a) Related Parties:

AES India Pvt Ltd

AES OPGC holding (Incorporated in Mauritius)

(b) Key Management Personnel

Sri Venkatachalam Kuppusami	Managing Director
Sri C. P. Mohanty	Director (Finance) upto 15.08.2012
Sri Hara prasad Nayak	Director (Finance) from 16.08.2012
Sri Indranil Dutta	Director(Operation)

(c) Transaction with related parties for the year ended 31st March 2013 (₹ in lakhs)

Nature of Transactions	AES India Pvt. Ltd.	AES OPGC holding (Incorporated in Mauritius)	Key Managerial Personnel
Employee Benefits Expense in respect of deputed employees under reciprocal sharing of resources	278.92	Nil	Nil
Towards Management Services Charges	21.26	Nil	Nil
Towards Reimbursement of Travelling and Other Expenses	6.71	Nil	Nil

Note: Notes on Financial Statements for the Year ended 31st March 2013 (₹ in lakhs)

33. CONTNGENT LIABILITIES NOT PROVIDED FOR:

Particulars	Opening Balance as on 01.04.2012	During the Year 2012-13		Closing Balance as on 31.03.2013
		Additional Provision	Amount Reversed	
(a) Claims against the company not acknowledged as debt				
Income Tax demands	926.63	569.82	836.29	660.15
Indirect tax demands	1,236.99	124.98	-	1,361.97
Land Acquisition / Interest on unpaid Land Premium	870.62	-	211.50	659.12
Claims of Contractors & Others	473.57	11.67	-	485.24
(b) Outstanding letter of credit and guarantees	6,060.00	-	-	6,060.00
(c) Other money for which the company is contingently liable	-	-	-	-
Total	**9,567.81**	**706.46**	**1,047.79**	**9,226.48**

(i) The Company has disputed the demand raised by the Sales Tax department applying 1% entry tax on coal considering the same as fuel instead of the contention of the company for application of 0.5% entry tax considering coal as raw material. The company has filed writs as well as stay of demand petition before Hon'ble High Court of Orissa, which were honoured from time to time and the writs are pending for disposal. The above amount as disclosed is on the basis of demand raised for the years 2000-01 to 2003-04 and estimated for the years from 2004-05 to 2012-13. In view of above the amount has not been passed on to GRIDCO in tariff as per Power Purchase Agreement.

(ii) Interest on such demands where ever applicable is not ascertained and hence not included in the above.

(iii) Guarantee fee is calculated and paid on the reduced balance of outstanding guarantee as on 1st April of the year with reference to the resolution no.52214 dt.12th December 2002 and office memorandum no. 23663/F dt. 4th April 2003 issued by Finance Department, Govt. of Odisha. Without reducing the guarantee on repayment of loan, the Finance Department has raised a demand of ₹ 977.19 lakhs (previous year ₹ 978. 35 lakhs) towards guarentee fee which has not been accounted for as there is remote possibility of any such payment required to be made in future.

34. CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and LC) ₹ 7270.41 lakhs (previous year ₹ 1574.58 lakhs)

35. SEGMENT REPORTING

The company has more than one business segment but not reportable segment since generation from Mini Hydel Projects has not been recognized in absence of power purchase agreement. In view of above fact, segment information required as per Accounting Standard -17 is not provided.

36. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous period figures have been recasted / restated to confirm to the classification of the current period.

In terms of our report of even date attached
For & on behalf of JBMT & Associates

Chartered Accountants

For & on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(B. D. Ojha)	(M. R. Mishra)	(H. P. Nayak)	(V. Kuppusami)
Partner	Company Secretary	Director (Finance)	Managing Director
Membership No. 055193			

Bhubaneswar
Date - 10.07.2013

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

The preparation of financial statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2013 in accordance with financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 10 July 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability
Statement of Profit and Loss
Profit for the Year – ₹167.43 crore.

1. The above is overstated by ₹38.40 crore (₹27.37 crore towards MAT credit payable and ₹11.03 crore interest liability u/s 244A of IT Act) due to non-provision of the amount payable to GRIDCO as per Power Purchase Agreement (PPA). This has resulted in understatement of Current Liabilities (short term provisions, Notes-10) by the same amount.

