

# **1<sup>ST</sup> ANNUAL REPORT 2013-14**



## **GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LTD**

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

OHPC Corporate Office, OSPH & W C Building  
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# **1<sup>st</sup> ANNUAL REPORT 2013-14**

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## **BOARD OF DIRECTORS**

<b>Sh S C Mahapatra, IAS</b>	Chairman
<b>Sh Hemant Sharma, IAS</b>	Managing Director
<b>Sh Sh S K Sahu</b>	Director
<b>Sh S K Jena</b>	Director
<b>Sh S C Bhadra</b>	Director
<b>Sh C R Pradhan</b>	Director
<b>Sh B B Acharya</b>	Director

Company Secretary  
**Sh P K Mohanty**

### **STATUTORY AUDITORS**

**BATRA SWAIN & ASSOCIATES**

Chartered Accountants

### **BANKERS**

State Bank of India  
Union Bank of India  
Axis Bank



## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 1st Annual Report of the Company on the performance of the company for the period from 18.04.2013 to 31.03.2014 along with the Audited Statement of Accounts and Auditor's Report thereon.

### 1. FINANCIAL HIGHLIGHTS

#### (i) Summarized Financial Results :

The summarized financial results of the Company for the first financial year beginning from the date of incorporation i.e. 18<sup>th</sup> April, 2013 and ending of 31<sup>st</sup> March, 2014 are given below :

(₹ in Lakhs)

Particulars	For the financial year ended on 31.03.2014 (Current year)
<b>INCOME</b>	
Revenue from Operation	-
Other Income	4.32
<b>Total Income</b>	<b>4.32</b>
<b>EXPENDITURE</b>	
Employee Benefit Expenses	8.72
Administrative & other expenses	59.65
<b>Total Expenditure</b>	<b>68.37</b>
Profit / (Loss)	(64.05)

Note: Since there is a commercial loss of ₹.64.05 lakhs during the period under review, the directors show their inability to declare any dividend.

### 2. BUSINESS INITIATIVES

In pursuance to the Govt. of Odisha in Energy Department notification No. 2296 dtd 15.03.2013, GEDCOL has been incorporated on 18th April'2013 as a wholly owned Subsidiary of Odisha Hydro Power Corporation Ltd (OHPC) with an objective to promote the investment in renewable energy projects and various green energy sources and to develop and execute Special Renewable project on commercial and /or demonstration basis and to plan , organize , implement , maintain and operate renewable energy projects to generate and sell electric power any where in India.

Govt. of Odisha in Energy Department vide notification no. 6959 dtd 22.08.2013 declared that Green Energy

Development Corporation of Odisha Ltd. (GEDCOL) will be the nodal agency for facilitating and developing On-Grid Solar Energy Generation in the State of Odisha.

Meanwhile your company has undertaken the following projects :-

#### **5 MW Solar Rooftop Project Solar on Govt. Buildings.**

Govt. of Odisha has appointed GEDCOL as the concessioning authority to conduct the bidding process and implement a pilot and replicable grid connected rooftop solar project to be developed on a net metering model with a minimum proposed installed capacity of 5MW power on Govt. buildings specified by Govt. Of Odisha in the twin cities of Cuttack and Bhubaneswar through the PPP route on BOO basis. The Project encompasses the setting up of photovoltaic Solar power plants on rooftops of the Govt. Buildings. International Finance Corporation (IFC) has been engaged as transaction advisor for development of the project on 02.09.2013. Request for qualification is in final stage of evaluation for selection of developers. Application has been submitted to OERC on 22.04.2014. RFP documents are expected to be uploaded by the end of September, 2014.

#### **20 MW Solar Project allotted by SECI.**

GEDCOL has participated in the RFP invited by Solar Energy Corporation of India (SECI) for 20 MW Solar project under domestic category to be set up at Manmunda in the Dist of Boudh in the State of Odisha. Solar Energy Corporation of India (SECI) and GEDCOL has already signed the PPA and VGF document for setting up the above project on 26.02.2014. Tender was floated by GEDCOL on 26.04.2014 for selection of EPC contractor and the same has been finalized and LoI issued to BHEL on 08.08.2014. Acquisition of Land from IDCO is under progress. Detailed work order will be issued once IDCO hand over the physical possession of the land in favour of GEDCOL.

