



Annual Report  
2022-23

# 19<sup>th</sup> Annual Report 2022-23



**ODISHA POWER TRANSMISSION CORPORATION LIMITED**

(A GOVERNMENT OF ODISHA UNDERTAKING)  
REGD. OFFICE: OPTCL TECH TOWER, SAHEED NAGAR, BHUBANESWAR-751007  
CIN: U40102OR2004SGC007553

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## BOARD OF DIRECTORS

Sri Sanjay Kumar Mishra, IRTS  
Sri Yudhisthir Nayak, IAS  
Dr. Satyapriya Rath, IAS  
Sri Saidutta B.K. Pradhan  
Sri B.K. Misra  
Sri R.N. Nayak  
Sri P.K. Pujari  
Prof. (Dr.) Mukti K. Mishra  
Prof (Dr.) Meera Viswavandya  
Sri Raghunath Pratihari  
Sri Bhadrash B. Mehta

Chairman-cum-Managing Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director (HRD)  
Director (SLDC)

**Chief Financial Officer**  
**Sri Umesh Kumar Gupta**

**Company secretary**  
**Sri Prasanta Kumar Das**

**Statutory Auditors**  
**M/s PAMS & Associate**  
Chartered Accountants  
Bhubaneswar

**Cost Auditors**  
**M/s S.C Mohanty & Associate**  
Cost Accountants  
Bhubaneswar

**Secretarial Auditors**  
**M/s Saroj Panda & Co.**  
Company Secretaries  
Bhubaneswar

**Bankers**  
Union Bank of India  
State Bank of India  
United Bank of India  
UCO Bank  
Axis Bank Ltd.  
ICICI Bank Ltd.  
Bank of India  
IDBI Bank Ltd.

**Registered Office**  
OPTCL TECH TOWER, SAHEED NAGAR, BHUBANESWAR-751007  
CIN: U40102OR2004SGC007553

## DIRECTORS' REPORT

Dear Members,  
Odisha Power Transmission Corporation Limited,  
Bhubaneswar.

The Board of Directors of Odisha Power Transmission Corporation Limited have immense pleasure in presenting the 19<sup>th</sup> Annual Report for the year 2022-23 along with the audited financial statements for the Financial Year ended 31<sup>st</sup> March 2023.

### FINANCIAL PERFORMANCE:

The financial year under review was managed with improvements in operational efficiency and financial performance. The year saw higher revenue from operation and higher PBT.

The summarized financial performance of the Corporation for the year ended on 31<sup>st</sup> March, 2023 are as under:

	FY 2022-23	FY 2021-22
<b>INCOME</b>		(Rs. in Crore)
Revenue from operation	1259.88	1045.90
Other Income	260.62	183.85
<b>Total</b>	1520.50	1229.75
<b>EXPENDITURE</b>		
Administrative & Other expenses	741.51	688.62
Depreciation	389.27	343.38
Interest & Finance Charges	97.64	72.42
<b>Total</b>	1228.42	1104.42
Profit after depreciation, interest & finance charges	292.08	125.33
Tax expenses	236.71	63.36
Net profit	55.37	61.97
Other comprehensive income	(48.09)	(18.36)
Total comprehensive income	7.28	43.61
<b>Earning per Equity Share</b>		
Basic	28.48	38.60
Diluted	28.48	38.60

### SHARE CAPITAL:

As on 31<sup>st</sup> March 2023, the Authorized Share Capital of the Company was Rs.2500 crore. During the year 1847600 nos. of equity shares of Rs.1000/- each fully paid up aggregating to Rs.184.76 crore were allotted in the share capital of the Company. With this allotment the total paid up Share Capital of the company stands at Rs.2071.47 crore as on 31<sup>st</sup> March 2023. The entire shares are held by the Government of Odisha.

### DIVIDEND:

Your Directors have recommended payment of dividend of Rs.42.00 crore on equity shares for the financial year 2022-23.

### DEPOSITS:

The Corporation has not accepted any deposit during the year ended 31<sup>st</sup> March 2023 in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The provisions of Section 186 of the Companies Act, 2013 with respect to loan, guarantee or security is not applicable to the Corporation as it is engaged in providing infrastructural facilities which is exempted under the said section of the Act. However the particulars of loans, guarantees and investments have been suitably disclosed in the financial statements.

## OPERATIONAL PERFORMANCE:

The Corporation carried on intra-state transmission business as per license granted by OERC and has registered a total income of Rs.1520.50 crore during FY 2022-23 as against Rs.1229.75 crore in FY 2021-22. The total expenditure for FY 2022-23 comes to Rs.1228.42 crore. The Corporation has earned a post-tax profit of Rs.55.37 crore for the financial year 2022-23 as against profit of Rs.61.97 crore earned during the preceding financial year. The total units of input and output of electricity wheeled in the transmission system was 37157.22 MU & 35987.19 MU respectively and total units of transmission loss was 1170.03 MU which is 3.15%. Gross Assets amounting to Rs.751.03 crore has been added to Fixed Assets as against Rs.1051.00 crore in the preceding year. The CWIP has been reduced to Rs.1599.87 crore from last year figure of Rs.1771.25 crore.

The year under review saw a record revenue earning primarily because of higher Short Term Open Access (STOA) charges. As per decision of the management, in order to bridge the gap in funding requirement of Pension Trust, an amount of Rs.440 crore was released to the Pension Trust during the period April 2023 to November 2023 against Rs.628.22 crore payable to Pension Trust as on 31.03.2023. During the period from April 2022 to November 2023 high cost borrowings from Bank of India, REC and PFC have been paid by pre-payment to the tune of Rs.76.34 crore.

## SYSTEM IMPROVEMENT:

Your Corporation being the State Transmission Utility (STU) has been mandated for planning, coordination, construction, operation and maintenance of an efficient and economical intra-state transmission system. While discharging its functions, your Corporation has enhanced the transmission network in the State by commissioning new Grid Substations and EHT lines with addition of transformation capacity to cater to the increasing demand by giving reliable and quality power on 24x7 basis. Several measures have been taken to ensure stability of network as well as reduction of transmission loss.

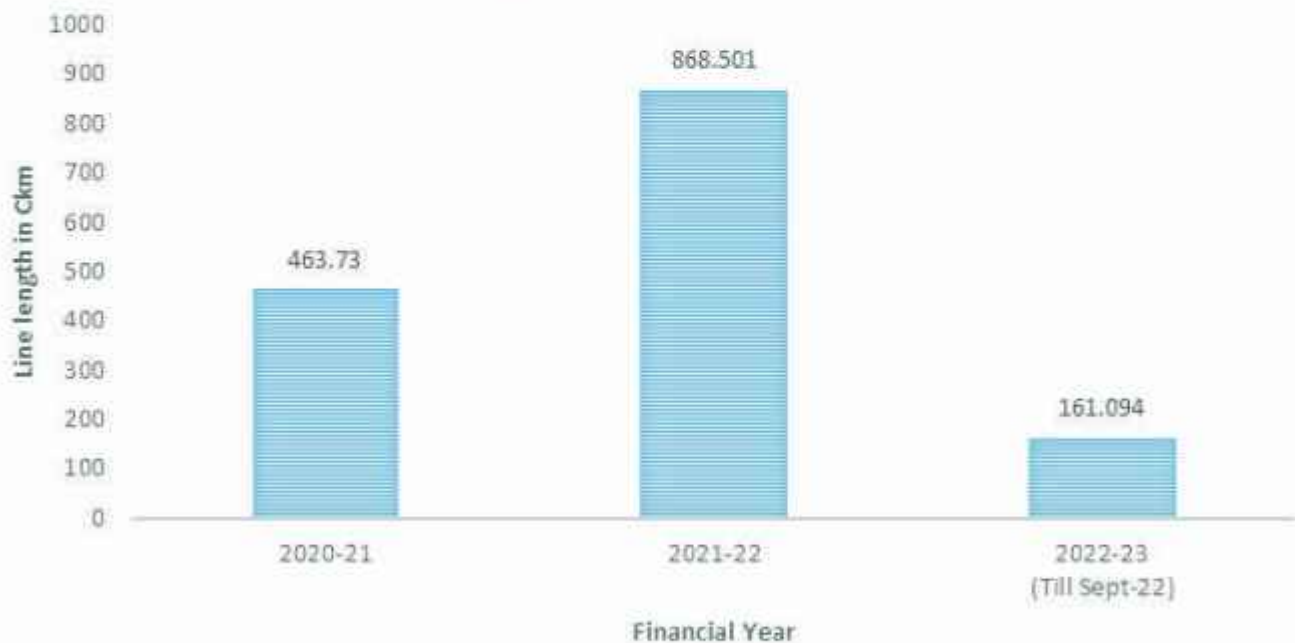
During the period under review, your Corporation has commissioned 602.229 Circuit Kms. of EHT transmission lines, 1472MVA transformation capacity addition and established 14 more nos. of new Grid Substations, the details of which are as follows:

SUB-STATIONS / ASSOCIATED LINES COMMISSIONED		Capacity (MVA)	Line Length (Ckt KM)
1	132/33KV Grid S/S at Birmaharajpur with Associated transmission line	40	24.795
2	220/33KV GIS Substation at Gōdisahi with Associated transmission line	126	0.280
3	132/33KV GIS Substation at Hinjili with Associated transmission line	40	0.28
4	132/33KV Grid S/S at Bahugram	80	-
5	132/33KV Grid S/S at Chandipur with Associated transmission line	40	52.48
6	220/132/33KV Grid S/S at Bamra with Associated transmission line	220	22.200
7	2 <sup>nd</sup> 20MVA Transformer at 132/33KV Grid S/S at G. Udayagiri	20	-
8	220/33KV Grid S/S at Kalimela with Associated transmission line	40	71.508
9	220/132/33KV Grid S/S at Kuaranmunda with Associated transmission line	200	32.86
10	220/33KV GIS Substation at Kantabada	126	
11	220/132/33 KV Grid S/S at Dhamra, Balimunda	400	70.438
12	132/33 KV Grid S/S at Boriguma	20	32.978
13	132/33KV Grid S/S at Lakhanpur	40	38.436
14	132/33KV Grid S/S at Bhatli	80	81

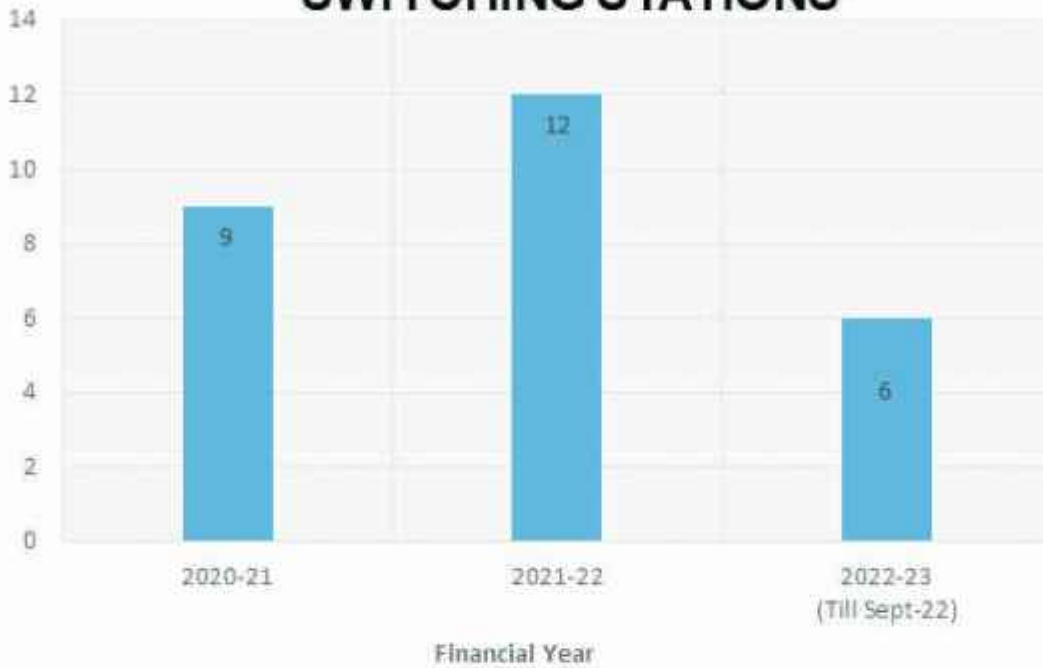
INDEPENDENT LINES COMMISSIONED:		Line length (Ckm)
1	132KV Barbil Kamanda transmission line	31.81
2	132KV Solar Switching station Aditya Birla, Sainatala	2.3
3	132KV SW station Kutra/132kV LILO of Kuchinda-Rajgangpur SC line	0.424
4	132KV Kutra S/W to Shiva cement	3.01
5	220KV Pandiabil-Pratapsasan DC line	61.2
6	132KV S/W station Khmarnuagan, khuntuni 132KV LILO line to M/s. Ultratech Cement at khamarnuagaon	15.268
7	132KV Lakhanpur- Budhipadar SC line	6.105
8	132 KV Brajarajnar-MCL (Jurabaga-2) Sc line	6.481

POWER EXTENDED TO RTSS:		Line Length (Ckm)
1	RTSS Bamra	1.794
2	RTSS Sukinda	3.87
3	RTSS Palasingi	16.214
4	RTSS Bhawanipatna	2.134
5	RTSS Belpahar	22.586

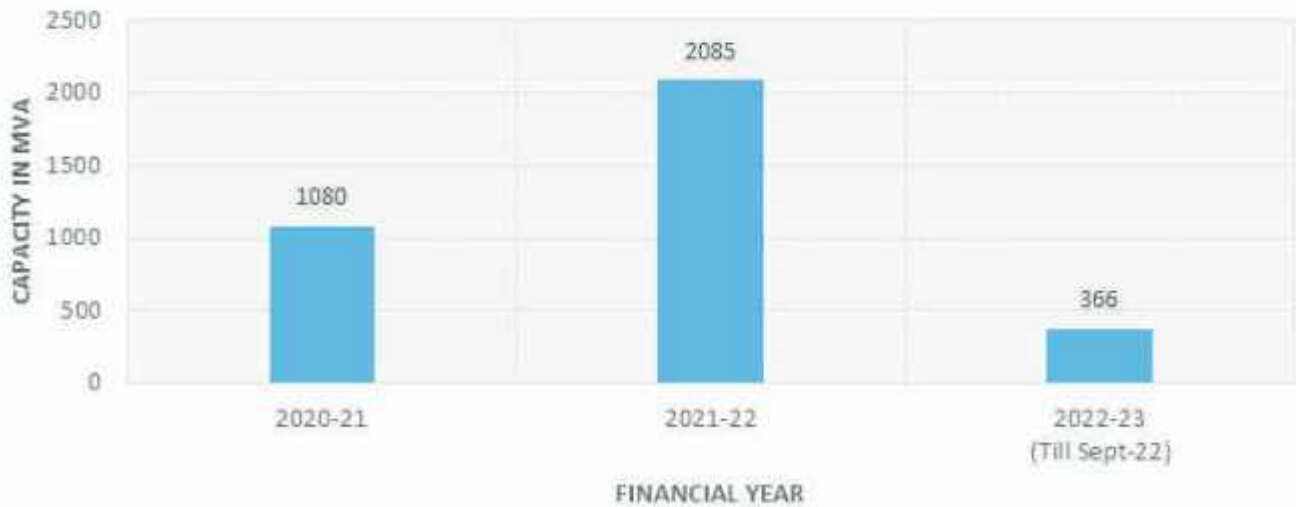
## TRANSMISSION LINE LENGTH IN CKM.



### NO. OF GRID SUBSTATIONS INCLUDING SWITCHING STATIONS



### TRANSFORMATION CAPACITY ADDITION IN MVA



OPTCL has undertaken a transmission planning to develop a transmission network for evacuation of power from Floating Solar, Wind Energy, Green Ammonia and Hydrogen Plant, Pumped Storage Plant (PSP) and industrial load requirement of different Industries. This will help in penetration of substantial RE Power in the coming days which can be blended with the thermal power generated in Odisha. Also there is a plan to develop the EHV network at the level of 765KV which can also be integrated with the ISTS network in the State so as to help in evacuation of surplus power through this network in inter-region network. Additionally planning is also been made with the power requirement for the year 2036 and 2047. More so, the Corporation has taken a number of flagship initiative to streamline the existing system. One of such project is State Transmission Asset Management System (STAMS) which is being implemented through the consultancy of PGCIL. Different tendering activities has already been initiated with following components. The main objective and advantages of Remote-Control center are:

**Objective:**

- Control of Switchyard equipment from Remote
- Centralized Monitoring and Fault analysis
- Reduce the downtime of network
- Faster Restoration of system
- Reduction in Manual Intervention of System
- To Improve Reliability of system

**Advantages:**

- Centralized visibility of Substation assets
- Proactive condition monitoring of substations
- Real time status of substation elements
- Improved Transparency
- Increased asset life

The Major Functions which can be carried out from Centralized Remote-Control center are:

- Monitoring and remote operation of down the line substations
- Customized dashboards for proactive and judicious actions.
- Virtual Monitoring of Substations through VMS (Visual Monitoring System)
- Equipment Health Monitoring System
- Remote Relay Access System with relay maintenance and configuration
- Centralized protection database

**Online portal for Drawing Approval**

The use of D3 online portal for approval of drawings have fast tracked the approval process and standard drawings are available in a phased manner to the field offices for approval and use in projects which has drastically reduced the drawing approval process and delay thereon. Steps are also under process for standardization of drawings and designs for all the grid substations of OPTCL. Stress is put upon quality and safety in execution of projects, and standardized quality assurance plan is under process.

### Corporate Monitoring Cell

Corporate Monitoring Cell is taking up project monitoring, financial closure of projects, mutual coordination among various branches of OPTCL and other departments of government for faster and smooth management of Projects.

### IMPROVEMENT OF KEY PERFORMANCE INDICES

**Transmission system availability:** OPTCL has been consistently maintaining Transmission System Availability of 99.98% in 132 kV and above system which is much higher than the normative figure of 98.5% set by Hon'ble OERC(Odisha Electricity Regulatory Commission).

**Reduction of Transmission Loss:** OPTCL has successfully minimized the Transmission Loss upto 3.14% as on date which was around 4.82% during 2007-08 through continuous system up gradation and network Planning.

### OPERATION & MAINTAINANCE:

The core of electric power delivery asset management lies in capital budgeting and O&M (operation and maintenance) of existing facilities. In order to get utmost return on investment, the asset management has become exceedingly essential. Since in several cases the costs associated with construction and equipment purchase are fixed, O&M expenditures plays vital role for cost curtailing and potential savings as the equipment steadily age and gradually deteriorate. The probability of service interruption due to component failure escalates. Improving system quality, reliability and introduction of new advanced technology for reduction of operational and maintenance cost are topmost priority. OPTCL at present run with following Transmission infrastructure as on 31.12.2023.

Voltage Level (KV)	No. of Grid S/S	Circuit Length (kms)	Transformation Capacity (MVA)
400	5	1,196.872	3,835.00
220	47	6,746.302	11,952.00
132	115	8,362.377	10,048.50
132 kV Sw/S	26		--
<b>Total</b>	<b>193</b>	<b>16,305.551</b>	<b>25,835.50</b>

In the fleet of 193 numbers of substations, there is one no. 400KV, five nos. 220KV and six nos. 132KV Gas Insulated Substation (GIS) with latest substation automation system are in operation. The transmission line infrastructure includes several 132KV circuits of high power transfer capable using High Tension Low Sag (HTLS) conductors. The conductors are Aluminum conductor composite core (ACCC) type. Up-gradation of 132KV Mendhasal-Khurda line & 132KV Chandaka-Ranasinghpur line to high power transfer capable HTLS conductors has been completed. Replacement work of ACSR panther conductor by HTLS conductor for 132KV Joda-Barbil line has also been completed. Up-gradation of 132KV Ranasinghpur-Kesura line & 132KV Kesura-Pratapsasan line with HTLS conductors is under tendering stage to meet load growth with reliability and stability in the capital region of Odisha. OPTCL has also taken steps to upgrade 220KV Rourkela PG- Tarkera DC line with HTLS conductor to maximize the power evacuation capability from ISTS (Inter-State Transmission System) and also to meet n-1 condition. It is expected to be completed by March 2024. Recently OPTCL has planned to upgrade 132KV Cuttack- Jagatsinghpur, 132KV Balasore-Soro-Bhadrak, 132KV Chainpal-Angul and 132KV Katapali- Bargarh line.

OPTCL has completed LILO work from 132KV Khurda- Chandpur and 132KV Khurda-Shamuka line to Atri substation on multi circuit tower in previous year. The LILO work from 132KV Budhipadar- Rajgangpur and 220KV Budhipadar- Tarkera Ckt-II line to Bamra Grid S/S where 17 nos. of multicircuit towers were used for

approx. 4.5 rkm stretch power corridor has been completed. Both the projects have minimized power corridor requirement and also mitigated RoW issues significantly. It has been planned to use multi-circuit towers especially up to 4 kms from the gantry of new/existing OPTCL Grid S/S present in urban or populated areas for better power evacuation and minimization of power corridor.

### Substation and line maintenance

OPTCL takes operation maintenance action for high reliability and availability with compliance to prescribed technical standard for system operation. The following O&M process were followed by OPTCL.

#### Routine / Preventive Maintenance:

The routine maintenance works in transmission lines includes inspection of Tower & tower foundation, Earthing, Insulator replacement by hot stick method, Thermo vision scanning & attending Hotspots, Mid span joint replacement, Jumper strengthening / Replacement, Vibration Damper replacement, Stub strengthening, Insulator coating with HVIC (High Voltage Insulator Coating) Paint, Tower painting, GIS monitoring of transmission assets etc. For Substations, Switchyard maintenance, Weed treatment, Thermo-vision scanning & attending Hotspots of Bus bar & equipment clamps, Transformer oil leakage, Equipment cleaning & painting, DC earth fault, Control wiring healthiness, Aux supply to Transformer, Circuit breaker, isolators, Monitoring of the SF6 gas pressure level in all gas compartments, Checking purity of SF6 gas using SF6 gas analyzer kit (GIS) etc. are routine maintenance works.

Similarly predictive or condition based maintenance is driven by present state of the equipment. Under this approach, all major parameters are considered to determine the technical condition with maximum accuracy. For this reason, detailed information via diagnostic methods or monitoring systems should be available. The condition monitoring test of equipment and transmission lines are regularly performed at OPTCL. The condition monitoring tests presently carried out in Voltage Transformer/Capacitive Voltage Transformer, Circuit Breakers, Power Transformer, Current Transformer, Dis-Connectors, Transmission lines, Micro Processor Relays & Meters.