   Generation and other expenses (Note- 26.4)
   Peripheral Development expenses: ₹42.85 lakh.

2. The Company booked ₹63.71 lakh (₹35.75 lakh for 2008-2009 to 2011-12 and ₹27.96 lakh for 2012-13) out of profit towards peripheral developments expenses as a part of its CSR activities to

Capital Works in Progress, instead of charging to Profit and loss account. This has resulted in understatement of prior period expenses (net) (Notes-27) by ₹35.75 lakh, peripheral development expenses (Notes-26) by ₹27.96 lakh, overstatement of Capital Work-in-progress (Notes-12) and Profit for the year by ₹63.71 lakh.

Earlier years Tax: ₹12.82 lakh

3. As against the demand of income tax of ₹67.88 crore for the year 2009-10 as assessed by the IT Authorities, the Company has accepted the liability to the extent of ₹60.34 crore but made, a provision for ₹54.54 crore in the accounts. Short provision against accepted liability has resulted in understatement of Short-term provisions (Notes-10) with corresponding overstatement of Profit for the year by ₹5.80 crore each.

C. Comments on Financial Position

D. Balance Sheet

Equities and Liabilities

Current Liabilities

Short-term provisions (Note-10)

Provision for Taxation: ₹ Nil

4. The above is understated by ₹263.04 crore due to netting up of Provision for Taxation of ₹263.04 crore (Income Tax: ₹262.36 crore and FBT: ₹0.68 crore) against Advance Income Tax (₹270.78 crore), Advance Fringe Benefit Tax (₹0.74 crore), Disputed Income Tax / Sales Tax (₹0.22 crore) and Income Tax / Interest receivable ₹1.51 crore). Since these taxes are governed by different tax laws, netting off of assets and liabilities is not in consonance with AS-28. This has resulted in understatement of Current Assets (short term loans and advances, Notes-18) by the same amount.

5. Non-provision of ₹2.12 crore being the penal interest payable to revenue authorities due to delay in settlement land premium on 226.46 acres of revenue forest land allotted to OPGC, has also resulted in understatement of expenses, Current Liabilities (short-term provisions) and overstatement of profit for the year by the same amount.

Assets

Non-current Assets

Fixed Assets (Note-11)

Plant & equipment- ₹940.71 crore (Net)

6. The above is overstated by ₹3.04 crore (Net of depreciation of ₹0.82 crore) due to accounting of ₹0.36 crore (net) towards installation of two numbers of on line Ambient Air Monitoring and ₹2.68 crore (net) towards supply, civil works, erection, commissioning etc. of Fly Ash Dry Handling System at Ib Thermal Power Station (ITPS) during 2011-12 instead of booking the amount as

receivable since, GRIDCO has to pay the entire cost of installation of these system coming within the purview of environmental protection as per the Power Purchase Agreement. This has resulted in understatement of profit for the year by ₹0.82 crore, Other Non-Current Assets (Other Receivables) by ₹3.86 crore. Consequently the environmental equipment should be shown at a nominal value only.

Intangible Assets (Note-11)
Software and SAP license (Net)- ₹46.65 lakh.

7. The company paid ₹0.69 crore towards license fee in February 2009, and capitalized the amount during the year. Further ₹0.68 crore was annually paid towards Annual Enterprise Support (AES) Fee for Software and SAP maintenance up to March 2013 and charged to P&L accounts in these years. As the required software was not procured and installed as on the date of the Balance Sheet entire expenditure on this account should have been booked to Capital Works in progress. This has resulted in understatement of Capital Work-in-Progress by ₹1.37 crore, Profit for the period by ₹0.96 crore and overstatement of Fixed assets by ₹0.41 crore (net of depreciation ₹0.28 lakh).