#### **1 MW Solar Project at Mukhiguda.**

Tender was floated for EPC Contract on 28.02.2014 for development of 1MW SPP utilizing surplus land at Mukhiguda under UIHEP, Mukhiguda . Evaluation of Financial Bid of Tender is under progress.

#### **1 MW Solar Project Chhatrapur.**

GEDCOL has decided to develop a 1MW SPP at Chhatrapur. Application for allotment of 5acers of land is submitted to Tahasildar, Chhatrapur on 28.07.2014.

#### **Small Hydro Electric Project.**

A proposal has been moved to develop a 15MW SHEP at Mandira dam, Rourkela on JV with SAIL. GEDCOL has also placed work order to WAPCOS for preparation of PFR for 18 nos. of SHEP having approximate total capacity of 190MW. WAPCOS has submitted PFR for 9 nos. of SHEP of approximate capacity of 115MW. Work order has been placed in favour of WAPCOS for preparation of DPR and Tender document for 3MW Kanpur and 2.4MW Jambhira SHEP.

### **3. DISCLOSURE OF PARTICULARS U/S 217(1) OF THE COMPANIES ACT, 1956**

The Company has not started its commercial operations and as such information relating to the provisions of



Section 217 (1) (e) of the Companies Act, 1956 and rules there under in respect of Conservation of Energy & Technology Absorption is NIL.

#### **4. DISCLOSURE OF PARTICULARS OF EMPLOYEES' U/S 217 (2A) of the COMPANIES ACT, 1956**

The Company does not have any employees who are in receipt of remuneration falling under the purview of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence, the information may be treated as NIL.

#### **5. FIXED DEPOSITS**

The Company has not accepted any fixed deposit during the financial year ending 31<sup>st</sup> March, 2014.

#### **6. AUDITORS**

The Comptroller & Auditor General of India, New Delhi have appointed M/s Batra, Swain and Associates, Chartered Accountants, Bhubaneswar as the Statutory Auditors of the Company for the first financial year beginning from the date of incorporation i.e. 18<sup>th</sup> April, 2013 and ending on 31<sup>st</sup> March, 2014.

#### **7. AUDITOR'S REPORTS**

The reports of the Statutory Auditors and comments of the Comptroller and Auditor General of India on the account of GEDCOL for the year ended 31<sup>st</sup> March, 2014 and the replies of the Management to the report /comments of the Auditors are enclosed to this report.

#### **8. DIRECTORS**

Sl. No.	Name	Date of Appointment	Date of Cessation	Designation
1	Sh S C Mahapatra ,IAS (DIN:- 00229586)	03. 09.2014	-	Chairman
2	Sh Hemant Sharma, IAS (DIN:- 01296263)	27.03.2014	-	MD
3	Sh S K Sahu (DIN:- 05297051)	18.04.2013	-	Director
4	Sh C R Pradhan (DIN:- 00127539)	21.05.2013	-	Director
5	Sh B B Acharya (DIN:- 06567542)	21.05.2013		Director

6	Sh S C Bhadra (DIN:- 01896713)	21.05.2013	-	Director
7	Sh S K Jena (DIN:-05169683)	5.04.2014	-	Director
8	Sh P K Jena, IAS (DIN:- 02466580)	18.04.2013	03.09.2014	Ex- Chairman
9	Sh Sahadev Khatua (DIN :- 03503902)	18.04.2013	15.04.2014	Director
10	Sh Miraj Kumar Mishra (DIN:- 06567482)	21.05.2013	20.01.2014	Director

The composition of Board of Directors during the period is as follows

## 9. Director's Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:-

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed by the Company along with proper explanation relating to material departures in the Notes to Accounts and Accounting Policies;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial year 2013-14 and of the profit or (loss) of the Company for that period;
- 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 detection fraud and other irregularities; and
- the Directors had prepared the annual accounts on a going concern basis.