### Augmentation of Substation Capacity & EHV LINES

Continuous augmentation is a requisite to meet the rising demand, steady and reliable power supply and compliance to regulatory obligations. Convenient steps are taken by OPTCL for augmentation of substation and line capacities. The augmentation of installed capacity at existing Grid Substations has been undertaken/ planned with the objective of meeting the projected load growth as well as n-1 and n-1-1 contingency. The projects commissioned during the period under review as under:

Sub-station	Voltage Category	Trf. Type	Initial Capacity (MVA)	Final Capacity (MVA)	Capacity Addition (MVA)
<b>North</b>					
Duburi Old	220/132/33KV	Auto	1x160 +2x100 MVA, 220/132KV	2x160 +1x100 MVA, 220/132KV	60
Dhenkikote	132/33KV	Power	1x20 MVA, 132/33KV	2x20 MVA, 132/33KV	20
<b>South</b>					
Ganjam	132/33KV	Power	2x12.5 MVA, 132/33KV	1x12.5 + 1x20 MVA, 132/33KV	7.5
Aska New	220/132/ \33KV	Power	1x40 MVA, 132/33KV	1x40 + 1x20 MVA , 132/33KV	20
Podagada	132/33KV	Power	1x12.5 MVA, 132/33KV	1x12.5 + 1x20 MVA, 132/33 kV	20
<b>West</b>					
Lapanga	400/220/ 132/33KV	Power	1x20 MVA, 132/33KV	2x20 MVA, 132/33KV	20

### Conversion of S/C Lines in D/C Towers to D/C Lines:

For greater power supply reliability, availability and achieving binary transmission capacity in already existing transmission network, the following S/C Lines strung in D/C Towers have been planned for conversion to D/C Lines with estimated cost involvement around 100 crore.

SL No.	Name of EHT Line	Ckt. kms	Status
1	132KV New Bolangir-Sonepur line	53.85	Work delayed due to RoW issue and will be completed in March, 2024.
2	132KV Atri- Banki line	20.90	Work under progress.
3	132KV Banki- Nuapatna line	21.01	
4	132KV Nimapara- Konark line	20.31	
5	132KV Khariar- Nuapada line	76.43	
6	132KV Khariar- Kantabanji line	32.60	
7	132KV Kendrapada-Pattamundai line	19.10	

### Replacement of old conductors in EHT lines

Deterioration of transmission assets with time pitches a bigger challenge for OPTCL which is rapidly expanding its power network footprint all over the state. Keeping in view of old EHT Lines, steps have been undertaken for the replacement of old conductors by new and upgraded conductors. This shall enhance the system stability with effective quality power flow and reduced power loss. Renovation of Conductors/Hardware Fittings/Insulators, Earthing and Strengthening of Tower Footings, Painting, Revetments / Retaining Walls have been undertaken during the execution. The replacement of following EHT Lines is undergoing in the system effectively.

SL No.	Name of EHT Line	Ckt. kms	Status
1	220KV TTPS-Joda Ckt-II	154.00	Completed
2	220KV Meramundali-Bhanjagar Ckt-II	134.00	Completed
3	220KV Bhanjanagar-Therubali Ckt-I	135.00	Under progress.
4	132KV TTPS-Duburi Ckt-I	87.00	Completed.
5	132KV Berhampur-Digapahandi	34.00	Completed.
6	132KV Kendrapara-Paradeep Ckt-I & II	35.00	Under progress.
7	132KV Angul-Boinda	38.50	Under progress.
8	132KV Chainpal-Choudwar Ckt-II	91.08	
9	132KV Sambalpur-Rairakhhol-Boinda	127.00	
10	132KV Rayagada-Akhusingh-Mohana	118.00	
11	132KV Tarkera -Rourkela	3.00	
12	132KV Kuchinda-Bamra-Rajgangpur	98.00	

### Low Voltage Mitigation Scheme (LVMS)

In Low Voltage Mitigation Scheme (LVMS), OPTCL is constructing new Substations and Transmission lines in the areas where voltage profile is low/weak; which are outlined below.

- 132/33KV S/S at Athamallik with associated lines.
- 132/33KV S/S at M. Rampur with associated lines.

- 132/33KV S/S at Chitalo with associated lines.
- 132/33KV S/S at Agalpur (Rampur) with associated lines.
- 132KV line from Turumunga to Dhenkikote.

Similarly under OTSSP Phase-I, the Corporation will construct following Grid Substations in various districts of Odisha for which survey and DPR has been done and administrative approval has been accorded by the Board.

- 132/33 kV S/S at Raighar (Nabarangpur) with associated lines.
- 132/33 kV S/S at Hatabasta (Nayagarh) with associated lines.
- 220/33 kV S/S at Bhandaripokhari (Bhadrak) with associated lines.
- 220/33 kV S/S at Sarasmal (Sonepur) with associated lines.
- 132/33 kV S/S at Khalikote (Ganjam) with associated lines.
- 220/33 kV S/S at Nuabetanda (Cuttack) with associated lines.

### **Disaster Resilient Power System (DRPS)**

Geographical situation of Odisha makes it extremely vulnerable to severe tropical cyclonic storms. The threat of climate change is also worsening the situation by elevating the intensity and frequency of cyclones every year. Considering the extent of damage to the State Transmission System during natural disasters as well as the inherent impediment associated with the conventional restoration process, it has become imperative to put in place a robust disaster response / resilience mechanism in the transmission system so that the disrupted power supply can be brought back to normalcy within least possible time.

OPTCL has been comprehensively engaged in building robust emergency and disaster management infrastructures especially after appalling destruction to the transmission assets caused by the severe cyclonic storm 'FANI'. Under the scheme of Disaster Resilient Power System (DRPS) Phase-I, the Corporation has completed the installation works of 3<sup>rd</sup> 315 MVA ICT at 400/220/132KV Mendhasal Grid, 132/33KV Khuntuni GIS, 132/33KV Chandbali GIS and induction of 132KV Aska-Digapahandi line & 132KV Chandbali- Dhamara line. Restoration work of 220KV Pandiabil-Samangara DC line is under progress by using wind zone-6 narrow base tower, whose funding has been arranged by State Govt. from Mahanadi Coalfields Ltd. as part of their CSR activities.

For system strengthening and better power availability, OPTCL is opting for transmission structures (both in 132KV & 220KV level) having wind zone-6 resilience in coastal areas which are situated within 60 km distance from state coast line of Bay of Bengal. It has also been planned to upgrade the 132KV Puri-Samangara line and construct proposed 400/220KV Paradeep Grid S/S & associated 220KV lines with windzone-6 resilient infrastructures. Similarly monopole tower structure is being used instead of truss/mess tower structure in 220KV LILO for construction of Baliana Grid S/S for its high wind resilience capability.

Under DRPS scheme PHASE-II, OPTCL is focusing on various cabling work on priority basis that includes 132KV UG cabling of Narendrapur- Berhampur, Mendhasal- Chandaka-B, Samangara- Puri and Arugul- Ranasinghpur. It will catalyze the load growth, availability of power in coastal areas and capital region of the state throughout the year.

### **Disaster Response Centers**

Disaster Response Centers with state-of-the-art IT, Communication & Safety Infrastructure have been established at strategic locations to control & co-ordinate all necessary activities to be executed on war-footing basis during the emergency of natural disasters.

### **Emergency Restoration System**

Aftermath of devastation caused by extreme severe cyclonic storm FANI, OPTCL has set up a special Emergency Restoration Division completely dedicated to ERS (Emergency Restoration System) and other emergencies during natural disasters.

OPTCL has three numbers of stores dedicated to ERS activities. It includes stores at Mancheswar, Budhipadar and Chhatrapur. At present, OPTCL possess 25 nos. of ERS towers with T&Ps at different stores and new 18 nos. of ERS towers having compatibility up to 400 kV system voltage have been delivered to Mancheswar ERS store recently. Under this scheme, OPTCL has purchased DG Sets and has asked OEMs to submit cost estimate of different spares/parts of 25 nos. of old ERS towers unavailable at OPTCL end. Additional Jhula men and tower climbers have been employed on contractual basis at different sites in coastal areas for faster deployment and swift power restoration after any natural disasters.

OPTCL has installed spare 20 MVA transformers (at Jayanagar, Chandpur), spare 40 MVA transformers (at New Bolangir, Sambalpur, Narendrapur, Khurdha, Jajpur Road), spare 160 MVA auto transformers (at New Bolangir, Balasore, Chandaka). Installation of spare 315/500MVA ICT at 400kV New Duburi Grid is under progress.

### **Advanced Metering Infrastructure**

All the Grid Interfacing Metering Points of OPTCL's EHT Network are successfully brought under the ambit of AMI. Energy flow through EHT Grid is captured online for all Demand Integration Periods (DIP) of 15 mins each. Necessary Energy operational data is prepared and integrated with Energy Accounting and Settlement System (EASS) of SLDC. Commercial Energy Dashboard is also successfully established.

### **Automatic Demand Management System**

In order to optimize power usage and limit state over-drawl of power from national grid system, Automatic Demand Management System (ADMS) has been implemented in 88 nos. Grid Sub-stations across Odisha. ADMS will trip 33KV feeders in 132/33KV Substations when following conditions are satisfied.

- Grid frequency drops below set limit. (when freq. <49.9 Hz)
- Odisha's power drawl is above set limit. (when Pdrawl > 12% of Pschedule or 150 MW (Odisha Limit); whichever is lower)
- Respective DISCOM's load drawl is above set limit. (when Pdrawl > 12% of Pschedule or OERC approved share percentage of 150 MW (Odisha Limit, whichever is lower)

### **Substation Automation System**

Presently, OPTCL have 193 nos. of Substations of different capacities including 26 nos. of Switching Stations, out of which 45 nos. have been more than 30(thirty) years in service, which need protection enhancement as well as modernization. It can be achieved by integration of SAS (Substation Automation System) to older pre-existing GSS. SAS involves the deployment of Substation and feeder operating functions and applications ranging from SCADA and alarm processing, to integrated Volt-Var control in order to optimize the management of capital assets and enhance operation and maintenance efficiencies with minimal human intervention.

Further, integration of above SAS enabled to NCC (Network Control Centre) will offer monitoring, control, report generation, historical data storage and real time physical and economic operation of the power system. Upper level communication will be possible through Gateway to NCC and LDC (Load Despatcher Centre). Hence, by integrating the SAS system of all the substation of OPTCL to NCC, monitoring & Controlling of inter connected grid substations centrally can be achieved through NCC.

It is proposed to convert existing substations to SAS enabled substation with Bay Kiosk or Retrofitting or Panel arrangement methods as per the site condition in one go and setting of State Transmission Asset Management

System (Network Control Centre) of OPTCL at Bhubaneswar and back-up centre at Lapanga Grid. The expenditure will be met either from PSDF or from own resources under Capital head. The work has already been assigned to PGCIL.

Six (6) nos. of very old substations (Jajpur Road, Kendrapara, Aska, Brajaraj Nagar, Rayagada, and Sambalpur) has been upgraded to SAS with an estimated cost (Tentative) of Rs.25.00 crores. Similarly an amount of Rs.6.73 crore was proposed for expenditure for automation of 9 numbers of substations i.e. Kesura, Anandpur, Karanjia, Basta, Bhawanipatna, Kuchinda, Arugul, Konark, Shamuka. These substations are new substations commissioned after 2010. SAS has been enabled in all of above-mentioned sub-stations.

The restoration of substation automation of 400/220/132/33kV Grid Substation Mendhasal involving retrofitting up-gradation/ replacement of old relays with updated technology enabled relays (IEC 61850, PRP enabled) and BCU (Bay Control Unit) based automation with IEC 60870-5-104 Gateway communication protocol over TCP/IP for fiber optics has been completed.

PSDF (Power System Development Fund) is funding for SAS up gradation and Substation Automation of seven numbers of very old 220KV Grid Substations which includes Balasore, Bidanasi, Budhipadar, Narendrapur, New Bolangir, Katapali, Paradeep. SAS Integration and SCADA implementation work is in progress in Bidanasi, Paradeep & Balasore GSS. In rest 4 nos. of S/S; Kiosk building work & SAS panel erection work have been completed.

OPTCL from its own resources is executing SAS up-gradation projects in 16 nos. of existing Grid S/Ss. Out of which Dhenkanal, Phulnakhara, Kharagprasad, Chandpur, Jharsuguda, Laxmipur Banki, Puri, Bhubaneswar & Ranasinghpur Grids, automation work has been completed and the work under progress in rest 5 nos. of Grid S/Ss (i.e. Rairangpur, Sunabeda, Nayagarh, Khurda, Chainpal, Khajuriakata) which is expected to be completed by March 2024.

### **Automated Fault Analysis System (AFAS) & Remote Accessibility System (RAS)**

For quick fault finding and restoration of power supply implementation of AFAS & RAS is in progress in 18 nos. of Grid S/Ss i.e. at Lapanga, Mendhasal, Chandaka-A, Chandaka-B, Infocity-II, Atri, Pratapsasan, Meramundali, New Duburi, Balasore, Bhadrak, Paradeep, Cuttack, Bidanasi, Narendrapur, Duburi (old), Budhipadar & Therubali. This will also help in pin pointing the location and type of faults easily so that timely assessment and quick corrective measures can be taken. Similarly, the Remote Accessibility System will provide access to the remote devices including protection relays, controlled switching relays, condition monitoring devices. It uses Ethernet/TCP/IP protocol for connectivity and communication with remote devices.

The Automated Fault Analysis system shall identify faults, distinguish them from other power system phenomenon (power swings, voltage instability) and evaluate protection relays operation i.e. which protection operated correctly and which did not. The Automated Fault Analysis System shall be a rule based expert system for disturbance analysis and validation of protection system operation. These data include sampled analog voltages and currents. The major benefits of this system explained below.

- On time fault analysis
- Efficient Data Utilization
- Understanding the real cause of failure
- Verifying the relay setting
- Monitoring the protection device performance
- Process Automation & Improved Reliability
- Effective Resource Utilization

### **Nitrogen injection type fire prevention & extinguishing system (NIFPES)**

OPTCL is committed to fulfil not only electrical power requirement of each corner of the state but also resolved to provide high power quality, voltage stability, reliability, 24x7 power availability with minimum transmission loss. To achieve this OPTCL has been implementing various control and protection schemes for its transmission assets. Transformer is an imminent part of power transmission system. The failure of transformers involves significant financial losses and very adversely affects transmission system availability goal.

For better protection of transformers in Grid Sub-stations, NIFPES is to be implemented by OPTCL. Nitrogen Injection system is a dedicated system for each oil filled transformer. The system shall work on the principle of drain & stir. On activation, it shall drain a pre-determined quantity of oil from the tank top through drain valve to reduce the tank pressure, isolate conservator tank oil and inject nitrogen gas at high pressure from the bottom side of the tank through inlet valves to create stirring action and reduce the temperature of oil below flash point, cover the upper surface of oil with N<sub>2</sub> to act like a barrier for air to extinguish the fire. On operation, the quantity of oil removed from the tank shall be such that adequate amount of oil shall remain to cover core coil assembly.

In Phase-I, the contract has been awarded for retrofitting works in 10 nos. of 315MVA, 400/220KV ICT and 43 nos. of 160MVA, 220/132KV Auto Transformers in 28 nos. of different Grid Sub-stations. Retrofitting works have been completed in 46 nos. of ICTs/Auto Transformers and in final stage of completion in 7 nos. of GSS (i.e. Budhipadar, Katapali, Bargarh, Cuttack, Kesinga, Paradeep & Jayanagar)

### **Energy Audit**

Electrical energy continues to be the most vital factor for the sustenance of human life and enrichment of quality. The demand of electricity is ever increasing day-by-day. Similarly, the cost of electricity generation is rising with increase in the cost of fuel, etc. In the present era of financial constraints, the Energy Audit has become an essential tool which provides the balance between energy supplied and energy billed.

As a strategy for mitigation of Technical Loss in OPTCL transmission system, 2216 nos. of ABT Compliant Open Protocol Energy Meters have been installed at both ends of Transformers & EHT Lines to monitor the various losses occurring in these transmission elements. Load Flow Data on monthly basis are being collected from the energy meters through OPTCL Intranet. Any discrepancies in respect of metering convention, meter integrity and accuracy class of instrument transformers as identified on the basis of audit data are being sorted out. Remedial measures are being taken to eliminate energy disparities in recordings in the system elements.

### **Other R&M Activities:**

Renovation Works for Grid Substations covering bus augmentation, replacement of jumpers/insulators/clamps & connectors, switchyard metalling & illumination, improvement of earthing system etc. are being carried out in phases.

Similarly, Renovation Works for EHT Lines covering replacement of conductors/insulators/earth wire, tower earthing, recouping, revetments/retaining walls are being implemented in a phased manner.

All Substations are planned to have their own D.G Sets to cater to power requirement of auxiliary equipment during black outs / station supply failure / disasters etc. in a phased manner. The ratings of the DG sets have been so selected that they can meet the emergency demand of the Substations including loads of hand tools, part of Switchyard lighting and dewatering pumps etc.

Old / defective / obsolete equipment viz. approximately 12 nos. of Breakers along with 181 nos. of tripping & closing coils, 30 nos. of CTs, 6 nos. of EHV detectors & 43 nos. of Isolators etc. are being renovated during FY 2022-23.

More than 55 MT of line & substation materials as well as substation equipment structures, 8 kms of Power cables, **100** nos. of 90 kN, **164** nos. of 120 kN, **483** nos. of 160 kN Anti-fog disc insulators, 81 nos. of Long rod insulators strings, 58 nos. of Post-insulators, total 11.54 kms. of conductors and 56 nos. of new Apex-100 energy meters have been delivered to field.

Almost all old & obsolete electro-mechanical relays are being replaced with intelligent programmable numeric relays. Recently 108 nos. of numerical relays including distance protection, differential protection, Master trip and REF relays in all operating voltage levels have been replaced.

OPTCL have already installed 2216 nos. of 0.2s accuracy class, ABT Compliant Energy Meters at identified points to meet the requirement for Energy Auditing as well as billing.

GPS clocks have been installed in all Grid Substations for time-synchronization of Numerical Protection Systems.

Sophisticated diagnostic testing equipment like contact resistance meter, sweep frequency response analyzer, third harmonic leakage detector, digital capacitance &  $\tan\delta$  measurement kit, Oil BDV testing kits (0-100 kV) etc. are in use for condition monitoring of Substation equipment as a strategy for predictive maintenance. High-end Thermo Vision Cameras are being used for identification of hot-spots at Substation switchyards and Lines with follow up remedial measures. Off-line Fault Locators have been procured for early spotting of faults occurring in EHT Lines.

Safety Gadgets like EHV Detector, Earth Discharge Rod, Safety Belt, Safety Shoe, Helmet, Insulating Gloves, Fire Extinguisher etc. are being procured in adequate nos. for field units with emphasis on adherence to all prescribed safety norms.

### **Power System Development Fund**

Power System Development Fund (PSDF) has been constituted vide Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2010 dated 4th June 2010. The Power System Development Fund will be utilized for the following purposes:

- Creating necessary transmission systems of strategic importance based on operational feedback by Load Despatch Centres for relieving congestion in Inter-State Transmission Systems (ISTS) and intra-state system which are incidental to the ISTS.
- Installation of shunt capacitors, series compensators and other reactive energy generators for improvement of voltage profile in the Grid.
- Installation of standard and special protection schemes, pilot and demonstrative projects, and for setting right the discrepancies identified in the protection audits on regional basis.
- Renovation and Modernization (R&M) of transmission and distribution systems for relieving congestion.
- Any other scheme/project in furtherance of the above objectives, such as, conducting technical studies and capacity building, etc.

The projects of OPTCL covered under PSDF funding are: Renovation & Up-gradation of protection System of Substations, Implementation of OPGW based reliable communication at 132KV and above substations, Installation of 125 MVAR Bus Reactor along-with construction of associated bay each at 400KV Grid S/S of Mendhasal, Meramundali & New Duburi for VAR control & stabilisation of system voltage, Implementation of Automatic Demand Management System (ADMS) in SLDC, Protection Up-gradation and installation of Substation Automation System (SAS) for seven numbers of 220/132/33KV Grid Sub-stations. (Balasore, Bidanasi, Budhipadar, Katapali, Narendrapur, New-Bolangir and Paradeep).

## GOVERNMENT FUNDED SCHEMES:

OPTCL being the State Transmission Utility has been entrusted for implementation and monitoring of many important Transmission and Distribution Infrastructure Development projects funded by the Central/State Government. Some of the important projects are as under:

**Odisha Distribution System Strengthening Project (ODSSP):** ODSSP is being implemented for construction of new 33/11KV Substations with associated 33KV & 11KV lines under State Government funded scheme and OPTCL has been declared as Nodal Agency for implementation of the project. The Project is being executed under various phases/packages covering the areas of all Distribution Companies of the State. OPTCL has awarded the contract to different EPC Contractors selected through open tender for construction of 472 nos. of 33/11KV Substations and associated lines. So far 445 nos. of Substations & associated lines have been commissioned and taken over by the Distribution Companies.

Further, the State Govt. have approved the proposal for construction of 99 nos. of 33/11KV Substations with associated 33KV & 11KV lines and 64 nos. of Independent 33kV lines in five different packages under Phase-IV, ODSSP with an expenditure of Rs.1796.73 crore with the objective to improve supply voltage at consumer end, minimization of interruption, 24X7 quality & reliable power supply, decrease in technical loss and reduction in feeder length resulting in curtailment of duration of restoring faults in lines. For execution of the project OPTCL will act as Nodal agency the DISCOMs will act as Project Management Implementation Agency. (PMIA) for the above project.

In the meantime OPTCL through open tender has selected the executing agencies and issued the LoA for package-3 (TPNODL area) and 4 and 5 (TPWODL area). As decided by the Govt. the work under TPCODL and TPSODL are being executed by the concerned DISCOMs.

**Socio Economic Transformation and Up-liftment (SETU) Scheme:** Govt. of Odisha have sanctioned Rs.17.13 crore for construction of a 33/11KV Substation with associated 33KV and 11KV lines at Badapada in Malkangiri district under SETU scheme. The substation and line has been completed, commissioned and put into service.

**State Capital Region Improvement of Power System (SCRIPS):** The State Capital Region Improvement of Power System (SCRIPS) Project is a State Government Funded Project which aim to provide 24x7 uninterrupted and reliable power supply to all classes of consumers including public services in the geographical area covered under the Comprehensive Development Plan (CDP) for Bhubaneswar and Cuttack Urban Complex. The Project Scope envisages putting in place the most technologically advanced infrastructure for both Transmission and Distribution System in order to achieve the objective. OPTCL have been designated as the implementing Agency for this prestigious Project. The benefit envisaged are:

- Robust electrical network for reliable & quality power supply in Capital Region.
- Cyclone/Disaster Resilient Distribution System
- Improved Aesthetic view by removing overhead lines and outdoor equipment.
- 24x7 Power Supply through Ring Main System
- Complete Automated System in future
- Zero Accidental Zone
- Reduced T&D loss and improved Efficiency

Under the scheme construction works of 6 nos. of 33/11KV GIS PSS at Unit-8, Badagada, Bapuji Nagar, Kharavel Nagar, Satyanagar-2 & Saheed Nagar are under progress & to be commissioned soon.

Similarly, the Govt. of Odisha have decided to make the SCB Medical College & Hospital, Cuttack into a world class institute. Accordingly, large number of redevelopment programme have been considered to improve the infrastructure with all modern facilities to provide better service to the people of Odisha. OPTCL as a single agency is entrusted with the comprehensive Electrical plan and execute the same with an objective to make the Redeveloped SCBMCH campus and adjoining areas free from overhead network and also to ensure high quality of 24x7 reliable power supply to the proposed campus. The scope of works includes Engineering, Supply, Erection, Testing and Commissioning of followings for the Development of SCB Medical College & Hospital, Cuttack

- 2x63MVA 132/33KV GIS Grid
- 132KV Bay Extension (AIS) Work at Brajabiharipur Grid & Bidanasi Grid
- 132KV UG cabling from Brajabiharipur & Bidanasi Grids to upcoming GIS
- 2x12.5 MVA 33/11KV GIS PSS
- 33KV and 11KV UG cabling systems

The Contract has been awarded to M/s Sterlite Power Transmission Ltd at a contract price of Rs.169.25 crore on 23.11.2022 with Project Completion Period of 18 months. The project work is under progress.