Capital Works in Progress (note-12) – ₹183.60 crore

8. The Company paid up front fee of ₹4.38 crore (0.10%) of loan sanctioned by REC after deduction of TDS of ₹0.49 crore which was deposited with IT authorities. Consequent upon reduction of upfront fees to 0.05% of loan, REC refunded ₹2.19 crore after adjustment of 0.50% of TDS (₹0.24 crore), excess deposited with IT Authorities. Since, REC being the assesse, is to get refund of the excess deposit, the Company should have booked the amount as receivable from REC instead of debiting to Capital Work in Progress. This has resulted in overstatement of Capital Works in progress and understatement of Current Assets (receivables) by ₹0.24 crore each.

9. The above is overstated by ₹117.36 crore due to booking of the Capital Advance paid to Orissa Industrial Development Corporation (IDCO) for acquisition of land (₹117.16 crore) and advance consultancy fee (₹0.20 crore) in connection with development of Unit-III & IV power plants and Manoharpur coal mines instead of showing as Long Term loans and advances as required under the revised Schedule- VI, of the Companies Act. This has resulted in understatement of Long term loans and advances by the same amount.

C. Comments of Disclosures
Tangible Assets (note-11)
Leasehold Land ₹21.44 crore

10. The above includes ₹9.24 lakh being the value of Freehold Land related to Coal Mines. The same should have been shown separately.

11. The fact of non deposit of undisputed statutory dues towards royalty amount of ₹68.52 lakh withheld from the bills of the Contractors / Suppliers of Odisha Construction Corporation Limited during the period from 2007-08 to 2010-11 in connection with the development of Ash Pond-a, should have been suitably disclosed.

D. Comments on Auditors Report

12. A reference is invited to para-(ix) (b) of the Annexure-A of the Auditors Report wherein it is reported that a sum of ₹55.51 lakh being the Income Tax demand raised on the Company had been disputed and the case was pending in ITAT. In fact the amount was subsequently refunded by the IT authorities on 17 December 2012. Hence, the report of the Auditors under this Para is incorrect to that extent.

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

Sd/-
(S. S. DADHE)
PRINCIPAL ACCOUNTANT GENERAL

Place: Bhubaneswar
Date: 27.09.2013

Signing of Contract for Construction of OPGC Unit 3 & 4 Expansion Project

Signing of BOP Contract for OPGC Unit 3 & 4 Expansion Project

Signing of Financial Agreement with REC

Signing of Financial Agreement with PFC

Handing Over Dividend Cheque to Hon'ble Chief Minister, Odisha

Corporate Information

Senior Management Team:
Mike South - Executive Director (Mines)
Ron Mc Parland - Executive Director (Construction)
Paritosh Mishra - Sr. GM (HR)
Dr. Bijay Lal Biswal - Chief Medical Officer
Niranjan Swain - GM (Finance)
Bijay Kumar Mishra - GM (Civil)
Kshirod Brahma - GM (Mines)
Umakanta Pahi - DGM (EHS)
Santosh Kumar Sathpathy - DGM (Civil)
Ramesh Chandra Panda - DGM (CHP)
Prakash Kumar Dora - DGM (EPC)
Balkrushna Mishra - DGM (SCM)
Sanjay Kumar Mishra - DGM (E)
Pradeep Kumar Mohapatra - DGM (E/M)
Birendra Sah - DGM (E/M)
Bimal Jena - DGM (Civil)
Anupam Mohapatra - DGM (Civil)
R. P. Singh - DGM (Law)
Bhola Singh - DGM (Mines)
Ritwik Mishra - DGM (CMG)

Company Secretary:
Mr. Manoranjan Mishra

Power Off Taker:
GRIDCO Limited
Janpath, Bhubaneswar

Project Financiers':
Power Finance Corporation
Rural Electricity Corporaton

Bankers:
State Bank of India
Union Bank of India
IDBI Bank Ltd.

Auditors:
JBMT & Associates
Chartered Accounts

Registered & Corporate Office:
Odisha Power Generation Corporation Limited
(A Joint Venture of Govt. of Odisha & AES Corp. USA)
Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur, Bhubaneswar - 751 023

Site Office:
IB Thermal Power Station
Banaharpalli, Jharsuguda, Odisha

www.opgc.co.in

OPGC
Power for Progress

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