## 10. Acknowledgments

The Board of Directors wish to place on record its appreciation for the continued support, contribution and co-operation extended by the Government of Odisha (especially the Departments of Energy, DoWR, PPP Cell and Finance Deptt.) and SECI, OHPC Ltd and other State Power Utilities. The Board is also thankful to the Comptroller & Auditor General of India, the Statutory Auditors and the Bankers for their valued co-operation.

For and On behalf of the Board of Directors

Bhubaneswar  
Date : 24.09.2014

**S C MAHAPATRA, IAS**  
CHAIRMAN  
DIN:-00229586



## Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of Green Energy Development Corporation of Odisha Limited for the year ended 31<sup>st</sup> March, 2014.

The preparation of financial statements of Green Energy Development Corporation of Odisha Limited for the year ended 31<sup>st</sup> March, 2014 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 09 July, 2014.

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 Green Energy Development Corporation of Odisha Limited for the year ended 31<sup>st</sup> March, 2014. This supplementary audit has been carried out independently without access to the working paper of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under Section 619 (4) of the Companies Act, 1956.

Sl No.	Comments of C&AG of India	Replies of the Management
<b>A.</b>	<b>Comments on Disclosure</b>	
	<b>Contingent Liabilities and Commitments to the extent not provided for :</b>	
a)	<b>Contingent Liabilities : NIL</b>	
1.	The above is understated by 6.00 crore due to non-accounting of contingent liability for performance Bank Guarantee issued in favour of Solar Energy Corporation of India Limited for installation of 20 MW Solar Photo Voltaic Project at Manamunda, Boudh.	GEDCOL is a wholly owned subsidiary of Odisha Hydro Power Corporation Ltd (OHPC) and in the instant case, OHPC had provided the BG for Rs.6 crore on behalf of GEDCOL. The Bank charges against issue of the said BG has been booked to the Accounts of GEDCOL for FY 2013-14.
<b>B.</b>	<b>Comments on Statutory Auditor's Report :</b>	
2.	A reference is invited to paragraph titled "Basis for Qualified Report" of the Auditor's Report wherein it is stated that "the total expenses would have been increased by ₹. 64,85,621 and net	Noted.



profit and shareholder funds would have reduced by ₹. 64,85,621". Similarly in paragraph titled "Qualified opinion" it is mentioned that the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:- "in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date." However the company has sustained loss for the said period. Hence in both cases, it should have been stated as loss instead of profit. The Auditors Report needs modification to that extent.

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

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

Place : Bhubaneswar  
Date : 08.09.2014

For and On behalf of  
the Board of Directors

**S C MAHAPATRA, IAS**  
Chairman  
DIN - 00229586

**BATRA SWAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

L3/80, Housing Board Colony,  
Acharya Vihar, Bhubaneswar-13  
Tel.: 0674-2541159, 2740193,  
E-mail : info@batraswain.com  
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**Observations of the Statutory Auditors**

The Company's Capital Work in Progress and Pre-operative Expenditure are carried in the Balance Sheet at Rs.47,60,080/- and Rs.17,25,541/- respectively. If we go by the provisions of the "Accounting Standard 26: Intangible Assets", both the Pre-operative Expenditure and Overhead Expenditures in the nature of Consultancy Fees should be charged as revenue expenses instead of capitalizing them as no further economic benefits are attributable from them. Therefore, the Management should have charged the Consultancy Fees shown as Capital Work in Progress and Pre-operative Expenditure in the Statement of Profit and Loss instead of capitalizing them which constitutes a departure from the Accounting Standards referred to in sub section (3C) of section 211 of the Act. The Company's records indicate that had the management stated the Administrative and Overhead Expenditures and Pre-operative Expenditure in the statement of profit and loss, then an amount of Rs.64,85,621/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs.64,85,621/-, and net profit shareholders' funds would have been reduced by Rs.64,85,621/-.