#### STATE LOAD DESPATCH CENTRE:

State Load Despatch Centre (SLDC) is the Apex body to ensure integrated operation of the Power System in the State of Orissa, which is functioning under the ambient of OPTCL as an independent System Operator and ensures integrated operation of the power system in the State. SLDC monitors real time operations for control and dispatch of electricity through secure and economic operation of the State grid in accordance with the Grid Standards and Grid Code and keeps the account of the quantity of electricity transmitted through the State Grid. The major activities of SLDC during the period under review are as follows.

- Successful **monitoring and optimization** of State Energy Drawl, following Merit Order Despatch, Real Time market Regulations and stricter guidelines in amended CERC IEGC Regulations, to **minimize Deviation from ISGS Schedule**.
- SLDC is efficiently and successfully carried out scheduling for Real Time Market (RTM) and Green Day Ahead Market (GDAM) transactions after their implementation.
- Implemented Automatic Demand Management Scheme (ADMS) at 88 nos. of OPTCL grid substations covering 271 nos. of 33kV feeders for demand response in the State with PSDF grant assistance for maintaining Grid Stability. Date of operationalization 19th July 2022.
- Implementation of SAMAST (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) project with PSDF grant assistance is under progress.
- Implementation of Wide Area Measurement System (WAMS) for granular visibility and monitoring of the Odisha Power System with PSDF grant assistance is under progress.
- Implementation of Security Operation Centre (SOC) at SLDC for cyber security enforcement to counter cyber threats - PSDF grant approval is awaited.
- Optimal use of State's Hydro Potential to meet requirements of Irrigation and contingencies by efficient management of the remaining Generation Resources.
- Successfully optimized the State's share of energy drawl from Machhakund Power Station by continuous monitoring at SLDC and Jayanagar Substation through RVDU.

- Back-up SLDC at Meramundali activated and made functional successfully during system contingencies.
- Avoided blackouts in the State by quick restoration of transmission elements and optimized the Transmission System availability and optimization of IPPs dispatch schedule.
- Successfully monitored the drawl schedule of the Distribution Companies of the State to minimize the deviation from ISGS schedule.
- Processing of meter data of all interface energy meters and prepares State Energy Accounting for Distribution Licensees and IPPs.
- Successfully carried out reactive power management to reduce penalty arising through reactive energy billing.
- Preparation of injection / withdrawal data at all nodes up to 132KV corresponding to the all India peak block on monthly basis using the PSSE software for PoC Charge Determination.
- Computation of ATC/TTC for the State Transmission System.
- Display of real time power demand and generation data has been successfully accomplished in SLDC web portal.

## **INFORMATION TECHNOLOGY:**

The Information Technology Department of OPTCL actively oversees the central monitoring of the IT system, aiming to enhance efficiency and foster transparency in the organization's overall functions. In line with technological advancements, OPTCL's IT is poised to evolve into a smarter and more intelligent system in the near future. The establishment of a "Managed IT infrastructure and IT Applications" plays a pivotal role in ensuring heightened performance, increased availability and swift resolutions to potential issues. The IT Department is engaged in various significant activities to fulfil these objectives. The major activities undertaken by IT Department are as under:

## **DRONE INSPECTION OF TRANSMISSION ASSETS**

OPTCL has embarked on a transformative initiative to address the challenges associated with traditional methods of inspecting overhead power transmission lines. Leveraging drone technology, the company has undertaken a comprehensive inspection of its infrastructure.

Through drone inspections, RGB and thermal images/videos of all towers and line spans from various angles are captured. These visual data are then subjected to a fault detection mechanism through image processing and rigorous analysis. As a result, the engineering wing has successfully identified various faults and vulnerable points, allowing for timely preventive actions to be taken. The key faults and vulnerabilities assessed through this innovative project include:

- Missing, damaged, or rusting tower members and cross arms.
- Loose, missing, or damaged earth bonds.
- Shaded or damaged insulators.
- Detection of strand breakage.
- Loose connections of earth bonds.
- Mechanical deterioration of hardware fittings.
- Loose connections or carbon build up in jumpers.
- Poor workmanship during the assembly of towers.

The pilot drone project has been completed for two critical lines i.e. 132KV Nimapara-Puri D/C line and the 220KV Mendhasal-Bidanasi line. Looking ahead, OPTCL plans to scale this initiative with the Pan OPTCL rollout set to cover 48 lines. This comprehensive approach will encompass all 400KV lines and critical 220KV and 132KV lines. The tendering process for this ambitious expansion has already been initiated, marking a significant step towards enhancing the reliability and efficiency of power transmission infrastructure.

### **SAP S4/HANA IMPLEMENTATION**

In recognition of the limitations posed by the current Oracle EBS solution, attributed to its aging infrastructure and technology, the management has strategically decided to implement a new ERP solution based on SAP. This forward-looking initiative aims to address the evolving needs of users and enhance overall system capabilities. To facilitate this transition, a tender was floated, resulting in the selection of a Systems Integrator (SI) to oversee the project.

In this context, M/s YASH Technology has been awarded the contract for implementation of SAP S4/HANA throughout OPTCL and SLDC. The project involves direct procurement of SAP licenses from the original equipment manufacturer (OEM), M/s. SAP. Further to ensure the seamless execution of this SAP S4/HANA implementation, Module-Wise Core Teams have been formed. These teams consist of Yash Consultants, Functional Experts and IT executives, dedicated to specific modules critical for OPTCL and SLDC operations. The modules include:

- HCM (Human Capital Management)
- MM (Material Management)
- FICO (Financial & Controlling)
- PS (Project Systems)
- PM (Plant Maintenance)
- QM (Quality Management)
- EHSM (Employee Health Safety Management)
- DMS (Data Management System)
- MDG (Master Data Governance)

The project has progressed through the As-Is phase, providing a comprehensive understanding of the existing system. Additionally, Business Blueprint (BBP) documentation is nearing completion, laying the groundwork for the upcoming phases. Currently, the project is in the Realization phase, focusing on development activities to bring the envisioned SAP S4/HANA solution to fruition. This strategic initiative marks a significant step towards modernizing and optimizing OPTCL and SLDC's enterprise resource planning capabilities.

### **GEOGRAPHICAL INFORMATION SYSTEM (GIS)**

In the fiscal year 2022-23, OPTCL successfully completed the GIS survey for 28 Grid Substations. This comprehensive survey covered a total of 3,590 EHT Towers and 863 Route KMs associated with these substations.

Under the GIS project, OPTCL has successfully geo-referenced all engineering assets, encompassing the EHT O&M Network (157 Grid Substations), 33122 EHT Towers, and 9290.44 Route KMs. This effort has culminated in the creation of a comprehensive Power Atlas. Notably, the GIS project is seamlessly integrated with e-Shakti, enabling the retrieval of real-time asset information.

As OPTCL continues to commission various assets, the management has identified specific elements within the EHT system for further survey and augmentation. These include 38 Grid Substations, 4598 EHT Towers, and 113 Lines. The directive to incorporate these assets into the GIS portal has been communicated to M/s ORSAC, with a budgetary offer requested via letter no OPTCL-11012(15)/1/2022-IT/454 dated 07.07.2023. The budgetary offer is currently under process.

Simultaneously, to facilitate the utilization of the GIS application by field offices, OPTCL is providing the necessary KML/KMZ files for all existing assets. This ensures ready reference and accessibility for field operations. Additionally, OPTCL-IT is actively addressing concerns raised by field offices on a day-to-day basis, providing necessary support and guidance during any operational challenges. This proactive approach reflects OPTCL's commitment to leveraging GIS technology for effective asset management and operational efficiency.

The numerous advantages of GIS enjoyed by OPTCL can be particularized briefly below.

- Access of OPTCL transmission network on Google Earth.
- Report generation as per different queries raised in power sector.
- Preparation of Disaster Management and mitigation.
- Quick gang mobilisation.
- Right of Ways (RoW) facilitation.
- Various Asset statuses through image gallery.
- Forecasting Cyclone / Super-Cyclone path and its boundary of impact on OPTCL assets.

#### **PRIMARY DATA CENTRE (PDC):**

OPTCL Primary Data Centre which has been established during the year 2021-22 serve the data centre operation for OPTCL, SLDC and GRIDCO. Apart from this, it also serve for the Distribution Companies of the State on chargeable basis.

The PDC has been built as per the industry standard III Tier DC architecture with redundant power supply, redundant cooling and also complying all the standards for ISO 27001. OPTCL PDC has following room distribution.

Currently the PDC has 28 Nos. of production server racks and network racks spreading over two server firm areas and network room, scalable up to 70 production server racks and network racks for future provision. 2 Nos. of 1MVA transformer for uninterrupted power supply. 3 Nos. of 650KVA DG set for power backup arrangement along with 4x200KVA UPS Power Backup arrangement. Fire detection and suppression system is provisioned for the Battery room, Panel room, server firm area and network room.

#### **PROJECT MANAGEMENT:**

Building upon the earlier integration of MS Project Online, OPTCL has successfully incorporated its ongoing projects into the system. This integration facilitates seamless data feeds from field engineers, ensuring real-time updates in the system. The dynamic nature of project management is effectively addressed through this approach.

Moreover, to proactively manage emerging issues such as those related to forests and right-of-way (RoW), concise plans are formulated in MS Project (MSP). These plans are subsequently disseminated to relevant authorities in the government and other stakeholders. This strategic use of MSP aids in addressing and mitigating challenges promptly, contributing to effective issue resolution.

The adoption of MS Project is not only enhancing project management but also complementing the implementation plan of SAP PS (Project Systems). The system plays a pivotal role in managing activities and illustrating workflows, providing valuable insights to the ERP implementer. This synergy between MS Project and SAP PS underscores OPTCL's commitment to a comprehensive and integrated approach to project and enterprise resource planning.

#### **E-OFFICE:**

OPTCL has embraced the e-Office platform as a transformative solution, offering a unified, simplified, responsive, and paperless digital environment for efficient office procedures. The e-Office application, specifically the eFile Lite version 7.0, has been crafted by the National Informatics Centre (NIC) under the Ministry of Electronics & Information Technology (MEITY).

The live deployment of the e-Office application commenced on November 1, 2021, covering OPTCL's Headquarters, nominated field offices under the project wing, GRIDCO, and SLDC. Subsequently, on September 6, 2022, the e-Office application was extended to all field offices up to the subdivision level, marking a significant milestone in the enterprise-wide rollout across offices of OPTCL, GRIDCO & SLDC.

Further enhancing the functionality, the SMS service integration with the e-Office application for OPTCL/SLDC/GRIDCO was successfully accomplished in February 2023. This integration enhances communication and operational efficiency, reinforcing OPTCL's commitment to leveraging technology for streamlined and effective organizational processes.

#### **CYBER SECURITY:**

OPTCL-IT is proactively engaged in ensuring the cyber security of its operations through a series of activities conducted annually. These activities include Vulnerabilities Assessment Tests, Internal Audits, Surveillance Audits, and Cyber Security Awareness Training.

To fortify the Cyber Crisis Management capabilities, OPTCL has formulated the Cyber Crisis Management Plan (CCMP) document specifically for its Primary Data Centre (PDC). This document has undergone rigorous verification by CERT-In and received approval from management.

Extending its focus on critical infrastructure, OPTCL-IT has also developed the Critical Information Infrastructure (CII) & CCMP document for the Supervisory Control and Data Acquisition (SCADA) infrastructure which has been acknowledged by ERLDC, CERT-Go, and CERT-In.

OPTCL compiles advisories from authoritative bodies such as CERT-In, CERT-GO, and CSK (Cyber Swachhata Kendra). In the realm of Information Security, an ISMS Audit for the year 2022-23 was conducted in the third week of November 2022.

OPTCL is actively involved in the e-tendering process for the procurement of consultancy services. This initiative is geared towards the implementation of the Information Security and Management System (ISMS), with the ultimate goal of achieving ISO 27001:2022 certification across OPTCL, SLDC, and GRIDCO. This strategic approach underscores OPTCL's commitment to maintaining robust cyber security measures and aligning with international standards.

#### **OPTCL, GRIDCO, SLDC WIDE AREA NETWORK (OGS-WAN):**

OPTCL boasts a resilient networking system designed to provide its officials throughout Odisha with seamless access to IT services. The infrastructure includes a proprietary fibre optic network (OPGW) spanning 6,332 kilometres, ensuring uninterrupted and high-speed connectivity.

Specifically, OPGW links have been established for approximately 152 Grid Substations, delivering a bandwidth of 10Mbps, supported by a robust backhaul of 30Mbps. This configuration is strategically engineered to cater

to a maximum number of users. Offices beyond this scope are seamlessly connected through hired MPLS links, featuring a bandwidth of 512Kbps and a substantial backhaul of 50Mbps, alongside point-to-point connectivity.

As part of the ongoing efforts to enhance network capabilities, MPLS links with 512Kbps bandwidth have been successfully commissioned at 35 locations, with a 50Mbps backhaul bandwidth implemented at the head office. Additionally, 2Mbps point-to-point links have been established at four locations within the Grid Substations and Offices of OPTCL.

A significant milestone in optimizing network efficiency has been achieved through the OGS-WAN project, encompassing the upgrade of all active network components such as routers and switches. This comprehensive upgrade spans across all locations of OPTCL in Odisha, reinforcing the organization's commitment to a technologically advanced and resilient networking infrastructure.

#### **CCTV SURVEILLANCE:**

Monitoring is conducted around the clock for 95 GRID Substations and Stores divisions of OPTCL, utilizing CCTV systems. The project incorporates advanced technologies such as motion-based recording, local recording, and IP cameras for monitoring. Additionally, 24x7 surveillance is maintained through PTZ cameras, and night vision cameras enhance visibility during night-time. The implementation of CCTV in the OPTCL colony is currently under tendering process, and plans are underway to implement CCTV systems for other grid substations of OPTCL in the near future.

#### **TELECOMMUNICATION**

OPTCL has its own state of the art telecommunication network having 6332 kms. of optical fibre laid throughout transmission network covering 193 nos. of Grid S/S and Power Generating stations. This network is providing 24x7 SCADA solutions along with voice communication from SLDC to all Grid Substations and power generating stations. The SCADA system provides the platform & data for the background activities of SLDC like report generation, historical data analysis and fault analysis. Besides, SCADA facility have also been provided to four Distribution Companies of the state through RVDU for visualization of real time data. The following are ongoing & new projects undertaken by Telecommunication department of OPTCL:

- Provision of optical fibre based communication through OPGW for providing reliable communication to all Grid Substations with PSDF support have been made good. Stringing of OPGW completed in 2240 Kms out of 2289 Kms. The balance work will be completed shortly.
- Commissioning of 78 nos RTUs have been completed replacing of 51 old RTUs and covering 26 new substations. Provision of dual reporting have been made good for the RTUs to report both MCC & BCC.
- Integration of RTUs of OPTCL as well as industries, CGPs, IPPs with SLDC SCADA is a regular phenomenon for online grid data availability towards fast & smooth grid management. As of now 274 Nos. of RTUs have been integrated, out of which, 190 nos. are OPTCL RTU, 60 nos. are Private RTU and 24 nos. are Solar RTU. Hot Line voice communication (IP Phone) from SLDC to 178 nos. of Grid S/S have been established and are being maintained 24x7 basis.
- Leasing of spare fibre in OPTCL OPGW Network: OPTCL has built a strong back bone of optic fibre communication network through its OPGW laid over 400KV, 220KV & 132KV transmission lines. Presently, OPTCL is earning a revenue of Rs.10.00 crore per annum by way of leasing out 25200 Ckt. Kms. dark fibre to POWERGRID, BSNL, LWTP, Airtel, RAILTEL, WEF, GTPL KCBPL, SITI, TATA Communication, Broad Band Services, Vodafone, New moon Telecom, Lightstorm Telecom. This amount will increase substantially over the years after completion of commissioning of OPGW networks in upcoming projects.

- BharatNet Phase-II: BharatNet is a flagship project of Government of India (GoI) funded by Universal Service Obligation Fund(USOF), Department of Telecommunications, Ministry of Communication to provide broadband connectivity (High speed internet) at all Gram Panchayats (GP)s to enable key services like administration, education, health, banking and agriculture to become efficient and transparent at grass root level. The scope of the project for laying 20427 kms of ADSS optical fibre cable covering 3065 nos. of GPs/BHQs have just been completed with installation of 162 no. of OLTs at respective BSNL exchanges and 3065 no. of ONTs at respective GPs. 3016 nos. GPs have already been provided with FTTH services with the help of BSNL, Odisha. Rest 49 GPs will be covered by Dec'2023. Now the projection is being monitored by OPTCL during extended warranty period.
- Government of Odisha is proposing a state of the art communication system to fulfill states own communication requirement between State HQ to District HQs by using the dark fibre of OPTCL OPGW network.

#### **Other initiative & Future Plan:**

- We have already taken primary initiative to go for physical separation of OT network from IT network adhering to the guidelines of CEA, the work is going on. OPTCL has put forth the fund requirement in tune of Rs.19 crore before PSDF
- A separate MPLS-IP based communication Network has been envisaged to take care of the communication demands of STAMS (State Transmission Asset Management System) project.
- Telecommunication wing is executing deposit works pertaining to different CGPs for SCADA data & voice communication like NINL, NTPC Dulanga, Jaibalaji, MCL Nandira, IOCL etc.

#### **CORPORATE GOVERNANCE**

OPTCL continues to believe in observing the best corporate governance practices and bench marking itself against each such practice on an on-going basis. The Corporation being an unlisted wholly owned Govt. of Odisha undertaking is strictly adhering to the principles of Corporate Governance as envisaged in the Companies Act, 2013. OPTCL believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies. Further, as per guidelines prescribed in the Corporate Governance Manual issued by the State Govt., the Corporation has submitted the Corporate Governance Compliance Report to P.E. Deptt., Govt. of Odisha for the year 2022-23.

#### **ENVIRONMENT AND SOCIAL MANAGEMENT:**

Your Corporation's activities are non-polluting in nature and their environmental impacts are negligible. However it follows the applicable regulatory requirements and practices environmental and social prudence in all its business activities and attaches highest importance to Environment & Social ecosystem. It always endeavors to protect and conserve environment in areas of its activities from inception to operation stage. At the same time your Corporation is also conscious of the need to conserve natural resources and avoids forest, ecological sensitive areas like Wildlife Sanctuaries/National Parks and Coastal Regulation Zone areas as far as possible through optimization of route alignment. Site Specific Wild Life Plans are implemented at project cost where bird flight diverters, anti-climbing devices, spikes etc. are used in transmission line to minimize the impact of linear infrastructure on wild life. In some cases where involvement of forest area becomes unavoidable, necessary clearance has been obtained under Forest (Conservation) Act, 1980. Compensatory Afforestation has been done on equivalent amount of land where transmission line passes through forest area. The Corporation has taken various initiatives to fulfill its commitment towards the goal of sustainable development. Key initiatives in this regard are Design & Installation of Multi-Circuit Towers in lines which have not only conserved the precious Right of Way (RoW) but also substantially reduced felling of trees as well as

facilitated conservation of wildlife in ecologically sensitive areas. Similarly, installation of Gas Insulated Substation (GIS), instead of Air Insulated Substation (AIS) particularly in the vicinity of habitation/town areas has substantially minimized land requirement and also helped in conservation of precious land resource. It can be concluded that OPTCL as a responsible corporate citizen always believes that the ultimate goal of the business is not limited to financial profitability, but also includes the much-needed societal welfare which ultimately takes care of the environmental issues involved with its activities.

## **HUMAN RESOURCE MANAGEMENT**

Your Corporation pursues the philosophy that human capital is the most vital asset of the organization and accordingly its policy is focused on Human Resource Development through sustained efforts to build motivation and competencies of employees. The productivity of the employees is demonstrated by increase in transformation capacity per employee year after year.

The Corporation's Human Resource Development is primarily aimed at learning new competencies, reinforcing good work practices & workplace behavior, as per organizational needs, framing of new policies looking into the need of the organization. During the year under report, 49 number of GATE qualified Management Trainee Electrical and 192 nos. of Junior Maintenance Operator Trainees (Initial appointee). 14 Management Trainees of different discipline like HRD, Finance and IT have also been recruited. Further, 05 nos. of Visiting Specialist Doctors have been engaged at Power Hospital.

### **Learning and Development**

**Training Programs:** In keeping with our dedication for continuous skill up-gradation of employees, Training & Development branch successfully conducted 167 training programs, emphasizing on nominating more executives for external training programme where 3,780 individuals participated involving 28178 training man-days.

**Internship Status:** Our internship program engaged a total of 891 students across various disciplines, providing hands-on experience in fields such as Human Resources, Finance/Accounts, Law, B.Tech (Electrical), B.Tech (IT), and Diploma (Electrical).

**Dual System of Training (DST):** Under the Dual System of Training (DST), 140 students were enrolled across various Government ITIs, reflecting our commitment to skill development.

**Future Course of Action:** Looking ahead, the Training & Development Branch aims to engage 595 apprentices for the fiscal year 2023-24, conduct additional external training programs and implement Industrial Training under the Dual System of Training (DST) scheme targeting students in electrical discipline at Govt. ITI Puri.

### **Employee Relations:**

**Industrial Peace and Essential Services:** Maintaining industrial peace is paramount for OPTCL's operations. The prohibition of strikes under the Essential Service (Maintenance) Act, 1988 has been extended ensuring uninterrupted operations.

**Career Progression for Technical Non-executive Employees:** Addressing the long standing demands of Technical Non-executive employees, the management has restructured their career progression, elevating entry levels for ITI-qualified employees.

**Employee Welfare Initiatives:** Bonus as per the Payment of Bonus Act, 1965 and Ex-gratia amounts were provided to motivate employees, ensuring their well-being and job satisfaction.

**Employee Relations and Meetings:** Several meetings were held with federal bodies and associations to maintain harmonious employee-employer relationships. Effective management control over unions and strike activities resulted in no man-days loss during the period.

**Employee's welfare:**

The employees are regarded as its core strength and thus undertakes requisite changes in various policies from time to time for their welfare. An engrossed initiative to build employee health and well-being is also in place.

Your Corporation has implemented cashless Health Insurance scheme for its employees and their family members. It has also facilitated the voluntary enrolment of retired employees in Group Health Insurance Policy.

In addition to the above, your corporation continues to give monetary assistance under Funeral Expense Rule to the family of the deceased employee for observing funeral rites of the deceased employee. Similarly under the OPTCL Group Personal Accidental Insurance Scheme, Rs.25 Lakh and Rs.15 Lakh is given to Executive and Non-Executive employees respectively in case of death/ total permanent disablement/ total partial disablement of the employee due to accident.

Other welfare measures have been implemented to take care of the financial health of the deceased employees' families. The introduction of new schemes i.e. Additional Financial Assistance Scheme (AFAS) and Employee Contributory Financial Assistance Scheme (EFAS) are examples of such. Under the AFAS, Rs.10 lakh is being given to the dependent family members of the employee in case of the unfortunate death of an employee while in service due to any reason from a dedicated recoupable corpus of Rs.3.00 crore. While voluntary contribution received from all the employees is given to the family members of the deceased employee.

While prioritizing preventive healthcare, the management has implemented a Comprehensive Health Checkup Facility with empanelled hospitals such as Apollo and AMRI. The employees are getting benefit to a large extent.

**Vigilance:**

The Corporation focuses more on Preventive and Pro-active Vigilance, apart from Detective, Predictive and Punitive Vigilance. Aiming at better transparency in working of the organization and to inculcate a sense of Ethics, Integrity and sound Corporate Governance, several steps are being taken for improving the system and vigilance administration. All executives submit their property statement each year as per norm prescribed by the Corporation in line with Govt. of Odisha guidelines. Further, in accordance with the provisions of the Companies Act, 2013 and the guidelines of Corporate Governance manual issued by PE Department Government of Odisha, OPTCL has implemented the Vigil Mechanism Policy with the approval of the Board of Directors of the Company. Vigilance Awareness Week was also observed in the organization.

**Corporate Social Responsibility:**

The company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, focus areas of CSR and sustainability activities are Health, Drinking Water, Education Capacity Building and support to differently-abled person.

The Corporation implemented its own CSR policy namely Corporate Social Responsibility and Sustainability Policy of OPTCL in the year 2015 which came into effect from 1st Day of March, 2015. Promoting education, vocational training and skill building were the priority activities under the prescribed thrust areas of our CSR&S Policy.

During the Financial Year 2022-23 OPTCL has contributed Rs.38.17 lakhs to the Odisha State Disaster Management Authority (OSDMA) under CSR obligation. This financial support aims to strengthen disaster management efforts and enhance the resilience of communities in need.

### Safety Activities:

- Data base has been developed for maintaining individual earth resistance within 1 ohm to 5 ohm and the earth mat resistance less than 1 ohm in all grids. The line earth resistance has been maintained below 10 ohm. Chemical treatment and new earth pits have been done where any abnormalities found in earth resistance.
- Up dated Single line diagrams, First Aid Boxes, Display of important phone numbers including that of Ambulance and fire brigade etc. in field units are being ensured. Fixing of safety posters, danger tags, bay and equipment identifications are being monitored on a continuous basis for better safety awareness.
- Steps have been taken towards availability of HV/ EHV detector, insulation resistance and earth resistance kits at field units.
- All Grid Substations are maintaining data for fire extinguishers digitally, the status of which is are being checked across OPTCL.
- Pre-Employment Preparatory Talk (PEP TALK) and Hazard Identification and Risk Assessment (HIRA) have been made mandatory. Besides, safety pledge before starting of any work for all team members has been made mandatory.
- Safety training has been made mandatory for all electrical employees as per CEA regulations. Safety training modules and safety workshops etc. are prepared for different target participants and conducted on regular basis.
- An e-Audit has been developed considering around 250 audit points for submission of internal safety audit report by grid substations and transmission lines.
- e-LC launched in field levels to make the line clearance procedure more transparent and full-proof.
- Observation of National Safety Week and National Electrical Safety Week for creation of safety awareness among employees.
- Inclusion of safety performance in EPAR of employees.
- Safety Awareness programs conducted through physical and online mode.
- Training programs on first-aid for all employees has been planned out for the whole year and has started in phased manner.
- Safety quiz programs with rewards for public were organized to create safety awareness amongst public.
- Safety messages have been circulated among the employees through digital media like bulk messages on mobile and computer platforms.
- Competitions among field units have been conducted towards tree plantation and environment protection.

### INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Corporation has constituted an internal complain committee under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complain was received by the said committee.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Corporation has not entered into any contracts or arrangements with related parties during the year under report. As per Notification dated 5.6.2015 issued by the Ministry of Corporate Affairs, any transactions by a

Government Company in respect of contracts and arrangements entered into with any other Government Company is exempted under Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party transactions in form AOC-2 is not applicable.

### **INTERNAL CONTROL SYSTEMS**

Your Corporation is having a comprehensive internal control mechanism in place to verify the accounting and financial management system, adequacy of controls, financial propriety aspects and to provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements in accordance with generally accepted accounting principles. The Corporation has a well-defined delegation of power prescribing the limits for approving financial transactions. The Corporation has established internal control systems that commensurate with size and nature of its operations and also has a dedicated Internal Audit department which carries out audit across business. In line with the provisions of Section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, experienced external firm of Chartered Accountants/Cost Accountants have been engaged as the Internal Auditors duly approved by the Board of Directors for assessment of financial and non-financial transactions in close co-ordination with Company's own Internal Audit department so as to ensure that all checks and balances are in place and all internal controls/systems are in order. The Audit Committee of the Company meets at regular intervals. The internal audit reports along with significant / material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

### **RISK MANAGEMENT**

Being a State Transmission Utility created under the statute, the element of risk threatening the existence of the Company is minimal. However it is the practice of OPTCL to follow the risk management practices in its entire programme starting from project execution to system operation to manage the uncertainties and complexities associated with Company's business operations and growth objectives. The potential risk involvement relates to its assets & property, operation, regulatory risk, RoW etc. The management review and monitors the key performance parameters and take corrective measures to improve the business process efficiencies and it helps the company to improve strategic decision making within the organization. The management is in the process for formulating a Risk Management Policy.

### **MEMORANDUM OF UNDERSTANDING**

Your Corporation for the 14<sup>th</sup> successive year has signed the Memorandum of Understanding (MOU) with the Department of Energy, Govt. of Odisha for FY 2022-23 pursuant to the guidelines framed under the Corporate Governance Manual issued by P.E. Deptt, Govt. of Odisha.

### **ORDERS, IF ANY, PASSED BY REGULATORS/ COURTS OR TRIBUNALS**

During the period under report no orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation.

### **AWARDS AND ACCOLADES**

During the period under report, the Corporation has received the following awards:

- CBIP Award 2022 as Best Power Transmission Utility in the country on CBIP's Foundation Day at New Delhi.
- CMD Leadership Award by Governance Now at the 9th PSU Awards Ceremony at New Delhi.
- 18th National Awards for Excellence in Cost Management-2022 by The Institute of Cost Accountants of India under the category of Power Distribution & Transmission.
- Best Employer Brand Award - 2023 by World HRD Congress.

- Platinum winner of the prestigious India Smart Grid Forum (ISGF) Innovation awards-2023 under the category "Smart Technology-Electricity Transmission" for the project "Automatic Demand Management Scheme (ADMS) in Odisha Power System".
- Best SLDC under Medium Size category of LDC Excellence Award Ceremony held at Delhi.
- Best SLDC by IPPAI at 22<sup>nd</sup> Regulators & Policymakers Retreat 2022.
- Best performing SLDC in Eastern Region by IPPAI at the 14th Regulators & Policymakers Retreat 2023.

## **RIGHT TO INFORMATION**

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Corporation in line with Right to Information Act, 2005. The Corporation has nominated Public Information Officers and Appellate Authorities at Corporate, Zonal and other field offices to provide required information to the citizens under the provisions of Act.

Training programs / awareness sessions for the Company's CPIOs/PIOs/Appellate Authorities were organized for sensitization about their role in implementation of the RTI Act. The Company under suo-moto disclosures in compliance under Section 4 (1)(b) of Right to Information Act, 2005 has placed large amount of information in public domain on a proactive basis to make the functioning of the Public Authorities more transparent and to reduce the number of RTI applications from individuals.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed Dividend declared and paid, the provisions of Section 125 of the Companies Act, 2013 do not apply to the company.

## **MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

Your Corporation being Government Company is exempted to furnish information under Section 197 of the Companies Act, 2013 vide Notification No. GSR-163(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Govt. of India.

## **MEETINGS OF THE BOARD**

During the year eight (8) Board Meetings were held i.e. on 19<sup>th</sup> May, 2022, 16<sup>th</sup> July, 2022, 14<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 9<sup>th</sup> December, 2022, 4<sup>th</sup> February, 2023 and 10<sup>th</sup> March, 2023 and 31<sup>st</sup> March, 2023. All Board Meetings were held at the Registered Office of the Corporation in Hybrid mode. Meetings were scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes were circulated to the Directors to enable them to go through the proposals and participate in the discussion for effective decision making at the meetings. The members of the Board had complete access to all information of the Company. In case of urgency, resolutions are passed by circulation. Notice and Agenda papers for the meetings were circulated to the Directors in advance

## **SUB-COMMITTEES OF THE BOARD**

### **Audit Committee:**

The Audit Committee of OPTCL has been constituted by the Board of Directors since 2006. The terms of reference, role, powers and functions of the Audit Committee have been also approved by the Board covering all matters specified under the Companies Act, 2013 and the guidelines of the Corporate Governance Manual of P.E. Department, Govt. of Odisha. The Audit Committee of OPTCL as on 31 March, 2023 was comprises of Sri B.K.Misra, Dr. Satyapriya Rath, CA Sunil Kumar Das and Sri U.K.Pati as members. Head of Finance was a special Invitee to the Audit Committee meetings. During the year under report five meetings were held i.e. on 12.07.2022, 10.08.2022, 07.11.2022, 28.02.2023 and 16.03.2023.

**Corporate Social Responsibility (CSR) Committee:**

The Companies Act, 2013 mandates constitution of Corporate Social Responsibility Committee. Accordingly, the Board of Directors have constituted the CSR Committee comprising of Functional and Independent Directors which is empowered to look into matters related to CSR activities and sustainability development programmes. The CSR policy of the OPTCL has been formulated in line with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014 which has been approved by the Board of Directors of the Company in their 70<sup>th</sup> meeting held on 27.02.2015.

**Nomination and Remuneration Committee:**

The Board of Directors have constituted the Nomination and Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and Companies (Meeting of Board and its Power) Rules, 2014. The Ministry of Corporate Affairs (MCA) vide Notification dated 5th June,2015 has exempted Government Companies from the provisions of Section 178 (2) of the Companies Act, 2013 (the Act), which provides for manner of evaluation of performance of Board, its Committees and Directors by Nomination and Remuneration Committee.

**BOARD OF DIRECTORS**

The changes on the Board of Directors of the Corporation from last AGM to the date of this year AGM is as under:

Sri Nikunja Bihari Dhal, IAS, Principal Secretary to Govt. Department of Energy, Govt. of Odisha continued as the Chairman of the Corporation till he relinquished the charge on 15.09.2022. Sri Sanjay Kumar Mishra, IRTS who joined as Managing Director on 27.08.2021 was elevated to the position of Chairman-cum-Managing Director w.e.f.15.09.2022 and continuing as such.

Sri Upendra Kumar Pati, Director (Operation), Sri Samir Kumar Swain, Director (Finance), Sri Raghunath Pratihari Director (HRD), and Sri B.B.Mehta, Director (SLDC) continued as whole time functional Directors during the year under report.

Sri Yudhisthir Nayak, IAS Additional Secretary, P.E. Department and Dr. Satyapriya Rath, IAS, Director (Budget), Finance Department continued as Government Nominee Directors on the Board of Directors of the Corporation. Smt. Lipsa Das, Additional Secretary, Deptt. of Energy, Govt. of Odisha was appointed as Government Nominee Directors on the Board of Directors of the Corporation on 06.11.2022 and continued till 13.09.2023. Sri Saidutta Biplab Kesari Pradhan, Additional Secretary, Deptt. of Energy, Govt. of Odisha was appointed as Government Nominee Directors on the Board of Directors of the Corporation on 13.09.2023 in place of Smt. Lipsa Das.

Sri B.K.Misra, Sri Sunil Ku. Das and Prof. (Dr.) Mukti K. Mishra and Prof. (Dr.) Meera Viswavandya continuing as Independent Director on the Board of Directors of the Corporation. Sri R.K.Nayak, Ex-CMD, PGCIL was inducted as an Independent Director on the Board of Directors of the Corporation in place of Sri D.K.Roy. Sri P.K.Pujari, Ex-Chairperson, CERC was inducted as an Independent Director on the Board of Directors of the Corporation in place of Sri Sunil Ku. Das.

The Board wishes to place on record its sincere appreciation for the contribution made by Sri Nikunja B. Dhal, IAS, Smt. Lipsa Das, Sri D.K.Roy and Sri Sunil Ku. Das during their association with the Corporation.

**KEY MANAGERIAL PERSONNEL**

During the year under report, Sri Sanjay Kumar Mishra, IRTS as Chairman-cum-Managing Director, Sri U.K.Gupta, Chief Financial Officer and Sri P.K.Das, Company Secretary who were designated by the Board as Key Managerial Personnel of the Corporation pursuant to the provisions section 203(1) of the Companies Act, 2013 were continued as such.

### **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have met the requirements specified under section 149 (6) of the Companies Act, 2013 so far as holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149 (7) has been received.

### **PERFORMANCE EVALUATION OF DIRECTORS**

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs Notification dated 5<sup>th</sup> June, 2015. Further, MCA vide its notification dated 5th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of non-independent directors and Chairman and performance evaluation of the Independent Directors by the Board. The appointment, tenure and remuneration of Directors is decided by the State Government. Remuneration paid to Functional Directors are as per terms and conditions determined by the State Government. Independent Directors are paid only sitting fee for attending Board / Committee meetings. The Government Nominee Directors on the Board do not draw any remuneration/sitting fee for attending Board / Committee meetings.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Extract of Annual Return in Form MGT-9 for the financial year 2022-23 is attached to this report as **Annexure**.

### **MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF THE REPORT**

No material changes and commitments have occurred after the close of the financial year 2021-22 till the date of this Report, which affect the financial position of the Company.

### **GENERAL**

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.
- Buy back of securities and Bonus shares.
- Neither MD nor the Whole-time Directors of the Company receive any commission from the Company.
- There was no change in the nature of business of the Company during the Financial Year 2022-23.
- There was no employee during the year drawing remuneration in excess of the ceilings prescribed under Rule-5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **STATUTORY AUDITORS**

M/s. PAMS & Associates, Chartered Accountants, Bhubaneswar were appointed as Statutory Auditors of your Corporation by the Comptroller and Auditor General of India for the Financial Year 2022-23. The Statutory Auditors report is annexed hereto. The replies of the management on the comments of the Statutory Auditors placed at Annexure forms part of this report. No instance of fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013.

## COMMENTS OF C&AG OF INDIA

The Comptroller & Auditor General of India have undertaken supplementary audit on the accounts of the Corporation for the year ended 31st March, 2023. The comments of the C&AG on the Financial Statements of the Corporation for FY 2022-23 are annexed hereto. The replies of the management on the comments of the Comptroller & Auditor General of India placed at Annexure forms part of this report.

## COST AUDITORS

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. S.C.Mohanty & Co., Cost Accountants, Bhubaneswar were appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2022-23.

## SECRETARIAL AUDITORS

In terms of Section 204 of the Act and Rules framed thereunder, M/s Saroj Panda & Co., Company Secretaries have been appointed as Secretarial Auditors of the Company for FY 2022-23. The report of the Secretarial Auditors is enclosed to this report. The report does not contain any qualification.

## INTERNAL AUDITORS:

Your Company appointed Chartered Accountant/Cost Accountants firms as Internal Auditors for FY 2022-23 for carrying out Internal Audit, verification of Fixed Assets, Store and MAS account audit on the recommendations of the Audit Committee in terms of section 138 of the Companies Act, 2013.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as per provisions under section 134 (3) (m) of the Companies Act, 2013 forms part of this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that;

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 and of the profit and loss 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 this Companies Act, 2013 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts for the financial year ended on 31<sup>st</sup> March 2023 on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the continuous guidance and co-operation received from the Government of Odisha especially from the Department of Energy, Department of Public Enterprises, Finance Department, P&C Department, OERC, CEA, CERC and other concerned departments/ organizations at the Centre and State level. The Board also extends its sincere appreciation to GRIDCO, OHPC, OPGC and other power sector utilities that have reposed confidence and valued cooperation.

Your Directors express their sincere thanks for the constructive suggestions received from the Comptroller & Auditor General of India, Statutory Auditors, Cost Auditors and Secretarial Auditors during the audit process. The Board also conveys its sincere thanks to various financial institutions/ banks for timely assistance; continued trust and confidence reposed by them on OPTCL.

Your Directors also wish to place on record their appreciation for the untiring efforts and contribution made by the employees of the Corporation at all levels, particularly during the ongoing pandemic situation to ensure its growth, is exemplary and praise worthy.

**Bhubaneswar**  
**Date: 12.02.2024**

**For & on behalf of the Board**

**Sd/-**  
**CHAIRMAN-CUM-MANAGING DIRECTOR**



**ANNEXURE-III****Replies of the Management on the Comments on the Statutory Auditors on the Financial Statements of Odisha Power Transmission Corporation Limited (OPTCL) for the FY 2022-23**

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
01.	The Company has not carried out any techno-economic assessment for Capital Work-In Progress during the year ended 31 <sup>st</sup> March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind-AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.	Noted
02.	The company has capitalized interest cost of Rs 22.55 Crore on Plant Property & Equipment and Capital Work In Progress on time overrun project during the year. This will lead to over capitalization of Property Plant & Equipment and overstatement of profit to that extent, the consequential impact of adjustment, on Depreciation and Amortization if any, on the Ind-AS Financial Statements is currently not ascertainable.	Capitalization of interest in some time over run projects are done complying with the provision of Ind AS 16 read with Ind AS 23.
03.	The correctness of capitalization of leasehold land and amortization thereof in compliance to Ind-AS116- Leases, could not be commented upon in respect of leasehold lands, as the same is disclosed under Plant Property & Equipment instead of Right to use of Assets. The consequential impact on value of Lease Liability, Right to use of Assets, Depreciation on Right to use of Asset, Prepaid Lease Expenses and Finance Cost (unwinding of Interest), if any, are presently not ascertainable.	Noted
04.	The Company has obtained a loan from Govt. of Odisha outstanding as on 31/03/2023 Rs.527.01 Crores through a back-to-back agreement from Japan International Co-Operative Agency (JICA). The term of loan is sanctioned and repayable in Japanese Yen JPY. However, the Company is not accounting the Foreign Exchange Fluctuation on closing outstanding balance which is not in confirmatory with IND-AS21. The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.	OPTCL receives the loan amount Indian Currency from GoO through Budget provision of Dept. of Energy, GoO. Hence the loan is treated as loan from GoO to OPTCL and does not invite applicability of Ind AS 21.

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
05.	<p>The correctness of recognition of revenue from depository work and supervision services charges in compliance to Ind-AS115- Revenue, could not be commented up on as the details of the depository work and supervision services charges for the periods are not available. The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.</p> <p>In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated above in our report on the Ind-AS Financial statements of the Company for the year ended on 31st March 2023.</p>	Noted
01.	<p><b>Emphasis of Matter :</b> Reference invited to Note No 2.24 of Ind-AS Financial Statement regarding recognition of income like delayed payment surcharge &amp; liquidated damage on confirmation basis. Which is a deviation from accrual system of accounting.</p>	<p>As per the accounting policy, Delay Payment Surcharge is not considered as income in the books although it is mentioned in the bill. Suitable disclosure to this effect is made in notes to account.</p>
02.	<p>Reference invited to Note No 2.25 of Ind-AS Financial Statement regarding recognition expenses like interest payable on infrastructure loans, rebate allowed to distribution Companies on payment basis. Which is a deviation from accrual system of accounting.</p>	As per significant accounting policy the matter has been disclosed suitably.
03.	<p>Reference invited to Note No 2.14 of Ind-AS Financial Statement regarding the Accounting Policy on the closing stock including Materials at Site (MAS) is determined on weighted average basis, taking into consideration the physical verification of inventory at the year-end. The total purchases and opening stock has been charged to repair &amp; maintenance and the consumption of material during the year is ascertained by deducting the closing inventory from the total amount charged to repair &amp; maintenance, which is not a correct procedure of inventory accounting and management. The Company should account for the actual stocks received and issued for the concerned projects in order to find out proper determination of consumption of materials under weighted average method and valuation of inventory at year-end accordingly.</p>	Noted.

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
04.	Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold / freehold basis through various authorities including Energy & Irrigation Department, OSEB, GRIDCO, the deeds of which are yet to be executed in the name of the Company.	Pursuant to the Govt. of Odisha Notification No.6892 Dtd. 09.06.2005 and under the provisions of Odisha Electricity Reforms (Transfer for Transmission and related activities) Schemes 2005 formulated for the purpose of transfer and vesting of transmission undertakings of GRIDCO, all the Transmission Assets, State Load Dispatch Center Assets, Personnel, Proceedings and related liabilities stood transfer to OPTCL with effect from 01.04.2005. This includes Lands although the title deeds are in the name of OSEB / GRIDCO / Power and Irrigation Department/Energy Department, Govt. of Odisha.
05.	Property Plant and Equipment, situated on the expired/ non-renewed leasehold lands, the Management has not made any provision for the surrender value/ written down value of the aforementioned Property Plant and Equipment, in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.	Noted.
06.	Interest accrued and due on borrowings from financial institutions includes, IBRD Loan amounting to Rs.34.73 Crore (disclosed in Note No 22A- Other Noncurrent Financial Liabilities) transferred from GRIDCO to OPTCL as per the Transfer Scheme which is carried forward in the books since FY 2005-06. As per the information and explanation given to us, the State Government has not waived the claim of interest on the IBRD loan till March 31, 2023 for the said amount. In the absence of the waiver of loan interest from State Government the Company has not accounted for the interest on such outstanding amount for the backlog period.	The IBRD loan interest has not been paid as it has been deferred and not allowed by OERC.
07.	Interest accrued and due on borrowings from Central Government amounting to Rs.26.97 Crore is the total interest provision made up to FY 2014-15 on Central Govt. Loan which was calculated and accounted for on a consistent basis. However, in the letter no. 2/1/TRM/CEA/Audit/2011894 dtd.15.07.2014 Central Electricity	The interest due to Central Electricity Authority has not been paid due to pending reconciliation of interest amount and loan tenure. However it will be paid once confirmation is received from GOI.