**Replies of the Management**

Capital work in progress includes consultancy charges paid for Rs.47,60,080/- for setting up specific small hydro projects. Similarly, the expenditure incurred towards consultancy fees paid towards Rooftop solar for Rs. 17,25,541/- are included under pre-operative expenses and the same shall be allocated to the appropriate capital head of Accounts on successful implementation of the Rooftop solar projects otherwise the same will be written off in case the project is not implemented. The same has been made in compliance to the AS-16.

**For BATRA SWAIN & ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 322050E)

**A N MAHAPATRA**

Partner  
Membership No.: 066784

**For and On behalf of the Board of Directors****S C MAHAPATRA, IAS**

Chairman  
DIN:-00229586

Place: Bhubaneswar  
Date: 09.07.2014

**BATRA SWAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

L3/80, Housing Board Colony,  
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**Independent Auditors' Report****TO THE MEMBERS OF GREEN ENERGY DEVELOPMENT CORPORATION  
OF ODISHA LIMITED****REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Green Energy Development Corporation of Odisha Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 qualified audit opinion.

### **BASIS FOR QUALIFIED OPINION**

The Company's Capital Work in Progress and Pre-operative Expenditure are carried in the Balance Sheet at Rs. 47,60,080/- and Rs 17,25,541/- respectively. If we go by the provisions of the "Accounting Standard 26: Intangible Assets", both the Pre-operative Expenditure and Overhead Expenditures in the nature of Consultancy Fees should be charged as revenue expenses instead of capitalising them as no further economic benefits are attributable from them. Therefore, the Management should have charged the Consultancy Fees shown as Capital Work in Progress and Pre-operative Expenditure in the Statement of Profit and Loss instead of capitalising them which constitutes a departure from the Accounting Standards referred to in sub section(3C) of section 211 of the Act. The Company's records indicate that had the management stated the Administrative and Overhead Expenditures and Pre-operative Expenditure in the statement of profit and loss, then an amount of Rs. 64,85,621/- would have been required to be charged as expenses. Accordingly, the total expenses would have been increased by Rs. 64,85,621/-, and net profit and shareholders' funds would have been reduced by Rs. 64,85,621/-.

### **QUALIFIED OPINION**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274 (1) (g) of the Act.

**For BATRA SWAIN & ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 322050E)

**AN MAHAPATRA**

Partner  
Membership No.: 066784

Place: Bhubaneswar  
Date : 09.07.2014.

## **ANNEXURE TO AUDITOR'S REPORT**

### **Referred to in Paragraph 3 of our report of even date**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that :-

- i) In respect of Fixed Assets :  
The Company does not have any fixed assets (refer to our comments in the paragraph "BASIS FOR QUALIFIED OPINION" in the main Audit report) and therefore, the reporting requirements regarding this are not applicable
- ii). In respect of its inventories :  
The Company does not have any Inventories and therefore, the reporting requirements regarding this are not applicable
- iii) The Company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (a) to (iii) (g) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv) The Company has neither purchased any inventory or fixed assets and nor sold any goods during the period under audit, therefore the provisions of clause (iv) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :
  - (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, the Company has the transactions that need to be entered into the registered maintained under section 301 of the Companies Act, 1956.
  - (b) Based on the information and explanations given to us, we are of the opinion that the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit during the period under audit from the public pursuant to sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and rules framed there under. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii) In our opinion, the company has internal audit system commensurate with the size of the company and nature of its business.
- viii) Maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 has not been prescribed by the Central Government. Therefore, the provisions of clause (viii) of the Order are not applicable to the Company
- ix) In respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
  - (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.



- x) The accumulated loss of the Company at the end of the financial year does not exceed fifty percent of its net worth but the company has incurred cash losses in the current financial year and this is the first year of the company.
- xi) According to the information and explanations given to us and based on the documents and records produced to us, the company has not taken any loan from and no amount is payable to any Financial Institution or Banks. Further, the company has not obtained any borrowings by way of debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) The company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments as such provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company we report that the company has not taken any term loan and therefore, provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) During the year, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, therefore, provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) On the basis of the records and documents examined by us, the Company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) The company has not raised any money by public issue during the year, therefore, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

**For BATRA SWAIN & ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 322050E)

**A N MAHAPATRA**

Partner

Membership No.: 066784

Place: Bhubaneswar

Date : 9<sup>th</sup> July, 2014





**GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2014**

(Amount in ₹.)