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
	<p>Authority (CEA) has intimated interest, payable against the Central Govt. Loan as Rs.21.69 Crore without mentioning the interest rate and the period up to which it has been calculated. Since there is a difference in figures this needs to be reconciled and adjusted in the books.</p>	
08.	<p>Certain statutory dues such as "Income tax deducted at source on salaries (Account Code 44.401)", "Income tax deducted at source on payment to contractors (Account Code 44.924)", "Income tax on other payment (Account Code 44.931)" "Liability for Service Tax (Reverse Charge) (Account Code 44.932)", "Liability for Odisha Sales Tax(WCT) (Account Code 44.938)" and Liability for Odisha Sales Tax(Account Code 44.939)" both debits and credits are pending since long in the books of account without any payment / recovery / adjustment under these heads. As these are statutory payments the payable amount under respective heads needs to be ascertained for clearing the statutory dues or if already discharged should be adjusted in the corresponding heads.</p>	<p>Necessary steps are being taken for regularization of these old balances arising out of misclassification of Account heads.</p>
09.	<p>In respect of erection contracts (involving earthwork), no royalty is deducted from the bills of the contractors &amp; deposited with the Government as per rules. Further, necessary proof regarding deposit of royalty directly by the contractors with the Government, if any is also not held on record and as explained to us, the same is not being obtained.</p>	<p>OPTCL does not procure Minor Minerals directly from the Lessee in respect of erection contracts (involving earthwork) rather these contracts are awarded to the EPC Contractors on Turn Key basis. Further pursuance to the Odisha Minor Mineral Concession Rules, 2016 notified vide S.R.O. No.601/2016 dtd. 14.12.2016 of Steel &amp; Mines Department, Govt. of Odisha the liability for payment of Royalty to the Govt. of Odisha lies with the lessees. Since OPTCL is neither the Lessee nor the Procuring Agency of such minerals the provisions as envisaged in the aforesaid Notification is not applicable to the Company. Due to which the company does not insist upon the proof regarding deposit of royalty directly by the contractors with the Government.</p>

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management												
10.	<p>As per company policy which was duly approved by Audit Committee vide Meeting dtd: 21.09.2021 the amounts of security deposit, earnest money and retention money collected is to be kept in the books for 8 years, if any amount is kept for more than 8 years it is supposed to be written back after 8 years.</p> <p>The last classification regarding this was done by OPTCL in the financial year 2020-21 in which amounts kept for more than 8 years were written back i.e., from the financial year 2012-13.</p> <p>Further no such classification was done after the financial year 2020-21 which has resulted in rolling of the balances of the financial years 2013-14 and 2014-15. The present balances under the security deposit, earnest money deposit and retention money are-</p> <table border="1" data-bbox="228 821 946 1000"> <thead> <tr> <th>A/C code</th> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>46.1.1</td> <td>Security Deposit</td> <td>29,70,35,542</td> </tr> <tr> <td>46.1.3</td> <td>Earnest Money Deposit</td> <td>3,03,41,819.64</td> </tr> <tr> <td>46.1.5</td> <td>Retention Money</td> <td>3,62,16,30,262.62</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Further, as per our discussion with the management the concept of retention money was withdrawn from the FY 2017-18 whereas it is noted that there is still an amount of Rs. 3,62,16,30,262.62 is appearing in books as on 31-03-2023.</li> <li>• The management could not provide us the data of such balances for more than 8 Years in SD, EMD and Retention Money. Hence the balances which belongs to the FY 2014-15 and 2015-16 in our opinion needs to be written back in the books of accounts. In the absence of data, we could not quantify the amount of write off or written back and also the impact of the same in books of accounts.</li> </ul>	A/C code	Description	Amount	46.1.1	Security Deposit	29,70,35,542	46.1.3	Earnest Money Deposit	3,03,41,819.64	46.1.5	Retention Money	3,62,16,30,262.62	<p>Necessary action would be taken to identify such balances rolling for more than 8 years and written back on the basis of analysis made, on case to case basis.</p>
A/C code	Description	Amount												
46.1.1	Security Deposit	29,70,35,542												
46.1.3	Earnest Money Deposit	3,03,41,819.64												
46.1.5	Retention Money	3,62,16,30,262.62												
11.	<p>28.9.10- Provision for losses on Sundry Receivable</p> <p>Under the account code 28.9.10 an amount of Rs. 2.07 Crores is rolling in the accounts as provision against receivable since financial year 2013-14. Since this relates to the staff dues which in our opinion has already been settled by now, this account needs to be nullified and the amount needs to be written off from the DDO books of accounts.</p>	<p>Provision made against other receivables amounting to Rs.2.07 Cr. as shown in the books of DDO Head quarter would be reconciled. If it is found that the said receivables are neither realizable nor adjustable and rolling for more than 8 years then steps would be taken to write off such receivables.</p>												

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
12.	<p>46.2.20- Inspection fees</p> <p>Under the account code 46.2.20 i.e., "Amount payable to State Govt. - Inspection Fees" an amount of Rs. 26,017,818.00 (Liability) is appearing since long.</p> <p>In the OPTCL accounts another ledger head under the account code 76.4.59 – Inspection fees, is having an amount of Rs. 69,670,757.00.</p> <p>The Inspection fees is paid to Government when the demand for the same is raised by the Government the accounting for the same is being made on payment basis. The expenditure as booked in accounts for the same needs to be booked on accrual basis for each of the year and payment for the same needs to be made from the liability which needs to be created for such expenses on a yearly basis. Hence necessary provision needs to be made under this head for proper accounting and the credit balance running since long in the books of accounts should be verified and adjusted in the books of accounts.</p>	Noted for Future Guidance.
13.	<p>46.2.21- Amount payable to State Govt. - Lease Rent, Ground Rent &amp; Cess Rent</p> <p>Under this accounting code for construction division, Jeypore liability was booked towards the expenses for Lease Rent, Ground Rent &amp; Cess Rent up to 31.3.2023 amounting to Rs.44,72,699. However, since this is a Statutory Payment, the payment amount needs to be identified or the status of payment may be Classified. If this amount is not payable as on date this should be written back or if further liability is required for the same that needs to be provided for in the books till 31-03-2023.</p>	<p>Noted.</p> <p>Necessary adjustment shall be made under the head Amount payable to State Govt. towards Lease Rent, Ground Rent &amp; Cess (A/C Code-46.2.21), after reviewing the details of provision and payment made by the unit.</p>
(d)	<p>Code 52.1.10 and 52.1.20 : INFRASTRUCTURE LOAN</p> <ul style="list-style-type: none"> <li>• The company had accepted Loans from various Parties for upgrading the infrastructure of the transmission lines, sub-stations, transformers and if required to supervise the construction of their EHT lines, associated bays, and anything extra required.</li> <li>• Under accounting Code 52.1.10 and 52.1.20 the parties have given Deposits/Loans to OPTCL which are based on the Agreement with the Parties, however it was noticed that most of the Agreements are now closed and not renewed. However, the balance funds from various parties are still appearing in the books since long. Since as per the provisions of Companies Act, those liabilities which are kept for</li> </ul>	Noted.

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management												
	<p>more than 1 year needs to be treated as Deposits and not loan appropriate presentation of these amounts in the books of the company needs to be made.</p> <ul style="list-style-type: none"> <li>The details of these deposits are as given as below for appropriate presentation in the financial accounts :</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">A/C Code</th> <th style="text-align: center;">Description</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">52.1.10</td> <td>Financial participation by consumer (Infrastructural Loan) - interest bearing</td> <td style="text-align: right;">23,30,62,925.00</td> </tr> <tr> <td style="text-align: center;">52.1.20</td> <td>Financial participation by consumer (Infrastructural Loan) - interest free</td> <td style="text-align: right;">74,75,44,235.70</td> </tr> <tr> <td></td> <td style="text-align: center;"><b>Total</b></td> <td style="text-align: right;"><b>98,06,07,160.70</b></td> </tr> </tbody> </table>	A/C Code	Description	Amount	52.1.10	Financial participation by consumer (Infrastructural Loan) - interest bearing	23,30,62,925.00	52.1.20	Financial participation by consumer (Infrastructural Loan) - interest free	74,75,44,235.70		<b>Total</b>	<b>98,06,07,160.70</b>	
A/C Code	Description	Amount												
52.1.10	Financial participation by consumer (Infrastructural Loan) - interest bearing	23,30,62,925.00												
52.1.20	Financial participation by consumer (Infrastructural Loan) - interest free	74,75,44,235.70												
	<b>Total</b>	<b>98,06,07,160.70</b>												
15.	<p>Code : 46.8.10 : Provision for Income Tax</p> <p>Under A/C code 46.8.10 Rs. 36,27,22,496.45 is appearing in the books since long as provision for Income Tax of earlier year. Since Income Tax has already been paid &amp; return has already been filed for earlier years, there is no need to carry this amounts in books of account. Hence this should be written back.</p>	Noted.												
16.	<p>Code: 46.9.47 &amp; 46.9.48 – Liability for Distribution of License Fees CESU &amp; NESCO</p> <p>Under A/C code 46.9.47 &amp; 46.9.48-Liabilities for distribution of License fee of CESU &amp; NESCO an amount Rs.34,86,500.08- &amp; 81,98,122.37 respectively is running from a long time. As per OERC order dated 23.03.2023 OPTCL has already written off the debit balance in CESU &amp; NESCO account along with its provision. Since there is no balance pending w.r.t CESU &amp; NESCO in OPTCL books, this amount should be written back.</p>	Amount received by SLDC towards distribution license fees for the month February and March 2023 belong to TPCODL & TPNODL instead of CESU & NESCO. This has been remitted to the concerned DISCOMS during the month of April-2023.												
17.	<p>Code: 56.6.80- Contingency Reserve- Rs. 1,24,73,10,000.00</p> <p>This reserve is created as per the provision of the old Electricity Supply Act 1948. However, as per recent electricity supply Act this provision is silent, hence the company has not made any further provision in its account in the current financial year. Further against this reserve corresponding investment has been kept under accounting code 20.2.10 by OPTCL as per the provisions of old statue. However as on 31.03.2023 the balance in provision account in accounting code no 56.6.80 is Rs. 1,24,73,10,000 whereas matching investment for the same amounts to Rs. 1,14,73,10,000 only and there is a difference of Rs. 10 Cr. for which further investment needs to be made.</p>	The Contingency reserve amounting to Rs.124.73 Crore is appearing in Books of Accounts against the Head of A/c- 56.680 as on 31.03.2023. But the investment of Rs. 114.73 Crores was made upto the FY 2022-23 and subsequently the Investment of Rs. 10 Crore has already been made during April-2023 by OPTCL.												

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management																										
18.	<p>Pension, Gratuity &amp; Leave encashment. OPTCL is regularly making provisions of Terminal Benefit in its books of accounts. The detail of provisions made and payment of such liability for the Financial Year 2022-23 in respect of Pension and Leave encashment is as follows</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th rowspan="2" style="width: 30%;">Particulars</th> <th colspan="2" style="text-align: center;">(Amount in Rs)</th> </tr> <tr> <th style="width: 35%;">Pension</th> <th style="width: 35%;">Leave Encashment</th> </tr> </thead> <tbody> <tr> <td>A/C Code</td> <td style="text-align: right;">44.115</td> <td style="text-align: right;">44.120</td> </tr> <tr> <td>OB Liability as on 01.04.2022</td> <td style="text-align: right;">7,39,47,03,866.00</td> <td style="text-align: right;">13,92,19,391.00</td> </tr> <tr> <td>Provision as per Actuary Valuation Report</td> <td style="text-align: right;">2,57,99,74,139.00</td> <td style="text-align: right;">15,58,80,111.00</td> </tr> <tr> <td>Other Comprehensive Loss</td> <td style="text-align: right;">74,91,15,033.00</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>10,72,37,93,038.00</b></td> <td style="text-align: right;"><b>29,50,99,502.00</b></td> </tr> <tr> <td>Payment made to Trust by OPTCL during the F.Y. 2022-23</td> <td style="text-align: right;">4,44,16,00,000.00</td> <td style="text-align: right;">26,92,19,391.00</td> </tr> <tr> <td>CB Liability as on 31.03.2023 (Payable to Trust)</td> <td style="text-align: right;">6,28,21,93,038.00</td> <td style="text-align: right;">2,58,80,111.00</td> </tr> </tbody> </table> <p>From the above it is clear that OPTCL had made short deposit of Rs.628.22 Cr in Pension Fund and Rs.2.59 Cr in Leave Encashment Fund.</p>	Particulars	(Amount in Rs)		Pension	Leave Encashment	A/C Code	44.115	44.120	OB Liability as on 01.04.2022	7,39,47,03,866.00	13,92,19,391.00	Provision as per Actuary Valuation Report	2,57,99,74,139.00	15,58,80,111.00	Other Comprehensive Loss	74,91,15,033.00		<b>Total</b>	<b>10,72,37,93,038.00</b>	<b>29,50,99,502.00</b>	Payment made to Trust by OPTCL during the F.Y. 2022-23	4,44,16,00,000.00	26,92,19,391.00	CB Liability as on 31.03.2023 (Payable to Trust)	6,28,21,93,038.00	2,58,80,111.00	<p>Necessary steps are being taken to reduce the dues payable to Pension trust and Leave Encashment Trust by releasing additional payment during the F.Y.2023-24 on due approval of competent authority.</p>
Particulars	(Amount in Rs)																											
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01	<b>Report on Other Legal and Regulatory Requirements</b>																											
(a)	As required by Section 143(3) of the Act, we report that: We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;	No Comments																										
(b)	Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion and Other Matter paragraphs, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.	No Comments																										
(c)	The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account;	No Comments																										

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
(d)	Except for the effects of the matters described in the Basis for Qualified Opinion and Other Matter paragraphs above, in our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;	No Comments
(e)	The matters described in the Basis for Qualified Opinion para above, in our opinion may not have an adverse effect on the functioning of the Company;	No Comments
(f)	As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;	No Comments
(g)	With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate Report in "Annexure A".	No Comments
(h)	As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Company.	No Comments
(i)	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	No Comments
(ii)	The Company has disclosed the impact of pending litigations on its financial position in its IND AS Financials Statements except for matters arising out of Land disputes, family pension, disciplinary proceedings, tower lines disputes, Commercial, Compensation Land acquisition cases, Rehabilitation Assistance, Wheeling Charges and Enhanced Land Premium.	No Comments
(iii)	Except for the matters described in the basis for qualified opinion paragraph, the Company has made provision as required under applicable law or accounting standards, material foreseeable losses, on long term contracts including derivative contracts, if any. There are no derivative contracts entered into by the Company.	No Comments

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
(iii)	As per books of accounts and based on information and explanation provided to us there were no amounts which were required to be transferred to Investor's Education and Protection Fund by the Company	No Comments
(iv) (a)	The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No Comments
(b)	The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No Comments
(c)	Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.	No Comments
(v)	The Company has not declared or paid any interim or final Dividend during the financial year, hence reporting under Rule 11(f) is not applicable.	No Comments

Sl. No.	Comments of the Statutory Auditors FY 2022-23	Replies of the Management
1.	<p>Proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company only w.e.f. 1<sup>st</sup> April,2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 is not applicable for the Financial Year ended 31<sup>st</sup> March,2023.</p>	No Comments
2.	<p>As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.</p>	No Comments
3.	<p>In compliance to directions and sub-directions of Comptroller and Auditor General of India under section 143(5) of the Act, we give in "Annexure C" to this report a statement on the matters specified therein.</p>	No Comments



**Annexure A to the Independent Auditors' Report  
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'  
Section of our Report of even date)**

**Annexure A**

	<b>Comments of the Statutory Auditor 2022-23</b>	<b>Replies of the Management</b>
	<b>Qualified Opinion</b>	
	According to the information and explanations provided to us following weaknesses have been identified during the course of audit as at 31st March,	
	<p><b>Revenue</b> There is inadequate control with respect to recognition and adjustment of income from deposit work and supervision services charges, which need to be strengthened. This could potentially result in materially misstating its revenue, trade receivables, statutory liability (GST) and other related items.</p>	Internal control system in this regard is being strengthened by taking into account all regular bills and PV bills at the time of commissioning and capitalization of assets .The closure of contracts and final BOQ amendments in case of all turnkey contracts are subject to scrutiny and verification by CIAC branch
	<p><b>Employee Benefits</b> The internal control system in the Company in respect of control over recovery/ adjustment of advances given to the employees, namely house building advance, medical advances, travelling and transfer advances appears to be inadequate needs early recovery / adjustments. This could potentially result in the Company misstating the employee benefits expenses and advances.</p>	<p>Recovery / adjustment of advances given to the employees, namely house building advance, medical advances, travelling and transfer advances etc. are being recovered regularly as per the terms &amp; conditions specified in the sanction letter.</p> <p>In this regard proper Internal Control measures are also followed to avoid discontinuance of recovery / adjustment of loan amount. Proper scrutiny of balance loan remain unadjusted is being monitored at Head Quarter level.</p>
	<p><b>Property Plant &amp; Equipment</b> The Company did not have an adequate internal control system for effecting necessary adjustment in case of commissioned assets, deposit works/ cost plus contracts pending final settlement of bills with contractors. This could potentially result into under / over capitalization of fixed assets and corresponding impact on the operational results of the Company due to lower charge of depreciation.</p>	Necessary guideline has already been issued for early finalization of PV and amendments at an early stage to facilitate the project closure as far as possible and noted for future.

	Comments of the Statutory Auditor 2022-23	Replies of the Management
	<p><b>Inventory</b> The Company needs to strengthen the internal control system in respect of receipt and issue of materials which may not be recorded promptly and maintenance of inventories and conducting physical verification thereof. This could potentially result in the Company materially misstating the inventory value in Ind-AS Financial Statements.</p>	<p>Noted for future guidance.</p>
	<p><b>Current Assets and Liabilities</b> The Company did not have adequate internal controls for reconciling and obtaining balance confirmation from sundry debtors, sundry creditors and other parties. This could potentially result in Company materially misstating the debtors and creditors in the Ind-AS Financial Statements. The Company's internal control system for creation of appropriate provision for pending bills from suppliers and contractors, were not operating effectively which could potentially result in non-booking of capital as well as revenue expenditure timely.</p>	<p>Noted The provision / liability against pending bills not paid by 31st March are being considered in the Accounts of OPTCL against all Capital Works, Repair and Maintenance work etc. except PV bill which is not considered since it is not ascertained and finalized.</p>
	<p><b>Others</b> The controls over process of reconciling general ledger balance with subsidiary ledger accounts balance needs to be strengthened. This could potentially result in material misstatement of current liabilities and current assets in the Ind-AS Financial Statements.</p>	<p>Noted</p>
	<p>There is inadequate control flagging of Vender as MSME which may not be recorded promptly and in the appropriate period which could potentially result in material misstatement of payable to MSME Vendors.</p>	<p>Noted</p>
	<p>The Company needs to strengthen the process of MIS reporting on a timely and promptly manner. This could potentially result in result in material misstatement of Ind-AS Financial Statements of the Company.</p>	<p>Noted</p>
	<p>The Company has not defined any risk control matrix identifying the key risk areas of particular System. This could result in weak checks and balances and ineffectiveness in operations as well.</p>	<p>Noted</p>

	<b>Comments of the Statutory Auditor 2022-23</b>	<b>Replies of the Management</b>
	<p>In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2023 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.</p>	<p>Noted</p>
	<p>We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind-AS Financials Statements of the Company as of 31st March, 2023 and these material weaknesses do not affect our opinion on the Ind-AS Financial Statements of the Company.</p>	<p>Noted</p>



**Annexure-B to the Independent Auditors' Report on Ind AS Financial Statements for the year ended 31st March, 2023 of Odisha Power Transmission Corporation Limited.**

**Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)**

	<b>Comments of the Statutory Auditor</b>	<b>Replies of the Management</b>
01	<p>To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:</p> <p>(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:</p> <p>(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its property, plant &amp; equipment's including intangible assets except for land for which complete records are not available with land section.</p>	<p>All Land records and land deeds of various places are available at Land Section of OPTCL Hqrs. office and in some cases at field units</p>
	<p>(b) As informed to us by the Company management and explanations given to us, these Property, Plant and Equipment have been physically verified by the management every year, excepting the assets / installations put to use in transmission functions are considered as physically available so along as the functions are continued to be discharged and are not subject to periodical physical verification of assets (e.g. transmission lines run through forest area and are spread over the state). Material discrepancies noticed on such verification, have been properly dealt with in the books of account.</p>	<p>No Comments.</p>
	<p>(c) Based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company to the extent verified except for the following Lands.</p>	<p>As per the Transfer Notification dtd. 21.06.2006 the Transmission undertakings of OSEB/GRIDCO have been transferred to OPTCL (vide Sl no.1- Notes to Accounts).This includes Lands having the title deeds in the name of OSEB,GRIDCO, Power and Irrigation Department or Energy Department, Govt. of Odisha.</p>

Comments of the Statutory Auditor						Replies of the Management
Description of property	Gross carrying value (in Rs.)	Held in name of	Whether promoter, direct or or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in name of company* *also indicate if in dispute	<p>As per the Transfer Notification dtd. 21.06.2006 the Transmission undertakings of OSEB/GRIDCO have been transferred to OPTCL (vide SI no.1- Notes to Accounts).This includes Lands having the title deeds in the name of OSEB,GRIDCO, Power and Irrigation Department or Energy Department, Govt. of Odisha.</p>
Ac.22.420 Land in mouza Chalnabal, Angul	38,27,920	OSEB	No	Since inception	<p>In compliance to the provisions of the Electricity Act,2003 Govt. of Odisha vide Notification No.6892 dated 09.05.2005 made a Transfer Scheme. 2005 for the purpose of transfer and vesting of the transmission undertakings of GRIDCO in favour of Odisha Power Transmission Corporation Limited, a wholly owned Undertaking of the State Govt. Pursuant to the aforesaid Notification, the transfer of transmission Assets, State Load Despatch Centre, Assets, Personnel, Proceedings and related liabilities stood transferred to M/s. Odisha Power Transmission Corporation Limited w.e.f 1st April 2005.</p>	
Ac.12.700 Land in mouza Birabahanpur, Angul	7,91,062	Energy & Irrigation Department	No	Since inception		
Ac.35.600 Land in mouza Joragadia, Angul	15,57,386	Energy & Irrigation Department	No	Since inception		
Ac.28.380 Land in mouza Nuahata, Angul	16,14,128	Energy & Irrigation Department	No	Since inception		
Ac.3.400 Land in mouza Angul Town, Angul	49,300	OSEB	No	Since inception		
Ac.28.460 Land in mouza Ganeshwarpur, Balasore	7,07,800	GRIDCO	No	Since inception		
Ac.6.840 Land in mouza Baunsamukha, Balasore	11,94,600	GRIDCO	No	Since inception		
Ac.0.910 Land in mouza Baunsamukha, Balasore			No	Since inception		
Ac.9.930 Land in mouza Nandika, Balasore	9,56,834	GRIDCO	No	Since inception		
Ac.18.130 Land in mouza Samarapur, Bhadrak	70,913	OSEB	No	Since inception		
Ac.14.498 Land in mouza Larkipalli, Bolangir	21,53,314	OSEB	No	Since inception		
Ac.10.000 Land in mouza Patnagarh, Bolangir	7,57,500	GRIDCO	No	Since inception		
Ac.10.276 Land in mouza Badambedi, Cuttack		OSEB	No	Since inception		
Ac.21.840 Land in mouza Nuapada, Cuttack	32,58,244	GRIDCO	No	Since inception		
Ac.3.680 Land in mouza Kanhupura, Dhenkanal	1,10,400	OSEB	No	Since inception		
Ac.0.820 Land in mouza Mohana, Gajapati		OSEB	No	Since inception		

Comments of the Statutory Auditor					Replies of the Management
Ac.4,270 Land in mouza Kantukoli, Gajapati	5,000	OSEB	No	Since inception	
Ac.16,349 Land in mouza Sankarpur, Ganjam	86,865	OSEB	No	Since inception	
Ac.3,085 Land in mouza Badpada, Ganjam	10,726	OSEB	No	Since inception	
Ac.18,115 Land in mouza Badpada, Ganjam	80,667	OSEB	No	Since inception	
Ac.5,580 Land in mouza Baragaon, Ganjam	53,010	OSEB	No	Since inception	
Ac.1,700 Land in mouza Baragaon, Ganjam	14,45,000	GRIDCO	No	Since inception	
Ac.72,000 Land in mouza Chunabelari, Jagatsinghpur	5,47,751	OSEB	No	Since inception	
Ac.11,070 Land in mouza Nimadhi, Jagatsinghpur	73,838	OSEB	No	Since inception	
Ac.0,150 Land in mouza Paradeepgarh, Jagatsinghpur		Electric Department	No	Since inception	
Ac.50,720 Land in mouza Sobra, Jajpur	25,500	OSEB	No	Since inception	
Ac.0,090 Land in mouza Kusunpur, Jajpur		OSEB	No	Since inception	
Ac.1,120 Land in mouza Kusunpur, Jajpur		OSEB	No	Since inception	
Ac.3,410 Land in mouza Sarbahal, Jharsuguda		OSEB	No	Since inception	
Ac.8,100 Land in mouza Sarasmal, Jharsuguda		OSEB	No	Since inception	
Ac.10,540 Land in mouza Kosoti, Kendrapara	95,452	Electric Department	No	Since inception	
Ac.6,540 Land in mouza Beltal, Kendrapara	10,64,761	Energy Department	No	Since inception	
Ac.7,263 Land in mouza Beneikala Unit-I, Keonjhar	13,426	OSEB	No	Since inception	
Ac.17,670 Land in mouza -Joda Unit-II, Keonjhar	68,279	OSEB	No	Since inception	
Ac.2,758 Land in mouza Nalda, Keonjhar	26,900	OSEB	No	Since inception	
Ac.9,675 Land in mouza Unit-11, Saheednagar, BBSR, Khordha	1,75,904	OSEB	No	Since inception	

	Comments of the Statutory Auditor					Replies of the Management
	Ac.10.223 Land in mouza Akhuapokhar, Khordha	12,92,940	OSEB	No	Since inception	
	Ac.9.438 Land in mouza Mendhasal, BBSR, Khordha	31,73,818	Energy Department	No	Since inception	
	Ac.10.000 Land in mouza Kaki, Koraput		OSEB	No	Since inception	
	Ac.24.870 Land in mouza Jayanagar, Koraput	6,16,776	OSEB	No	Since inception	
	Ac.17.770 Land in mouza Jayanagar, Koraput	16,994	Energy & Irrigation Department	No	Since inception	
	Ac.10.950 Land in mouza Serubali, Mayurbhanja	24,70,070	GRIDCO	No	Since inception	
	Ac.16.500 Land in mouza Hemachandrapur, Mayurbhanja	29,92,313	GRIDCO	No	Since inception	
	Ac.19.200 Land in mouza Asanabani, Mayurbhanja	67,890	OSEB	No	Since inception	
	Ac.11.620 Land in mouza Jemadepur, Nayagarh	6,84,800	OSEB	No	Since inception	
	Ac.5.500 Land in mouza Raghunath Prasad, Nayagarh		OSEB	No	Since inception	
	Ac.100.000 Land in mouza - Siliput, Rayagada	1,26,500	OSEB	No	Since inception	
	Ac.4.100 Land in mouza Rayagada Nagar, Rayagada		Energy Department	No	Since inception	
	Ac.3.120 Land in mouza Jayaramguda, Rayagada		OSEB	No	Since inception	
	Ac.4.940 Land in mouza Aihusigh, Rayagada	30,125	GRIDCO	No	Since inception	
	Ac.10.580 Land in mouza Sonepur Town, Subarnpur	8,07,386	GRIDCO	No	Since inception	
	Ac.15.770 Land in mouza Chitabhangra, Sundergarh	27,63,851	GRIDCO	No	Since inception	

	Comments of the Statutory Auditor	Replies of the Management
(d)	The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.	No Comment
(e)	No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.	No Comment
(ii) (a)	Physical verification of Inventory has been conducted by the management every year through external auditors CA / CMA Firms. As per policy of the company discrepancy more than 10% in-aggregate for each class of inventory were adjusted in the books of accounts. As explained to us there are no such discrepancies noticed on physical verification of inventories more than 10% in-aggregate for each class of inventory have been noticed during the year.	No Comment
(b)	The Company has not been sanctioned any working capital limits, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.	No Comment
(iii)	The Company has not made any investment in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, and hence reporting under clause 3(iii)(a), (b), (c), (d), (e) & (f) of the Order is not applicable. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.	No Comment
(iv)	According to the information and explanations given to us, the Company has not made any loans, investments, guarantees, and security under the provisions of section 185 and 186 of the Companies Act, 2013.	No Comment
(v)	The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, additional reporting under clause 3(v) of the Order is not applicable.	No Comment

	<b>Comments of the Statutory Auditor</b>	<b>Replies of the Management</b>																									
(vi)	We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014. We have not, however made a detailed examination of the statements and records with a view to determine whether they are accurate and complete.	Prescribed records under Cost Records & Audit Rules, 2014 are maintained by OPTCL and Audited by Cost Auditors u/s Section 148(3) of the Companies Act, 2013.																									
(vii)	<b>In respect of statutory dues:</b>																										
(a)	<p>Based on our examination of books of accounts and according to the information and explanations given to us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.</p> <p>There were some undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable. However due to non-availability of accurate data in respect of above, we are not in position to comment on the same.</p>	These are only old balances lying in the Books of Account. There is no dispute in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and Other Statutory dues in arrears as at 31st March, 2021 for a period of more than 6 months from the date then became payable																									
(b)	<p>Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:</p> <table border="1"> <thead> <tr> <th align="center">Name of the Statues</th> <th align="center">Nature of the Dues</th> <th align="center">Period to which the amount relates</th> <th align="center">Amt. (Rs In Crore)</th> <th align="center">Forum where dispute is pending</th> </tr> </thead> <tbody> <tr> <td>Finance Act, 1994</td> <td>Service Tax</td> <td>F.Y. 2006-07 to 2009-10</td> <td align="right">2.22</td> <td>CESTA Tribunal, Kolkata</td> </tr> <tr> <td>Finance Act, 1994</td> <td>Service Tax</td> <td>For the F.Y. 2010-11</td> <td align="right">0.24</td> <td>CESTA Tribunal, Kolkata</td> </tr> <tr> <td>Income Tax Act, 1961</td> <td>Income Tax</td> <td>Assessment Year 2010-11</td> <td align="right">2.06</td> <td>C.I.T. (Appeal), Bhubaneswar</td> </tr> <tr> <td>Income Tax Act, 1961</td> <td>Income Tax</td> <td>Assessment Year 2014-15</td> <td align="right">15.90</td> <td>C.I.T. (Appeal), Bhubaneswar</td> </tr> </tbody> </table>	Name of the Statues	Nature of the Dues	Period to which the amount relates	Amt. (Rs In Crore)	Forum where dispute is pending	Finance Act, 1994	Service Tax	F.Y. 2006-07 to 2009-10	2.22	CESTA Tribunal, Kolkata	Finance Act, 1994	Service Tax	For the F.Y. 2010-11	0.24	CESTA Tribunal, Kolkata	Income Tax Act, 1961	Income Tax	Assessment Year 2010-11	2.06	C.I.T. (Appeal), Bhubaneswar	Income Tax Act, 1961	Income Tax	Assessment Year 2014-15	15.90	C.I.T. (Appeal), Bhubaneswar	No Comments.
Name of the Statues	Nature of the Dues	Period to which the amount relates	Amt. (Rs In Crore)	Forum where dispute is pending																							
Finance Act, 1994	Service Tax	F.Y. 2006-07 to 2009-10	2.22	CESTA Tribunal, Kolkata																							
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Comments of the Statutory Auditor					Replies of the Management															
	Income Tax Act, 1961	Income Tax	Assessment Year 2017-18	0.53	C.I.T. (Appeal), Bhubaneswar															
	Income Tax Act, 1961	Income Tax	Assessment Year 2021-22	2.58	Assessing Authority															
	Odisha VAT Act, 2004	VAT	Financial Year 2009-10 to 2013-14	0.01	Sales Tax Tribunal, Odisha															
	CST Act, (Orissa) Rules, 1957	CST	Financial Year 2009-10 to 2013-14	0.60	Sales Tax Tribunal, Odisha															
	Orissa Entry Tax Act, 1999	Entry Tax	Financial Year 2009-10 to 2013-14	5.29	Sales Tax Tribunal, Odisha															
(viii)	Based on our examination of books of accounts and according to the information and explanations given to us, in our opinion, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).				No Comment.															
(ix) (a)	<p>According to the records of the Company examined by us and the information and explanation given to us, Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.</p> <p>Further, we report that in the books of the Company the following balances are appearing which are not yet reconciled /identified and rolling since long without any confirmation, for which we are unable to comment whether there is any default in repayment.</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of Institution</th> <th>Amount of Default (In Rs. Crore)</th> <th>Nature of Default</th> <th>Period of Default</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Central Electricity Authority</td> <td>26.97</td> <td>Interest</td> <td>Not Available</td> </tr> <tr> <td>2.</td> <td>IBRD Loan</td> <td>34.73</td> <td>Interest</td> <td>Not Available</td> </tr> </tbody> </table>				Sr. No.	Name of Institution	Amount of Default (In Rs. Crore)	Nature of Default	Period of Default	1.	Central Electricity Authority	26.97	Interest	Not Available	2.	IBRD Loan	34.73	Interest	Not Available	The amount due to Central Electricity Authority has not been paid due to the pending confirmation and calculation details from their end. In case of IBRD loans the interest amount is not paid as it has been deferred and not allowed by OERC.
Sr. No.	Name of Institution	Amount of Default (In Rs. Crore)	Nature of Default	Period of Default																
1.	Central Electricity Authority	26.97	Interest	Not Available																
2.	IBRD Loan	34.73	Interest	Not Available																
(b)	According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.				No Comment															

	<b>Comments of the Statutory Auditor</b>	<b>Replies of the Management</b>
c)	In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.	No Comment
d)	According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Ind-AS Financial Statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.	No Comment
e)	On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.	No Comment
f)	According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.	No Comment
(X) (a)	The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.	No Comment
(b)	During the year, the Company has issued equity shares to Govt. of Odisha amounting to Rs.184.76 Crore comprising of 18, 47,600 No of Equity Shares of Rs.1000/- each as preferential allotment.	No Comment
(xi) (a)	Based on audit procedures applied and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit for the year ended March 31, 2023.	No Comment
(b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.	No Comment
(c)	We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.	No Comment

	Comments of the Statutory Auditor	Replies of the Management
(xii)	The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.	No Comment
(xiii)	The Company has complied with Sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Ind-AS Financials Statements as required by the applicable accounting standard.	No Comment
	The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind-AS Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.	No Comment
(xiv) (a)	In our opinion the Company's internal audit system needs to be improve and strengthened commensurate with the size and the nature of its business.	No Comment
(b)	We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.	No Comment
(xv)	Based on the information and explanations given to us, the Company has not entered- into any non-cash transactions with directors or persons connected with them.	No Comment
(xvi) (a)	In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.	No Comment
(b)	In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.	No Comment
(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.	No Comment

	<b>Comments of the Statutory Auditor</b>	<b>Replies of the Management</b>
xviii)	There has been no resignation of the statutory auditors of the Company during the year.	No Comment
xix)	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	No Comment
xx)	The provisions of Section 135 with respect to Corporate Social Responsibility (CSR) of the Companies Act, 2013 are not applicable to the Company since the average profit for last 3 year is negative.	No Comment
a)	There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.	No Comment
b)	In respect of ongoing projects, the Company has no unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year.	No Comment
xxi)	The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.	No Comment

**Annexure- C to the Independent Auditors' Report of Odisha Power Transmission Corporation Limited.**

**(Referred to in paragraph 3 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)**

**Report on the directions under section 143(5) of the Companies Act'2013 by C&AG**

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company, we report that:

SL No	Directions	Auditor's Comments
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>No the company doesn't have system in place to process all the accounting transactions through IT system. The IT system is used for recording of accounting transaction and preparation of general ledger and trial balance only. The processing of transactions are done manually.</p> <p>There are differences in account balance as per the General ledger and balance maintained as per Subsidiary Ledgers which has been noticed during our audit. In case of EHT(O&amp;M)BBSR, Division interest accrued on staff loan employee wise details are available on staff loan employee wise details are available for Rs.30,05,843/-, whereas the Ledger balance ids Rs.24,05,368.94 /- and there is a difference of Rs.6,00,474.06.</p>
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As informed by the management and based on the record examined there are no such restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. by lender to the Company.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As informed by the management and based on the record examined the treatment of Government grant has been done properly.

### Report on the sub-directions under section 143(5) of the Companies Act'2013 by C&AG

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company in respect of Additional Directions on Specific Sector, issued under Section 143(5) of Companies Act, 2013, we report that:

Sl. No	Directions	Reply																								
01	Adequacy of steps to prevent encroachment of idle land owned by the Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	<p>As explained to us Land acquired by the Company is bounded with Boundary to prevent encroachment. As per information and explanations given to us, the following lands which are encroached:</p> <table border="1"> <thead> <tr> <th>Sl No.</th> <th>Name of District</th> <th>Land Encroached (Acre)</th> <th>Free hold / Lease hold</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Khurda (Bhubanpur)</td> <td>Some portion of 7.30 Acre</td> <td>Lease hold</td> </tr> <tr> <td>2</td> <td>Koraput (Kaki)</td> <td>2.86 Acre</td> <td>Lease hold</td> </tr> <tr> <td>3</td> <td>Nawarangpur (Tentulikhunti)</td> <td>Some portion of 15.79 Acre</td> <td>Free hold</td> </tr> <tr> <td>4</td> <td>Bolangir (Larkipali)</td> <td>Some portion of 14.498 Acre</td> <td>Lease hold</td> </tr> <tr> <td>5</td> <td>Rayagada (Seriguda)</td> <td>3.94 Acre</td> <td>Lease hold</td> </tr> </tbody> </table> <p>No land is declared surplus as acquired lands are used for construction of Grid Sub Stations, Staff Quarters and Store yards and some available lands are meant for future expansion of Grid.</p>	Sl No.	Name of District	Land Encroached (Acre)	Free hold / Lease hold	1	Khurda (Bhubanpur)	Some portion of 7.30 Acre	Lease hold	2	Koraput (Kaki)	2.86 Acre	Lease hold	3	Nawarangpur (Tentulikhunti)	Some portion of 15.79 Acre	Free hold	4	Bolangir (Larkipali)	Some portion of 14.498 Acre	Lease hold	5	Rayagada (Seriguda)	3.94 Acre	Lease hold
Sl No.	Name of District	Land Encroached (Acre)	Free hold / Lease hold																							
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3	Nawarangpur (Tentulikhunti)	Some portion of 15.79 Acre	Free hold																							
4	Bolangir (Larkipali)	Some portion of 14.498 Acre	Lease hold																							
5	Rayagada (Seriguda)	3.94 Acre	Lease hold																							
02	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, The cases of deviation may please be detailed.	Yes. Settlement of dues is done expeditiously and in a transparent manner as per the approval of District Compensatory Committee (DCCC). No deviation is noticed.																								
03	Where the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards.	Yes, except in case of recognition of revenue from deposit work and supervision services charges in compliance to Ind-AS 115-Revenue. The same is reported in our Qualified Opinion paragraph.																								
04	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	The company has incurred Rs.13.01 Crore up to 31/03/2023 on the various abandoned and suspended projects. No amount has been written off as at 31 <sup>st</sup> March, 2023.																								

Sl. No	Directions	Reply
		Further in respect of Abandoned Project the company has made provision of Rs.7.69 Crore up to 31/03/2023.
05	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As explained to us by the management, the transmission system of the Company is being expanded taking into account the future load demand, generation source availability, evacuation of state share power from IPPs, surplus power of CGPs, drawl of central sector allocation of powers and considering grid security aspects. Hence, there is no constraint in transmission system for evacuation of power of generating companies.
06	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	Transmission loss during the year 2022-23 was 3.10% against the approved OERC norm of 3.00%.
07	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the IND AS Financials Statements.	Yes, however there are delay in some cases in respect of refund / adjustment of amount received against the construction work from Other Agencies. Company may consider reconciliation of such amounts and refund the excess amounts if any expeditiously.



REPLIES OF THE MANAGEMENT TO THE COMMENTS ISSUED BY THE C&AG OF INDIA  
ON THE FINANCIAL STATEMENTS OF OPTCL FOR THE FY 2022-23

Para No	C&AG Comments on the Financial Statement for the F.Y.2022-23.	Replies of the Management
A1.	<p><b>Comment on Profitability Statement of Profit and Loss Other Income (Note 27): Rs 260.62 Crore</b></p> <p>The above is overstated by Rs.10.95 crore due to inclusion of the advance received against loss of revenue to the Company and GRIDCO' for shut down of Extra High Tension (EHT) Lines. The Company has received an amount of Rs.10.95 crore as advance for loss of revenue from M/s. NLC India Limited for execution of 'Diversion of 400 KV DC line'. However, the Company has booked this advance amount as other income without executing the work. This has also resulted in understatement of Other Current Liabilities and overstatement of Profit by the same amount i.e. Rs.10.95 Crore each.</p>	Noted.
A2.	<p><b>Other Income (Note 27): Rs 260.62 Crore</b></p> <p>The above is overstated by Rs.1.77 crore due to inclusion of Bulk Supply Tariff (BST) payable to M/s.GRIDCO Limited as other income of the Company. The Company has received Rs.1.99 crore towards 'Loss of Revenue' due to shut down for three deposit works. Out of this Rs.1.99 crore. Rs.1.77 crore realized under BST which is payable to GRIDCO and remaining 0.22 crore is transmission charge of the Company. Hence, accounting of the BST charge payable to M/s. GRIDCO as income of the Company has also resulted in understatement 'Current Liabilities-Provision and overstatement of Profit by the same amount i.e.Rs.1.77 crore.</p>	<p>The loss of Revenue to OPTCL due to shutdown of power supply during the period of diversion of line or any other associated works carried out by the beneficiaries is estimated on the basis of formula suggested and approved in the BOD meeting No.73rd dtd.23rd sept. 2015. Accordingly the amount is demanded from the concerned beneficiaries while allowing shutdown.</p> <p>Since there is no specific direction in BOD resolution in the aforesaid decision regarding sharing of revenue, the entire amount so collected is treated as the revenue of OPTCL.</p>
A3.	<p><b>Other Miscellaneous Income: Rs.16.01 Crore</b></p> <p>The above is understated by Rs.1.41 crore due to non-accounting of revenue receivable towards leasing of dark fibre under Bharat Net Phase II Project. The Company has leased out dark fibre under Bharat Net.; Project Phase II Project to M/s. BBNL and BSNL and claimed an amount of Rs.1.41</p>	<p>The invoices raised in favour of BSNL and BBNL towards leasing of dark fiber under Bhatrat Net Phase II Project till 31st March 2023 amounting to Rs.1.41crore is not the revenue of OPTCL. The earnings from leasing if any is setoff against the expenditure incurred by OPTCL for implementation of work.</p>

Para No	C&AG Comments on the Financial Statement for the F.Y.2022-23.	Replies of the Management
	<p>crore till March 2023. However, the Company has not accounted for this receivable amount from the lessees of the dark fibre. This has also resulted in understatement of 'Other Financial Assets' and Profit by the same amount i.e.Rs.1.41 crore each.</p>	<p>As it is not a revenue of OPTCL, there is neither non-reporting of revenue, nor understatement of other income.</p>
<p><b>B4.</b></p>	<p><b>Comment on Financial Position</b> <b>Balance Sheet</b> <b>Asset</b> <b>Capital Work-in-Progress (Note-6) Rs.1599.87</b> The above is overstated by Rs.23.86 crore due to non-capitalisation the erection and 'Commissioning of 132KV SC line on DC tower from 132/33 GRID Sub-Station,Podagada to 132/33 KV GRID Sub-Station,Pottangi along with feeder bay extension'. The work was completed in March 2022 but, the Company has not capitalized the same in the books of accounts. This has also resulted in understatement of Property Plant and Equipment (PPE) by the same amount i.e.by Rs.23.86 crore with consequently understatement of depreciation and overstatement of Profit by Rs.1.78 crore each.</p>	<p>Noted.</p>
<p><b>B5.</b></p>	<p><b>Balance sheet</b> <b>Non-current Liabilities</b> <b>Other non-current liabilities</b> <b>(Note-24)-Rs. 2202.12 Crore</b> <b>Deposit against works- Rs.1026.93 crore.</b> The above is overstated by Rs.30.40 crore due to non-adjustment of deposit received from Odisha State Disaster Management Authority for restoration of damaged lined of the Company which was severely damaged in cyclone. The Company has completed the restoration work by spending Rs.41.73 crore and submitted the Utilisation Certification to Government. However, the company has adjusted only Rs.11.33 crore leaving a balance of Rs.30.40 crore. This has also resulted in overstatement of Other Financial Assets (Note-10) by the same amount i.e. by Rs.30.40 crore.</p>	<p>OPTCL had received Rs.50.32 cr. from OSDMA on dtd.10.01.2020 for reconstruction of damaged lines for restoration of electricity supply to Bhubaneswar, Cuttack and Puri arising out of Cyclone FANI. Total expenditure incurred for the above purpose till dtd.31.03.2023 is Rs.41.73 cr. Out of which an amount of Rs.11.33 cr. has been booked in the Accounts till 31.03.2023. The balance amount of Rs.30.40 Cr shall be booked in the 2023-24 accounts.</p>

Para No	C&AG Comments on the Financial Statement for the F.Y.2022-23.	Replies of the Management
B6.	<p>Similarly, the above is also overstated by Rs.9.45 crore due to non-adjustment of deposit received from Government of Odisha for construction of 33/11 kv line at Badapada in Malkangiri district under Socio Economic Transformation and Upliftment (SETU) scheme. The work was completed and the Company has issued Utilisation Certificate, however the deposit received from Government of Odisha against this work was not adjusted. Hence, due to non-adjustment of the deposit received for this work has also resulted in overstatement of Other Financial Assets (Note-10) by the same amount i.e.by Rs.9.45 crore.</p>	Noted.
B7. (I)	<p><b>Equity and Liabilities</b> <b>Current Liabilities</b> <b>Other current liabilities (Note 24): Rs 296.93 Crore</b></p> <p>The above is overstated by Rs.2.84 crore due to non-accounting of price variation bills raised by (i) Stelmee Limited for the work '132/33 KV Substation at Gondia with associated line and 400/220/132/33 kv Grid S/s' at EHT Construction Division, Angul amounting to Rs.1.51 crore.</p>	Noted.
(ii)	<p>M/s. Tata limited for the construction work of 220/132/323 kv GSS Kiakata and associated line' amounting to Rs.1.33 crore. This has also resulted in understatement of Property Plant and Equipment by the same amount i.e.by Rs.2.84 crore.</p>	Noted.

**Annexure to Director's Report****DISCLOSURE REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT 2013 READ WITH  
RULES OF THE COMPANIES (ACCOUNTS) RULES, 2014****[A] CONSERVATION OF ENERGY**

Odisha Power Transmission Corporation Limited is committed to implement energy conservation, energy efficient and loss reduction measures in each of its action and geared up to meet its target as per the various initiatives taken up by the State Government.

Right from the planning stage, to the execution stage and throughout the O&M period efforts has been made by OPTCL for conservation of energy in all its projects. The Corporation is constantly on the process to strengthen the system by adding Grid Substations and transmission lines which will ultimately lead to conservation of energy through loss reduction. Before finalizing the transmission schemes, various alternatives/ technologies for power transfer are examined for selection of transmission system keeping in view lower losses criteria. As such, OPTCL always adopts higher voltage levels in its transmission systems for bulk power transfer across the State which result in lower losses in the system.

As a strategy for mitigation of Technical Loss in OPTCL transmission system, 2216 nos. of ABT Compliant Open Protocol Energy Meters have been installed at both ends of Transformers & EHT Lines to monitor the various losses occurring in these transmission elements. Load Flow Data on monthly basis are being collected from the energy meters through OPTCL Intranet. Any discrepancies in respect of metering convention, meter integrity and accuracy class of instrument transformers as identified on the basis of audit data are being sorted out. Remedial measures are being taken to eliminate energy disparities in recordings in the system elements.

For compensation of reactive power draws by DISCOMs and consequent improvement of voltage profile in the command areas, 33KV Shunt Capacitor Banks have been installed at important Grid Substations.