Particulars	Refer Note No.	Figures as at the end of current reporting period ended 31st March, 2014
<b>I EQUITY AND LIABILITIES</b>		
(1) <b>Shareholders' funds</b>		
(a) Share capital	2	70,000,000.00
(b) Reserves and surplus	3	(6,405,380.00)
(2) <b>Share application money pending allotment</b>		
(3) <b>Non-current liabilities</b>		
(4) <b>Current Liabilities</b>		
(a) Short-term borrowings		-
(b) Trade payables		-
(c) Other current Liabilities	4	4,517,599.00
(d) Short-term provisions	5	7,730.00
<b>TOTAL</b>		<b>68,119,949.00</b>
<b>II ASSETS</b>		
<b>Non-current assets</b>		
1. (a) <b>Fixed assets</b>		
(i) Capital Work-In- Progress	6	4,760,080.00
(ii) Pre-operative Expenditure	7	1,725,541.00
(b) Non-current investments		-
(c) Deferred tax assets (net)		-
(d) Long-term Loans and advances		-
2. <b>Current assets</b>		
(a) Current investments.		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and bank balances	8	61,385,352.00
(e) Short-term loans and advances	9	18,133.00
(f) Other current assets	10	230,843.00
<b>TOTAL</b>		<b>68,119,949.00</b>
Significant Accounting Policies	1	
Notes on Accounts	2 to 25	

As per our Audit Report of even date  
**For & on behalf of Batra Swain & Associates**  
Chartered Accountants

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

**A. N. Mahapatra**  
Partner  
M. No. 066784

**Santosh Kumar Sahu**  
Director

**Hemant Sharma**  
Managing Director

Place : Bhubaneswar  
Date : 09.07.2014

## GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

(Amount in ₹.)

Particulars	Refer Note No.	Figures as at the end of current reporting period ended 31st March, 2014
<b>I</b> Revenue from operations		-
<b>II</b> Other income	11	431,807.00
<b>III. Total Revenue ( I + II )</b>		<b>431,807.00</b>
<b>IV Expenses :</b>		
Employee benefit expenses	12	872,676.00
Depreciation and amortization expense		-
Administrative & other Expenses	13	5,964,511.00
<b>Total expense</b>		<b>6,837,187.00</b>
		-
<b>V. Profit before exceptional and extraordinary items and tax ( III-IV )</b>		<b>(6,405,380.00)</b>
<b>VI</b> Exceptional items		-
<b>VII. Profit before extraordinary items and tax ( V-VI )</b>		<b>(6,405,380.00)</b>
<b>VIII</b> Extraordinary Items		-
<b>IX. Profit before tax ( VII-VIII )</b>		<b>(6,405,380.00)</b>
<b>X</b> Tax expenses :		-
(1) Current tax		-
(2) Deferred tax		-
<b>XI. Profit (Loss) for the period from continuing operations ( VII-VIII )</b>		<b>(6,405,380.00)</b>
<b>XII</b> Profit/ (Loss) from discontinuing operations		-
<b>XIII</b> Tax expenses of discontinuing operations		-
<b>XIV. Profit/(Loss) from discontinuing operations ( after tax ) (XII-XIII)</b>		-
<b>XV. Profit(Loss) for the period (XI+XIV)</b>		<b>(6,405,380.00)</b>
<b>XVI</b> Earnings per equity share		
(1) Basic		-
(2) Diluted		-
Significant Accounting Policies	1	
Notes on Accounts	2 to 25	

As per our Audit Report of even date

**For & on behalf of Batra Swain & Associates**  
Chartered Accountants

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

**A. N. Mahapatra**  
Partner  
M. No. 066784

**Santosh Kumar Sahu**  
Director

**Hemant Sharma**  
Managing Director

Place : Bhubaneswar

Date : 09.07.2014



**GREEN ENERGY DEVELOPMENT CORPORATION OF ODISHA LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED AS AT 31ST MARCH, 2014**

(Amount in ₹.)