Conversion of 132KV transmission lines to 220KV and higher class and laying of more 220KV and 400KV lines, wherever possible and techno commercially viable.

Transmission capacity enhancement by installation of additional transformers and up-gradation of transformers at different sub-stations with associated bays for system improvement.

Phasing out of old / defective / obsolete equipment viz. Breaker, CT, PT, CVT, LA, Battery & Charger etc. is being carried out as per the 5-yearly Business Plan. Almost all old & obsolete relays have already been replaced with intelligent programmable numeric relays.

Replacement of old electrical equipment with new energy efficient equipment. OPTCL has initiated Energy Conservation measures through procurement of Star Rated Air-Conditioners and replacement of conventional switchyard lighting system with LEDs.

The energy conservation measures are taken by OPTCL at every step for developing an efficient and low-loss transmission network.

**[B] RESEARCH & DEVELOPMENT:**

The Corporation always endeavor for improvements in transmission system so as to enhance its capabilities for design and engineering of state-of-the-art transmission system. OPTCL has employed

modern Survey techniques for selection of route, optimization of length and realistic estimation of BoQ for transmission lines.

Steps have been initiated for setting up of NABL accredited laboratory for Testing and calibration and simulation of Faults. Testing of Transformer Oils along with EHV equipment such as CT, PT, Breakers etc can be carried out centrally at Bhubaneswar that can save time for OPTCL. This can further assist other utilities for carrying out such activities.

Steps have been initiated for setting up of NABL accredited laboratory for Testing and calibration and simulation of Faults. Testing of Transformer Oils along with EHV equipment such as CT, PT, Breakers etc can be carried out centrally at Bhubaneswar that can save time for OPTCL. This can further assist other utilities for carrying out such activities.

Management has been emphasized to select technology that can be specific to Odisha state specific in terms geographical terrain, Forest diversion, Disaster etc. Accordingly solutions such as UG Cabling, Multi circuit Towers, GIS substations, Mono pole Towers are preferred for integration.

In order to strengthen the technical solution freezing, improving existing system through renovation and adopting resilient solution keeping the state geographic terrain and weather condition, OPTCL has initiated following

Four zonal offices formed administratively for undertaking operation and construction activities in close coordination and resolving issues for faster execution.

Procurement activities are strengthen further with formation of Engineering and Quality Cell at HQRs. It is focusing on bridging technical gap between existing solution and latest proven emerging technologies.

Business Development Cell has been created for redressing the statutory issues in Forest, NH etc. for faster resolution.

Corporate Monitoring Cell has been constituted for periodical progress in project execution and appraisal to management for expeditious completion through regular reviews.

## [C] TECHNOLOGY ABSORPTION

World is emerging with technological solutions which enables utilities in achieving their key performance indicators and keep pace with the challenging targets set for sustainability and environment friendly with Carbon Net Zero compliances. Few emerging technologies as follows have put OPTCL edge ahead in the growth of its performance, network stability and operational improvement.

**(I) System Improvement technologies** adopted/being adopted in OPTCL in the last financial years are

**SAS** (Substation Automation System) improves protection and control and minimizes cable fault.

**STAMS** (State Transmission Asset Management System) shall ensure for centralized Operation of all Substations from a centralized control center with online diagnostics and efficient asset monitoring.

**ADMS** (Automatic Demand Management System) enhances Grid security and system reliability and stability with remote disconnection of loads at the time of system contingencies.

**SAMAST** (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) is going to be an integrated and single platform for managing various process like open access approvals, bill generation, reporting etc. to minimize the time delay and improve overall efficiency.

**PMU** Based Wide Area Monitoring shall be effective in Forensic analysis of faults/Disturbance analysis / determining the exact instant of fault and fault clearing time.

**SPS** (Special Protection Scheme) is implemented in OPTCL to take special action in response to the system disturbances like cascading outages, voltage or frequency instability.

**D3 Portal** (Document, Drawing and Design) is a digital initiative of OPTCL to collect, process and store all documents and drawings online relating to construction and projects and track the approval process in real-time.

**GIS** (Geographical Information System) mapping of Towers and substations, periodical Thermovision scanning helps in maintaining the healthiness of Transmission line with minimized breakdown.

**Drone** based mapping and line patrolling for detail study of Tower conditions and vegetation on power corridor at important and remote unapproachable Transmission line increases the uptime of power transmission along the corridor.

**SANJOG** (System Studies And New Joining to OPTCL Grids) It is an online portal to takes care of processes starting from Feasibility study to system study for new beneficiaries.

**(II) Infrastructure Development** Initiatives undertaken by OPTCL as follows

**Digital Substation** with the use of Fibre optical cables improves faster system operation and accuracy in measurement. Data storage and data analytics can be easily implemented.

**Hybrid Substation** is a compact switchgear with reduced space and effective installation time. It requires minimal maintenance.

**HTLS** Conductor, having a higher current carrying capacity facilitate higher load growth and with lower thermal expansion coefficient and higher UTS (Ultimate tensile Strength) they are good solution for long span crossing requirements

**Low Loss Conductor** is reducing transmission losses by 10 ~ 25 % with Higher current carrying capacity.

**765 KV** Transmission System is being introduced in OPTCL by setting up a Substation at Paradip vicinity for catering to the upcoming industrial needs of the state. The Ring System is envisaged with other upcoming 765KV substations at Duburi, Kolabira and Gopalpur.

**400 KV** Ring System is being undertaken by OPTCL with addition of proposed 400KV Grids at Gopalpur, Therubali, Neulopoi, Joda and Erasama.

**[D] FOREIGN EXCHANGE EARNING AND OUTGO DURING 2019-20:**

Earning in Foreign Currency: Nil

Foreign Exchange Outgo : Nil

**ODISHA POWER TRANSMISSION CORPORATION LIMITED  
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF OPTCL  
FOR THE FY 2022-23.**

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility Policy of the OPTCL has been formulated in line with the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 which was approved by the Board of Directors of OPTCL in their 70<sup>th</sup> meeting held on 27.02.2015. The policy prescribes the following thrust areas in order of priority:

- (a) Strengthening skill building and imparting vocational training/need based training to improve employability of school/college drop outs and ITIs in different trades in designated institutions as laid down in the policy on priority basis to meet the sectoral needs.
- (b) Setting up of Micro Grids in villages along with livelihood options.
- (c) Skill building with livelihood option by women SHGs. Within the priority areas of CSR, the Corporation intends to undertake the following activities in particular:
  - (a) Eradication of extreme poverty and hunger
  - (b) Promoting meaningful education, vocational training & skill building
  - (c) Health care support in child and maternal health
  - (d) Support environmental sustainability
  - (e) Slum area development,
  - (f) Provide appropriate assistance and humanitarian relief during or in the aftermath of natural calamities/disasters,
  - (g) Measures to promote nationally recognized sports,
  - (h) Provide assistance to recognized institutions of persons with disabilities, Promotion of art & culture.

From 2014-15 onwards, the Corporation is mandated to spend at least two percent of the average net profit made during the three immediately preceding financial years under different heads as stipulated under Schedule VII of the Companies Act, 2013. The detailed CSR Policy as approved by the Board, is placed at OPTCL's website.

2. Composition of CSR Committee:

The Corporate Social Responsibility (CSR) committee of the Board comprises of the following Directors:

Sl. No.	Name of Director	Designation / Nature of Directorship
1.	Sri Sanjay Kumar Mishra, IRTS	CMD & Chairperson of the Committee
2.	Sri B. K. Misra	Independent Director
3.	Sri Samir Kumar Swain	Director (Finance)
4.	Sri Raghunath Pratihari	Director (HRD)

3. The Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company i.e. www.optcl.co.in.
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is not applicable to the Corporation.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year: NA

SL. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NA	Nil	Nil
2			
	<b>Total</b>		

6. Average net profit of the company as per section 135(5): **Rs.19.08 Crore**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 0.38 Crore**  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Nil
8. (a) CSR amount spent or unspent for the financial year: NA

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
<b>3817000</b>	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	Dist. rict.						Name	CSR Registration number.
1.	NA	NA	NA	NA	NA	NA	Nil	Nil	Nil	NA	NA	NA
2.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **Rs. 3817000/-**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Contribution to Odisha State Disaster Management Authority (OSDMA)	Disaster Relief	All over Odisha	All Districts of Odisha		3817000	No	Odisha State Disaster Management Authority (OSDMA)	NA
	<b>Total</b>					3817000			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 38,17,000/-

(g) Excess amount for set off: Nil

SL No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	0.38 Crore
(ii)	Total amount spent for the Financial Year	0.3817 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

SL No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	NA	Nil	Nil	NA	Nil	NA	Nil
2.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SL. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	NA	NA	NA	NA	Nil	Nil	Nil	NA
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

**(Asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s): NA
- (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

Sd/-  
**(B. K. Misra)**  
Independent Director &  
Member, CSR Committee

Sd/-  
**(Sanjay Kumar Mishra, IRTS)**  
CMD & Chairperson  
CSR Committee

**SAROJ PANDA & CO**  
**COMPANY SECRETARIES**

**Saroj K. Panda**, M Com, LLB, FCS  
2<sup>nd</sup> Floor, Biswal Commercial Complex  
Cuttack Road  
Bhubaneswar-751006  
MOB. 9437199290  
Email:cssaropanda@gmail.com

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Odisha Power Transmission Corporation Limited  
Janpath, Bhubaneswar, Khurda, Odish-751022.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Odisha Power Transmission Corporation Limited** (hereinafter called 'the Company') for the financial year ended **31<sup>st</sup> March, 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Odisha Power Transmission Corporation Limited** for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

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

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Being an unlisted Public Company not applicable during the Audit Period);**
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Being an unlisted Public Company not applicable during the Audit Period);**
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Being an unlisted Public Company Not applicable during the Audit Period);**
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Being an unlisted Public Company Not applicable during the Audit Period);**
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Being an unlisted Public Company not applicable during the Audit Period);**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Being an unlisted Public Company not applicable during the Audit Period);**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Being an unlisted Public Company not applicable during the Audit Period);**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Being an unlisted Public Company not applicable during the Audit Period);**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Being an unlisted Public Company not applicable during the Audit Period);**
- (vi) Apart from the other statutory laws applicable to the day-to-day business of the Company, following are the industry specific laws which are also applicable to the Company:
1. The Electricity Act 2003.
  2. The Indian Electricity Rules, 1956
  3. The Energy Conservation Act, 2001
  4. The rules, regulations and applicable order(s) under Central and State Electricity Regulatory Commissions/Authority.

We have also examined compliance with the applicable clauses of Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, as per the explanations and clarifications given to us by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above;

#### **We further report that :**

For all the Board meetings, adequate notice was given to all Directors. Agenda and detailed notes on agenda were sent at least 7 days in advance and the Company has a system for seeking and obtaining further information and clarifications on the agenda items placed before the meetings for the meaningful participation at the meetings. However, for a few Board meeting agenda were circulated at shorter period of time but the meetings were held with Independent Directors being present;

We further report that for all the Audit Committee meetings, the notice, agenda and notes on agenda were circulated before 7 days and the meetings were held with independent directors being present;

We further report that, the Cost Auditors were appointed within the time specified in Rule 6 of the Companies (Cost Records and Audit) Rules, 2014;

We further report that, the Audit Committee of the Board of Directors has been constituted as per the provisions of section 178 of the Act;

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

### **IMPORTANT EVENTS**

In pursuance of the Corporate Governance Manual for State PSUs, issued by the Department of Public Enterprise, Government of Odisha, the Corporation has submitted the Corporate Governance Compliance Report to the Government of Odisha.

Pursuant to the guidelines prescribed under Corporate Governance Manuals issued by P.E. Deptt. Government of Odisha, the Company has been signing the Memorandum of Understanding (MOU) with the Deptt. of Energy, Government of Odisha every year from the Financial Year 2011-12 onwards. The MOU specifies the targets to be achieved during the current financial year against each performance criteria under the Static Parameters and Dynamic Parameters. The Static Parameters includes Turnover, Gross Margin, Net Profit and other financial performance indicators. The Dynamic Parameters includes Project Implementation both in terms of financial progress and execution of transmission lines, transformation capacity additions, transmission loss reduction, system availability, etc.

The MOU shall be evaluated at the end of the year to assess the performance of the Corporations. There shall also be mid-term evaluation of performance against targets so that corrective measures can be taken by the Management for making up the short fall if any.

### **We further report that;**

**During the period under review, the company has taken following action, which has a major bearing on the status and affairs of the Company:**

1. The Company has issued and allotted **18,47,600** Equity Shares at a price of Rs. 1,000/- per Equity Shares to Government of Odisha on right issue vide Board resolution dated 09.12.2022 and Pas-3 filed on 17.12.2022
2. Sri Rajib Lochan Panda ceased to be the director from the Board w.e.f. 30.05.2022. Form Dir-12 filed on 17.06.2022.
3. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 10162535 created on 23/06/2009 for an amount of Rs. 25,68,00,000/-.
4. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 10162536 created on 23/06/2009 for an amount of Rs. 15,31,00,000/-.
5. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 10162501 created on 04/06/2009 for an amount of Rs. 13,00,00,000/- .Contd.P/5
6. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 10162500 created on 04/06/2009 for an amount of Rs. 16,50,00,000/-.

7. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 10162499 created on 04/06/2009 for an amount of Rs. 12,34,00,000/-.
8. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 1013775 created on 11/12/2008 for an amount of Rs. 11,22,00,000/-.
9. The Company had filed satisfaction of charge on 11/11/2022 for the borrowings made from Power Finance Corporation Limited against the charge Id no 1013773 created on 11/12/2008 for an amount of Rs. 17,93,00,000/-.
10. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160420 created on 15/05/2009 for an amount of Rs. 23,80,95,200/-.
11. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160424 created on 15/05/2009 for an amount of Rs. 23,80,14,500/-.
12. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160413 created on 15/05/2009 for an amount of Rs. 17,96,02,400/-.
13. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160425 created on 15/05/2009 for an amount of Rs. 31,94,21,300/-.
14. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160426 created on 15/05/2009 for an amount of Rs. 25,27,61,500/-.
15. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10160418 created on 15/05/2009 for an amount of Rs. 27,38,32,100/-.
16. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10147650 created on 18/08/2008 for an amount of Rs. 14,65,91,000/-.
17. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10147646 created on 31/01/2008 for an amount of Rs. 19,11,97,000/-.
18. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10147651 created on 31/01/2008 for an amount of Rs. 79,71,09,000/-.
19. The Company had filed satisfaction of charge on 02/12/2022 for the borrowings made from Rural Electrification Corporation Limited against the charge Id no 10147649 created on 30/03/2007 for an amount of Rs. 44,16,00,000/-.
20. The Company had filed satisfaction of charge on 11/01/2023 for the borrowings made from Bank of India against the charge Id no 10545533 created on 30/12/2014 for an amount of Rs. 5,96,00,000/-.

21. The Annual General Meeting of the Company was held on 30.09.2022 and adjourned to 17.03.2022 for adoption the Annual accounts for the Financial Year 2021-22.. Form AOC-4(XBRL) was filed to this effect on 28.03.2023 and Annual Return in Form MGT-7 was filed on 24.11.2022.

Place : BHUBANESWAR

Date : 13.12.2023

Sd/-

Name of PCS : SAROJ KUMAR PANDA

C. P.No. :3699

UDIN : **F005071E002922238**

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report)



**SAROJ PANDA & CO**  
**COMPANY SECRETARIES**

**Saroj K. Panda**, M Com, LLB, FCS  
2<sup>nd</sup> Floor, Biswal Commercial Complex  
Cuttack Road  
Bhubaneswar-751006  
MOB. 9437199290  
Email:cssaropanda@gmail.com

**Annexure A**

To  
The Members,  
Odisha Power Transmission Corporation Limited  
Janpath, Bhubaneswar,  
Khurda, Odisha-751022.

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

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

Place: BHUBANESWAR

Date: 13.12.2023

Sd/-

Name of PCS : SAROJ KUMAR PANDA

C. P. No. :3699

UDIN : **F005071E002922238**

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
ODISHA POWER TRANSMISSION CORPORATION LIMITED  
Report on the Audit of the Ind-AS Financial Statements

### Qualified Opinion

We have audited the Ind-AS Financial Statements of Odisha Power Transmission Corporation Limited (herein after referred to as "Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the "Basis for Qualified Opinion" Section of our Report, the aforesaid Ind-AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2023, the Profit and Total Comprehensive Loss, Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Qualified Opinion

1. The Company has not carried out any techno-economic assessment for Capital Work-In Progress during the year ended 31 March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind-AS36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.
2. The company has capitalised interest cost of Rs 22.55 Crore on Plant Property & Equipment and Capital Work In Progress on time overrun project during the year. This will lead to over capitalization of Property Plant & Equipment and overstatement of profit to that extent, the consequential impact of adjustment, on Depreciation and Amortisation if any, on the Ind-AS Financial Statements is currently not ascertainable.
3. The correctness of capitalisation of leasehold land and amortization thereof in compliance to Ind-AS116- Leases, could not be commented upon in respect of leasehold lands, as the same is disclosed under Plant Property & Equipment instead of Right to use of Assets. The consequential impact on value of Lease Liability, Right to use of Assets, Depreciation on Right to use of Asset, Prepaid Lease Expenses and Finance Cost (unwinding of Interest), if any, are presently not ascertainable.
4. The Company has obtained a loan from Govt of Odisha outstanding as on 31/03/2023 Rs.527.01 Crores through a back-to-back agreement from Japan International Co-Operative Agency (JICA). The term of loan is sanctioned and repayable in Japanese Yen JPY. However, the Company is not accounting the Foreign Exchange Fluctuation on closing outstanding balance which is not in confirmatory with IND-AS21. The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.

5. The correctness of recognition of revenue from depository work and supervision services charges in compliance to Ind-AS115- Revenue, could not be commented up on as the details of the depository work and supervision services charges for the periods are not available. The consequential impact of adjustment, if any, on the Ind-AS Financial Statements is currently not ascertainable.

In the absence of information, the effect of which can't be quantified, we are unable to comment on the possible impact of the item stated above in our report on the Ind-AS Financial statements of the Company for the year ended on 31st March 2023.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind-AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Emphasis of Matter**

1. Reference invited to Note No 2.24 of Ind-AS Financial Statement regarding recognition of income like delayed payment surcharge & liquidated damage on confirmation basis. Which is a deviation from accrual system of accounting.
2. Reference invited to Note No 2.25 of Ind-AS Financial Statement regarding recognition expenses like interest payable on infrastructure loans, rebate allowed to distribution Companies on payment basis. Which is a deviation from accrual system of accounting.
3. Reference invited to Note No 2.14 of Ind-AS Financial Statement regarding the Accounting Policy on the closing stock including Materials at Site (MAS) is determined on weighted average basis, taking into consideration the physical verification of inventory at the year-end. The total purchases and opening stock has been charged to repair & maintenance and the consumption of material during the year is ascertained by deducting the closing inventory from the total amount charged to repair & maintenance, which is not a correct procedure of inventory accounting and management. The Company should account for the actual stocks received and issued for the concerned projects in order to find out proper determination of consumption of materials under weighted average method and valuation of inventory at year-end accordingly.
4. Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold / freehold basis through various authorities including Energy & Irrigation Department, OSEB, GRIDCO, the deeds of which are yet to be executed in the name of the Company.
5. Property Plant and Equipment, situated on the expired/ non-renewed leasehold lands, the Management has not made any provision for the surrender value/ written down value of the aforementioned Property Plant and Equipment, in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.

6. Interest accrued and due on borrowings from financial institutions includes, IBRD Loan amounting to Rs.34.73 Crore (disclosed in Note No 22A- Other Noncurrent Financial Liabilities) transferred from GRIDCO to OPTCL as per the Transfer Scheme which is carried forward in the books since FY 2005-06. As per the information and explanation given to us, the State Government has not waived the claim of interest on the IBRD loan till March 31, 2023 for the said amount. In the absence of the waiver of loan interest from State Government the Company has not accounted for the interest on such outstanding amount for the backlog period.
7. Interest accrued and due on borrowings from Central Government amounting to Rs.26.97 Crore is the total interest provision made up to FY 2014-15 on Central Govt. Loan which was calculated and accounted for on a consistent basis. However, in the letter no. 2/1/TRM/ CEA/Audit/2011894 dtd.15.07.2014 Central Electricity Authority (CEA) has intimated interest, payable against the Central Govt. Loan as Rs.21.69 Crore without mentioning the interest rate and the period up to which it has been calculated. Since there is a difference in figures this needs to be reconciled and adjusted in the books.
8. Certain statutory dues such as "Income tax deducted at source on salaries (Account Code 44.401)", "Income tax deducted at source on payment to contractors (Account Code 44.924)", "Income tax on other payment (Account Code 44.931)" "Liability for Service Tax (Reverse Charge) (Account Code 44.932)", "Liability for Odisha Sales Tax(WCT) (Account Code 44.938)" and Liability for Odisha Sales Tax(Account Code 44.939)" both debits and credits are pending since long in the books of account without any payment / recovery / adjustment under these heads. As these are statutory payments the payable amount under respective heads needs to be ascertained for clearing the statutory dues or if already discharged should be adjusted in the corresponding heads.
9. In respect of erection contracts (involving earthwork), no royalty is deducted from the bills of the contractors & deposited with the Government as per rules. Further, necessary proof regarding deposit of royalty directly by the contractors with the Government, if any is also not held on record and as explained to us, the same is not being obtained.
10. As per company policy which was duly approved by Audit Committee vide Meeting dtd: 21.09.2021 the amounts of security deposit, earnest money and retention money collected is to be kept in the books for 8 years, if any amount is kept for more than 8 years it is supposed to be written back after 8 years.

The last classification regarding this was done by OPTCL in the financial year 2020-21 in which amounts kept for more than 8 years were written back i.e., from the financial year 2012-13.

Further no such classification was done after the financial year 2020-21 which has resulted in rolling of the balances of the financial years 2013-14 and 2014-15. The present balances under the security deposit, earnest money deposit and retention money are-

A/C code	Description	Amount
46.1.1	Security Deposit	29,70,35,542
46.1.3	Earnest Money Deposit	3,03,41,819.64
46.1.5	Retention Money	3,62,16,30,262.62

- Further, as per our discussion with the management the concept of retention money was withdrawn from the FY 2017-18 whereas it is noted that there is still an amount of Rs. 3,62,16,30,262.62 is appearing in books as on 31-03-2023.

- The management could not provide us the data of such balances for more than 8 Years in SD, EMD and Retention Money. Hence the balances which belongs to the FY 2014-15 and 2015-16 in our opinion needs to be written back in the books of accounts. In the absence of data, we could not quantify the amount of write off or written back and also the impact of the same in books of accounts.

#### **11. 28.9.10- Provision for losses on Sundry Receivable**

Under the account code 28.9.10 an amount of Rs. 2.07 Crores is rolling in the accounts as provision against receivable since financial year 2013-14. Since this relates to the staff dues which in our opinion has already been settled by now, this account needs to be nullified and the amount needs to be written off from the DDO books of accounts.

#### **12. 46.2.20- Inspection fees**

Under the account code 46.2.20 i.e., "Amount payable to State Govt. - Inspection Fees" an amount of Rs. 26,017,818.00 (Liability) is appearing since long.

In the OPTCL accounts another ledger head under the account code 76.4.59 – Inspection fees, is having an amount of Rs. 69,670,757.00.