Particulars	For the year ended As on 31st March, 2014
<b>(A) Cash Flow from/ (Used in) Operating Activities :</b>	
Net Profit / (Loss) Before Tax & Extraordinary Item	
<b>Adjustments for :</b>	<b>(6,405,380.00)</b>
Finance Costs	-
<b>Operating Profit before working capital changes</b>	<b>(6,405,380.00)</b>
Adjustment for:	
Increase/ (Decrease) in Loan & Advance	(18,133.00)
Increase/ (Decrease) in other other current assets	(230,843.00)
Increase/ (Decrease) in other current liabilities	4,517,599.00
Increase/ (Decrease) in Short Term Provisions	7,730.00
<b>Cash Generated from Operation</b>	<b>2,129,027.00</b>
Income Tax Paid	-
<b>Net Cash Flow from / (Used In) Operating Activities</b>	<b>(2,129,027.00)</b>
<b>(B) Net Cash Flow from / (Used In) Investing Activities</b>	
Increase / (Decrease) in capital work in progress	(4,760,080.00)
Increase / (Decrease) Pre-operative Expenditure	(1,725,541.00)
Net Cash Flow from / (Used In) Investing Activities	(6,485,621.00)
<b>(C) Cash Flow from / (Used in) Financing Activities</b>	
Finance Costs	-
Proceeds from Issue of Share Capital	70,000,000.00
<b>Net Cash Flow from / (Used in) Financing Activities</b>	<b>70,000,000.00</b>
<b>Net Increase / (Decrease) in Cash &amp; Bank Balance (A+B+C)</b>	<b>61,385,352.00</b>
<b>Cash and Bank Balances at beginning of period (Refer Note No.8 )</b>	<b>-</b>
<b>Cash and Cash equivalent at end of period (refer to Note No.8 )</b>	<b>61,385,352.00</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>1, 2 to 25</b>

As per our Audit Report of even date

**For & on behalf of Batra Swain & Associates**  
Chartered Accountants

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

**A. N. Mahapatra**  
Partner  
M. No. 066784

**Santosh Kumar Sahu**  
Director

**Hemant Sharma**  
Managing Director

Place : Bhubaneswar

Date : 09.07.2014

## SIGNIFICANT ACCOUNTING POLICIES FOR THE PERIOD ENDED 31ST MARCH, 2014

### COMPANY OVERVIEW

- 1 . The company is a wholly owned subsidiary of M/s Odisha Hydro Power Corp. Ltd (OHPC) . It was incorporated on dtd.18.04.2013 under the Companies Act,1956. The main aim & objective for creation and constitution of GEDCOL by Govt. of Odisha in department of Energy is to explore the huge renewable energy resources in the state which are otherwise untapped for long time.
- 2 . The Company has obtained the Certificate of Commencement of Business w.e.f 24.05.2013 from the Registrar of Companies, Odisha.

### Statement on Significant Accounting Policies :

#### a) Basis of preparation of financial statement

The financial statements of the Company have been prepared under historical cost convention on a going concern basis and in accordance with generally applicable accounting standards issued by the Institute of Chartered Accountants of India and the provision of Companies Act, 1956/2013 and the relevant provisions thereof all assets and liabilities have been classified as current or non-current as per company's normal operating cycle and as per the criteria set out in Revised Schedules.

The Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### b) Cash and Cash Equivalents :

Cash and Bank balance comprises cash in bank and in hand.

#### c) PROVISIONS. CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provision is recognized only when there is a present legal obligations, as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimation can be made from the amount of obligations. A disclosure for a contingent liability is being made when there is a possible obligation or a present obligation that may but probable will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the like hood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the Financial Statements.

#### d) Earning per share :

Basic and diluted earnings per share are computed by dividing the net profit or loss after taxes attributable to equity share holders for the year. With weighted number of equity share out standing during the period.

#### e) Foreign Exchange Transaction:

Foreign Currency Transaction during the year are recorded at rates of Exchange prevailing on the date of Transaction. Foreign Currency assets and liabilities are translated into rupees at the rate of exchange providing on the date of the Balance sheet. All exchange differences are dealt with in the statement of profit and loss.

#### f) Cash Flow Statement :

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting standards (AS) 3 on " Cash Flow Statement".

#### g) Revenue Recognition :

Revenue has been accounted for on accrued basis.

#### h) Taxes on Income :

Current Tax is the amount of Tax payable for the year, determined under the provisions of Tax Laws. Deferred Tax is recognised, subject to the consideration of prudence on timing differences being the difference between taxable income and accounting income that originate in one period are capable of reversed in once or more subsequent periods.



## NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014

(Amount in ₹.)

Particulars	For the year ended As at 31st March, 2014
<b>2. SHARE CAPITAL</b>	
a) <b>Authorized</b>	
10,00,000 Equity Shares of rs.1000/- each	1,00,00,00,000.00
b) <b>Issued</b>	
70,000 Equity Shares of Rs.1000/- each fully paid	70,00,00,000.00
c) <b>Subscribed &amp; paid up</b>	
70,000 Equity shares of Rs 1000/- each fully paid-up	70,00,00,000.00
d) The Reconciliation of the number of shares outstanding as at 31st March, 2014 is set out below.	
	<b>No. of shares</b>
Shares outstanding at the beginning of the year	0
shares issued during the year	70,000
Shares bought back during the year	0
Shares outstanding at the end of the year	70,000
e) The Company has only one class of shares referred to as equity shares having a par value of Rs.1000/- each holder of equity of shares .	
f) The Shares (in aggregate) of each class held as at 31st March, 2014 is set out below :	
Holding company & its Nominees	70,000
Ultimate Holding Company	0
Subsidiaries	0
Associates of the Holding Company	0
Associates of the Ultimate Holding Company	0
	70,000
g) The Details of shareholder holding more than 5% shares as at 31st March, 2014 is set out below :	
	<b>% Held as at 31st March, 2014</b>
<b>M/s Odisha Hydro Power Corporation Limited and its Nominees</b>	<b>No. of shares</b>
	100.00
	70,000
	100.00
	70,000
h) The details of Shares issued in the preceding five years from as at 31st March, 2014 is set out below:	
	<b>Year (Aggregate No. of Shares) 2013-14</b>
Fully paid up pursuant to contract(s) without payment being received in cash.	Nil
Fully paid up by way of bonus shares	Nil
Shares bought back	Nil
	Nil
Company is incorporated on 18.04.2013 and it is the first financial year ended as at 31.03.2014, hence preceding year information is not given.	
<b>3. RESERVE AND SURPLUS</b>	
Surplus	
Opening Balance	-
(+) Net Profit / (Net Loss) For the current year	(6,405,380.00)
Closing Balance	(6,405,380.00)
<b>4. OTHER CURRENT LIABILITIES</b>	
Other Payable	-
Payable for expenses and others to holding Company , OHPC	1,055,980.00
Sundry liability	3,123,525.00
TDS Payable	338,094.00
<b>Total</b>	<b>4,517,599.00</b>



<b>5</b>	<b>Short - Term Provisions</b>	
	Provision for others	7,730.00
		<b>7,730.00</b>
<b>6</b>	<b>Capital Work-In-Progress</b>	
	CWIP (WAPCOS Consultancy)	4,760,080.00
		<b>4,760,080.00</b>
<b>7</b>	<b>Pre-operative Expenditure</b>	
	Consultancy Fees paid to IFC	1,725,541.00
		<b>1,725,541.00</b>
<b>8</b>	<b>CASH AND BANK BALANCES</b>	
	Cash in hand	2,237.00
	Balance with Bank In current Account	1,383,115.00
	Earmarked Balance with Bank	60,000,000.00
		<b>61,385,352.00</b>
	The details of balance as on balance sheet dates with the banks are as under:	
	State Bank of India, IDCO Tower Branch, Bhubaneswar	1,383,115.00
	Earmarked Balance with Bank	60,000,000.00
<b>9</b>	<b>Short term Loans &amp; Advances</b>	
	TDS Receivable	18,133.00
		<b>18,133.00</b>
<b>10</b>	<b>Other Current Assets</b>	
	Interest accrued but not due	230,843.00
		<b>230,843.00</b>
<b>11</b>	<b>OTHER INCOME</b>	
	Other non- operating Income- Interest Received from MOD	331,807.00
	Processing Fee	100,000.00
		<b>431,807.00</b>
<b>12</b>	<b>Employee benefit expenses</b>	
	Salary	872,676.00
		<b>872,676.00</b>
<b>13</b>	<b>Administrative &amp; other Expenses</b>	
	Printing & Stationary	10,055.00
	Sitting Fees	61,911.00
	Postage & Stamp Exps	250.00
	Meeting Expenses	5,563.00
	Bank charges	51,649.00
	Professional Charges	420,466.00
	Contract service expenses	39,154.00
	Miscellaneous Expenses	9,293.00
	Software package	16,800.00
	Fees Towards Tender Documents	115,000.00
	Travelling & Conveyance	51,644.00
	Advertisement	44,116.00
	*Audit Fees	30,000.00
	Preliminary Expenses	5,108,610.00
		<b>5,964,511.00</b>
	*Audit Fees	
<b>i.</b>	As statutory Audit fees	15,000.00
<b>ii.</b>	For out of pocket expenses	15,000.00
		<b>30,000.00</b>



**14 Fixed Assets****Capital Work-In-Progress**

Capital work in progress includes Consultancy charges paid for setting up small hydro projects. Consultancy charges for specific small hydro projects is stated excluding of Service Tax and Cess there on.

**15 Treatment of Expenditure during Construction period.**

Expenditure incurred towards Consultancy Fees paid to IFC for Roof top Solar are including TDS are under Pre-operative expenses and the same shall be allocated to the appropriate capital head of Accounts on successful implementation of the project otherwise the same will be written off in case the project is not implemented

**16 TAX EXPENSES****a) Current Tax**

The Company is not anticipating any Tax liabilities for the period in view of incurring losses. Hence Provision for Current Tax is not been provided for the period.

**b) Deferred Tax Assets for the year from losses incurred during the year is not recognised in view of reasonable certainty as well as virtual certainty are not supported by the convincing evidences.****17 CONTINGENT LIABILITIES AND COMMITMENTS**

to the extent not provided for :

**a. CONTINGENT LIABILITIES****Nil****b. COMMITMENTS****Nil****18** Company has not received intimation from any "enterprise" regarding its status under Micro Small & Medium Enterprise Development Act, 2006 (MSMED, Act) and therefore no disclosure under the said Act is considered necessary.**19 Foreign currency transactions****a)** Expenditure incurred in foreign currency on cash basis being payment made to consultants. **Rs.15,55,782.00****b)** Value of Imports calculated on CIF basis being components, spare parts and construction materials through LC. **NIL****c)** Traveling expenses. **NIL****20** The Board of Directors of the company has decided in the first board meeting held on 21.05.2013 that the First accounting year of the company will be from 18.04.2013 to 31.03.2014.**21** 50% of the salary of four nos. of executives of OHPC has been booked under Employee benefits of GEDCOL w.e. from 01.08.2013 since they are discharging the day to day work of GEDCOL in addition to their Job responsibility in OHPC.**22** Expenses incurred during the period under various account heads has been claimed as expenses for the year, as considered that no further economic benefits are attributable to the asset in pursuant to AS-26 "Intangible assets" issued by the ICAI.**23** In the option of the Board of Directors of the Company and to the best of their knowledge and belief, all the current assets have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.**24** Figures have been rounded off to the nearest rupees wherever considered necessary.**25** Previous year figure are not given, since this is the first year of the company.

In terms of our report of even date attached

As per our Audit Report of even date

**For & on behalf of Batra Swain & Associates**

Chartered Accountants

**For & on behalf of the Board of Directors**

**Green Energy Development Corporation of Odisha Limited.**

**A. N. Mahapatra**

Partner

M. No. 066784

**Santosh Kumar Sahu**

Director

**Hemant Sharma**

Managing Director

Place : Bhubaneswar

Date : 09.07.2014