The Inspection fees is paid to Government when the demand for the same is raised by the Government the accounting for the same is being made on payment basis. The expenditure as booked in accounts for the same needs to be booked on accrual basis for each of the year and payment for the same needs to be made from the liability which needs to be created for such expenses on a yearly basis . Hence necessary provision needs to be made under this head for proper accounting and the credit balance running since long in the books of accounts should be verified and adjusted in the books of accounts.

#### **13. 46.2.21- Amount payable to State Govt. - Lease Rent, Ground Rent & Cess Rent**

Under this accounting code for construction division, Jeypore liability was booked towards the expenses for **Lease Rent, Ground Rent & Cess Rent** up to 31.3.2023 amounting to Rs.44,72,699. However, since this is a Statutory Payment, the payment amount needs to be identified or the status of payment may be Classified. If this amount is not payable as on date this should be written back or if further liability is required for the same that needs to be provided for in the books till 31-03-2023 .

#### **14. Code 52.1.10 and 52.1.20 : INFRASTRUCTURE LOAN**

- The company had accepted Loans from various Parties for upgrading the infrastructure of the transmission lines, sub-stations, transformers and if required to supervise the construction of their EHT lines, associated bays, and anything extra required.
- Under accounting Code 52.1.10 and 52.1.20 the parties have given Deposits/Loans to OPTCL which are based on the Agreement with the Parties, however it was noticed that most of the Agreements are now closed and not renewed. However, the balance funds from various parties are still appearing in the books since long. Since as per the provisions of Companies Act, those liabilities which are kept for more than 1 year needs to be treated as Deposits and not loan appropriate presentation of these amounts in the books of the company needs to be made
- The details of these deposits are as given as below for appropriate presentation in the financial accounts :

A/C code	Description	Amount
52.1.10	Financial participation by consumer (Infrastructural Loan) - interest bearing	23,30,62,925.00
52.1.20	Financial participation by consumer (Infrastructural Loan) - interest free	74,75,44,235.70
	<b>Total</b>	<b>98,06,07,160.70</b>

#### 15. Code : 46.8.10 : Provision for Income Tax

Under A/C code 46.8.10 Rs. 36,27,22,496.45 is appearing in the books since long as provision for Income Tax of earlier year. Since Income Tax has already been paid & return has already been filed for earlier years, there is no need to carry this amounts in books of account. Hence this should be written back.

#### 16. Code: 46.9.47 & 46.9.48 – Liability for Distribution of License Fees CESU & NESCO

Under A/C code 46.9.47 & 46.9.48-Liabilities for distribution of License fee of CESU & NESCO an amount Rs.34,86,500.08- & 81,98,122.37 respectively is running from a long time. As per OERC order dated 23.03.2023 OPTCL has already written off the debit balance in CESU & NESCO account along with its provision. Since there is no balance pending w.r.t CESU & NESCO in OPTCL books, this amount should be written back.

#### 17. Code: 56.6.80- Contingency reserve- Rs. 1,24,73,10,000.00

This reserve is created as per the provision of the old Electricity Supply Act 1948. However, as per recent electricity supply Act this provision is silent, hence the company has not made any further provision in its account in the current financial year . Further against this reserve corresponding investment has been kept under accounting code 20.2.10 by OPTCL as per the provisions of old statue. However as on 31.03.2023 the balance in provision account in accounting code no 56.6.80 is Rs. 1,24,73,10,000 where as matching investment for the same amounts to Rs. 1,14,73,10,000 only and there is a difference of Rs. 10 Cr. for which further investment needs to be made.

#### 18. Pension, Gratuity & Leave encashment.

OPTCL is regularly making provisions of Terminal Benefit in its books of accounts. The detail of provisions made and payment of such liability for the Financial Year 2022-23 in respect of Pension and Leave encashment is as follows

Particulars A/C Code	(Amount in Rs)	
	Pension	Leave Encashment
	<b>44.115</b>	<b>44.120</b>
OB Liability as on 01.04.2022	7,39,47,03,866.00	13,92,19,391.00
Provision as per Actuary Valuation Report	2,57,99,74,139.00	15,58,80,111.00
Other Comprehensive Loss	74,91,15,033.00	
<b>Total</b>	<b>10,72,37,93,038.00</b>	<b>29,50,99,502.00</b>
Payment made to Trust by OPTCL during the F.Y. 2022-23	4,44,16,00,000.00	26,92,19,391.00
CB Liability as on 31.03.2023 (Payable to Trust)	6,28,21,93,038.00	2,58,80,111.00

From the above it is clear that OPTCL had made short deposit of Rs.628.22 Cr in Pension Fund and Rs.2.59 Cr in Leave Encashment Fund.

**Our Report is not modified in respect of these matters.**

**Information Other than the Ind-AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind-AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind-AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind-AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind-AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Ind-AS Financial Statements.**

The Company's Board of Directors/Company management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS Financial Statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind-AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind-AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind-AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind-AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind-AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind-AS Financial Statements, 29 including the disclosures, and whether the Ind-AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind-AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind-AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind-AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion and Other Matter paragraphs, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account;
  - d) Except for the effects of the matters described in the Basis for Qualified Opinion and Other Matter paragraphs above, in our opinion, the aforesaid Ind-AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;
  - e) The matters described in the Basis for Qualified Opinion para above, in our opinion may not have an adverse effect on the functioning of the Company;
  - f) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Company;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate Report in "Annexure A".
  - h) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Company.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its IND-AS Financials Statements except for matters arising out of Land disputes, family pension, disciplinary proceedings, tower lines disputes, Commercial, Compensation Land acquisition cases, Rehabilitation Assistance, Wheeling Charges and Enhanced Land Premium.
    - ii. Except for the matters described in the basis for qualified opinion paragraph, the Company has made provision as required under applicable law or accounting standards, material foreseeable losses, on long term contracts including derivative contracts, if any. There are no derivative contracts entered into by the Company.
    - iii. As per books of accounts and based on information and explanation provided to us there were no amounts which were required to be transferred to Investor's Education and Protection Fund by the Company.
    - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the

- understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any interim or final Dividend during the financial year, hence reporting under Rule 11(f) is not applicable.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable for the Company only w.e.f. 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
  3. In compliance to directions and sub - directions of Comptroller and Auditor General of India under section 143(5) of the Act, we give in "Annexure C" to this report a statement on the matters specified therein.

**Place :Bhubaneswar**  
**Date : 08.10.2023**

**For PAMS & Associates**  
**Chartered Accountants**

**Sd/-**  
**(CA Satyajit Mishra)**  
**Partner**  
**Membership No. 057293**

**Annexure "A" to the Independent Auditors' Report on Ind-AS Financial Statements for the year ended 31st March, 2023 of Odisha Power Transmission Corporation Limited.**

(Referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal controls over financial reporting of Odisha Power Transmission Corporation Limited (herein after referred to as "Company"), as of 31st March, 2023 in conjunction with our audit of the Ind-AS Financial Statements of the Circle for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

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

### **Inherent Limitations of Internal Financial Control over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanations provided to us following weaknesses have been identified during the course of audit as at 31st March, 2023.

#### **Revenue**

There is inadequate control with respect to recognition and adjustment of income from deposit work and supervision services charges, which need to be strengthened. This could potentially result in materially misstating its revenue, trade receivables, statutory liability (GST) and other related items.

#### **Employee Benefits**

The internal control system in the Company in respect of control over recovery/ adjustment of advances given to the employees, namely house building advance, medical advances, travelling and transfer advances appears to be inadequate needs early recovery / adjustments. This could potentially result in the Company misstating the employee benefits expenses and advances.

#### **Property Plant & Equipment**

The Company did not have an adequate internal control system for effecting necessary adjustment in case of commissioned assets, deposit works/ cost plus contracts pending final settlement of bills with contractors. This could potentially result into under / over capitalization of fixed assets and corresponding impact on the operational results of the Company due to lower charge of depreciation.

#### **Inventory**

The Company needs to strengthen the internal control system in respect of receipt and issue of materials which may not be recorded promptly and maintenance of inventories and conducting physical verification thereof. This could potentially result in the Company materially misstating the inventory value in Ind-AS Financial Statements.

#### **Current Assets and Liabilities**

The Company did not have adequate internal controls for reconciling and obtaining balance confirmation from sundry debtors, sundry creditors and other parties. This could potentially result in Company materially misstating the debtors and creditors in the Ind-AS Financial Statements.

The Company's internal control system for creation of appropriate provision for pending bills from suppliers and contractors, were not operating effectively which could potentially result in non-booking of capital as well as revenue expenditure timely.

## Others

The controls over process of reconciling general ledger balance with subsidiary ledger accounts balance needs to be strengthened. This could potentially result in material misstatement of current liabilities and current assets in the Ind-AS Financial Statements.

There is inadequate control flagging of Vender as MSME which may not be recorded promptly and in the appropriate period which could potentially result in material misstatement of payable to MSME Vendors.

The Company needs to strengthen the process of MIS reporting on a timely and promptly manner. This could potentially result in result in material misstatement of Ind-AS Financial Statements of the Company.

The Company has not defined any risk control matrix identifying the key risk areas of particular System. This could result in weak checks and balances and ineffectiveness in operations as well.

In our opinion, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2023 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind-AS Financials Statements of the Company as of 31st March, 2023 and these material weaknesses do not affect our opinion on the Ind-AS Financial Statements of the Company.

**Place :Bhubaneswar**  
**Date : 08.10.2023**

**For PAMS & Associates**  
**Chartered Accountants**

**Sd/-**  
**(CA Satyajit Mishra)**  
**Partner**  
**Membership No. 057293**

**Annexure-B to the Independent Auditors' Report on Ind-AS Financial Statements for the year ended 31<sup>st</sup> March, 2023 of Odisha Power Transmission Corporation Limited.**

**(Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its property, plant & equipment's including intangible assets except for land for which complete records are not available with land section.
  - b) As informed to us by the Company management and explanations given to us, these Property, Plant and Equipment have been physically verified by the management every year, excepting the assets / installations put to use in transmission functions are considered as physically available so along as the functions are continued to be discharged and are not subject to periodical physical verification of assets (e.g. transmission lines run through forest area and are spread over the state). Material discrepancies noticed on such verification, have been properly dealt with in the books of account
  - c) Based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company to the extent verified except for the following Lands:

Description of property	Gross carrying value (in Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company* *also indicate if in dispute
Ac.22.420 Land in mouza-Chainpal, Angul	38,27,920	OSEB	No	Since inception	Since inception In compliance to the provisions of the Electricity Act,2003 Govt. of Odisha vide Notification No.6892 dated 09.06.2005 made a Transfer Scheme. 2005 for the purpose of transfer and vesting of the transmission undertakings of GRIDCO in favour of Odisha Power Transmission Corporation Limited, a wholly owned Undertaking of the State Govt. Pursuant to the aforesaid Notification, the transfer of transmission Assets, State Load Despatch Centre, Assets, Personnel, Proceedings and related liabilities stood transferred to M/s. Odisha Power Transmission Corporation Limited w.e.f1st April 2005.

Ac.12.700 Land in mouza-Birabahanpur, Angul	7,91,062	Energy & Irrigation Department	No	Since inception
Ac.35.600 Land in mouza-Joragadia, Angul	15,57,386	Energy & Irrigation Department	No	Since inception
Ac.28.380 Land in mouza-Nuahata, Angul	16,14,128	Energy & Irrigation Department	No	Since inception
Ac.3.400 Land in mouza-Angul Town, Angul	49,300	OSEB	No	Since inception
Ac.28.460 Land in mouza-Ganeswarpur, Balasore	7,07,800	GRIDCO	No	Since inception
Ac.6.840 Land in mouza-Baunsamukha, Balasore	11,94,600	GRIDCO	No	Since inception
Ac.0.910 Land in mouza-Baunsamukha, Balasore			No	Since inception
Ac.9.930 Land in mouza-Nandika, Balasore	9,56,834	GRIDCO	No	Since inception
Ac.18.130 Land in mouza-Samaraipur, Bhadrak	70,913	OSEB	No	Since inception
Ac.14.498 Land in mouza-Larkipalli, Bolangir	21,53,314	OSEB	No	Since inception
Ac.10.000 Land in mouza-Patnagarh, Bolangir	7,57,500	GRIDCO	No	Since inception
Ac.10.276 Land in mouza-Badambadi, Cuttack		OSEB	No	Since inception
Ac.21.840 Land in mouza-Nuapada, Cuttack	32,58,244	GRIDCO	No	Since inception
Ac.3.680 Land in mouza-Kanhupura, Dhenkanal	1,10,400	OSEB	No	Since inception
Ac.0.820 Land in mouza-Mohana, Gajapati		OSEB	No	Since inception
Ac.4.270 Land in mouza-Kanteikoli, Gajapati	5,000	OSEB	No	Since inception
Ac.16.349 Land in mouza-Sankarpur, Ganjam	86,865	OSEB	No	Since inception
Ac.3.085 Land in mouza-Badpada, Ganjam	10,726	OSEB	No	Since inception
Ac.18.115 Land in mouza-Badpada, Ganjam	80,667	OSEB	No	Since inception
Ac.5.580 Land in mouza-Baragaon, Ganjam	53,010	OSEB	No	Since inception
Ac.1.700 Land in mouza-Baragaon, Ganjam	14,45,000	GRIDCO	No	Since inception
Ac.72.000 Land in mouza-Chunabelari, Jagatsinghpur	5,47,751	OSEB	No	Since inception
Ac.11.070 Land in mouza-Nimadihi, Jagatsinghpur	73,838	OSEB	No	Since inception

Ac.0.150 Land in mouza-Paradeepgarh, Jagatsinghpur		Electric Department	No	Since inception
Ac.50.720 Land in mouza-Sobra, Jajpur	25,500	OSEB	No	Since inception
Ac.0.090 Land in mouza-Kusunpur, Jajpur		OSEB	No	Since inception
Ac.1.120 Land in mouza-Kusunpur, Jajpur		OSEB	No	Since inception
Ac.3.410 Land in mouza-Sarbahal, Jharsuguda		OSEB	No	Since inception
Ac.8.100 Land in mouza-Sarasmal, Jharsuguda		OSEB	No	Since inception
Ac.10.540 Land in mouza-Kosoti, Kendrapara	95,452	Electric Department	No	Since inception
Ac.6.540 Land in mouza-Beltal, Kendrapara	10,64,761	Energy Department	No	Since inception
Ac.7.263 Land in mouza-Beneikala Unit-I, Keonjhar	13,426	OSEB	No	Since inception
Ac.17.670 Land in mouza-Joda Unit-II, Keonjhar	68,279	OSEB	No	Since inception
Ac.2.758 Land in mouza-Nalda, Keonjhar	26,900	OSEB	No	Since inception
Ac.0.675 Land in mouza- Unit-11 Saheednagar, BBSR, Khordha	1,75,904	OSEB	No	Since inception
Ac.10.223 Land in mouza-Akhuapokhar, Khordha	12,92,940	OSEB	No	Since inception
Ac.9.438 Land in mouza-Mendhasal, BBSR, Khordha	31,73,818	Energy Department	No	Since inception
Ac.10.000 Land in mouza-Kaki, Koraput		OSEB	No	Since inception
Ac.24.870 Land in mouza-Jayanagar, Koraput	6,16,776	OSEB	No	Since inception
Ac.17.770 Land in mouza-Jayanagar, Koraput	16,994	Energy & Irrigation Department	No	Since inception
Ac.10.950 Land in mouza-Sarubali, Mayurbhanja	24,70,070	GRIDCO	No	Since inception
Ac.16.500 Land in mouza-Hemachandrapur, Mayurbhanja	29,92,313	GRIDCO	No	Since inception
Ac.19.200 Land in mouza-Asanabani, Mayurbhanja	67,890	OSEB	No	Since inception
Ac.11.620 Land in mouza-Jemadeipur, Nayagarh	6,84,800	OSEB	No	Since inception
Ac.5.500 Land in mouza-Raghunath Prasad, Nayagarh		OSEB	No	Since inception
Ac.100.000 Land in mouza-Siliput, Rayagada	1,26,500	OSEB	No	Since inception
Ac.4.100 Land in mouza-Rayagada Nagar, Rayagada		Energy Department	No	Since inception
Ac.3.120 Land in mouza-Jayaramguda, Rayagada		OSEB	No	Since inception
Ac.4.940 Land in mouza-Akhusigh, Rayagada	30,125	GRIDCO	No	Since inception
Ac.10.580 Land in mouza-Sonepur Town, Subarnpur	8,07,386	GRIDCO	No	Since inception
Ac.15.770 Land in mouza-Chitabhang, Sundargarh	27,63,851	GRIDCO	No	Since inception

- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii)
  - a) Physical verification of Inventory has been conducted by the management every year through external auditors CA / CMA Firms. As per policy of the company discrepancy more than 10% in-aggregate for each class of inventory were adjusted in the books of accounts. As explained to us there are no such discrepancies noticed on physical verification of inventories more than 10% in-aggregate for each class of inventory have been noticed during the year.
  - b) The Company has not been sanctioned any working capital limits, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not made any investment in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, and hence reporting under clause 3(iii)(a), (b), (c), (d), (e) & (f) of the Order is not applicable. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv) According to the information and explanations given to us, the Company has not made any loans, investments, guarantees, and security under the provisions of section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, additional reporting under clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014. We have not, however made a detailed examination of the statements and records with a view to determine whether they are accurate and complete
- vii) In respect of statutory dues:
  - a) Based on our examination of books of accounts and according to the information and explanations given to us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were some undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable. However due to non-availability of accurate data in respect of above, we are not in position to comment on the same
  - b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statues	Nature of the Dues	Period to which the amount relates	Amount (Rs In Crore)	Forum where dispute is pending
Finance Act,1994	Service Tax	F.Y. 2006 -07 to 2009-10	2.22	CESTA Tribunal , Kolkata
Finance Act,1994	Service Tax	For the F.Y.2010 -11	0.24	CESTA Tribunal , Kolkata
Income Tax Act, 1961	Income Tax	Assessment Year 2010-11	2.06	C.I.T. (Appeal), Bhubaneswar
Income Tax Act, 1961	Income Tax	Assessment Year 2014-15	15.90	C.I.T. (Appeal), Bhubaneswar
Income Tax Act, 1961	Income Tax	Assessment Year 2017-18	0.53	C.I.T. (Appeal), Bhubaneswar
Income Tax Act, 1961	Income Tax	Assessment Year 2021-22	2.58	Assessing Authority
Odisha VAT Act, 2004	VAT	Financial Year 2009 -10 to 2013-14	0.01	Sales Tax Tribunal, Odisha
CST Act, (Orissa) Rules, 1957	CST	Financial Year 2009 -10 to 2013-14	0.60	Sales Tax Tribunal, Odisha
Orissa Entry Tax Act, 1999	Entry Tax	Financial Year 2009 -10 to 2013-14	5.29	Sales Tax Tribunal, Odisha

- viii) Based on our examination of books of accounts and according to the information and explanations given to us, in our opinion, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) a) According to the records of the Company examined by us and the information and explanation given to us, Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

Further, we report that in the books of the Company the following balances are appearing which are not yet reconciled /identified and rolling since long without any confirmation, for which we are unable to comment whether there is any default in repayment.

Sl. No.	Name of Institution	Amount of Default (Rs. In Crore)	Nature of Default	Period of Default
1.	Central Electricity Authority	26.97	Interest	Not Available
2.	IBRD Loan	34.73	Interest	Not Available

- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Ind-AS Financial Statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has issued equity shares to Govt of Odisha amounting to Rs.184.76 Crore comprising of 18,47,600 No of Equity Shares of Rs.1000/- each as preferential allotment.
- xi) a) Based on audit procedures applied and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit for the year ended March 31, 2023.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) The Company has complied with Sections 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Ind-AS Financials Statements as required by the applicable accounting standard.
- The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind-AS Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv) a) In our opinion the Company's internal audit system needs to be improve and strengthened commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) Based on the information and explanations given to us, the Company has not entered- into any non-cash transactions with directors or persons connected with them.
- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our understanding of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The provisions of Section 135 with respect to Corporate Social Responsibility (CSR) of the Companies Act, 2013 are not applicable to the Company since the average profit for last 3 year is negative.
  - a) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
  - b) In respect of ongoing projects, the Company has no unspent Corporate Social Responsibility (CSR) amount as at as at the Balance Sheet date out of the amounts that was required to be spent during the year.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Ind-AS Financial Statements. Accordingly, no comment in respect of the said clause has been included in the report.

**Place :Bhubaneswar**  
**Date : 08.10.2023**

**For PAMS & Associates**  
**Chartered Accountants**

**Sd/-**  
**(CA Satyajit Mishra)**  
**Partner**  
**Membership No. 057293**

### Annexure- C to the Independent Auditors' Report of Odisha Power Transmission Corporation Limited.

(Referred to in paragraph 3 under the heading of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

#### Report on the directions under section 143(5) of the Companies Act'2013 by C&AG

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company, we report that:

Sl No	Directions	Auditor's Comments
I.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No the company doesn't have system in place to process all the accounting transactions through IT system. The IT system is used for recording of accounting transaction and preparation of general ledger and trial balance only. The processing of transactions are done manually.  There are differences in account balance as per the General ledger and balance maintained as per Subsidiary Ledgers which has been noticed during our Audit. In case of EHT(O&M) BBSR Division Interest accrued on staff loan employee-wise details are available for Rs. 30,05,843/-, whereas the ledger balance is Rs. 24,05,368.94/-, and there is a difference of -Rs. 6,00,474.06/-.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As informed by the management and based on the record examined there is no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. by lender to the Company
III.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As informed by the management and based on the record examined the treatment of Government grant has been done properly.

SL No	Directions	Reply
05	Is the system of evacuation of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.	As explained to us by the management, the transmission system of the Company is being expanded taking into account the future load demand, generation source availability, evacuation of state share power from IPPs, surplus power of CGPs, drawl of central sector allocation of powers and considering grid security aspects. Hence, there is no constraint in transmission system for evacuation of power of generating companies.
06	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	Transmission loss during the year 2022-23 was 3.10% against the approved OERC norm of 3.00%.
07	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the IND-AS Financials Statements.	Yes, however there are delay in some cases in respect of refund / adjustment of amount received against the construction work from other agencies. The Company needs to do proper reconciliation of such amounts and refund the excess amounts if any expeditiously.

**Place :Bhubaneswar**  
**Date : 08.10.2023**

**For PAMS & Associates**  
**Chartered Accountants**

**Sd/-**  
**(CA Satyajit Mishra)**  
**Partner**  
**Membership No. 057293**

### Report on the sub-directions under section 143(5) of the Companies Act'2013 by C&AG

On the basis of our examination of books and records and according to the information and explanations given to us by the management of the Company in respect of Additional Directions on Specific Sector, issued under Section 143(5) of Companies Act, 2013, we report that:

SL No	Directions	Reply																								
01	Adequacy of steps to prevent encroachment of idle land owned by the Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	<p>As explained to us Land acquired by the Company is bounded with Boundary wall to prevent encroachment. As per information and explanations given to us, the following lands which are encroached:</p> <table border="1"> <thead> <tr> <th>Sl No.</th> <th>Name of District</th> <th>Land Encroached (Acre)</th> <th>Free hold / Lease hold</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Khurda (Bhubanpur)</td> <td>Some portion of 7.30 Acre</td> <td>Lease hold</td> </tr> <tr> <td>2</td> <td>Koraput (Kaki)</td> <td>2.86 Acre</td> <td>Lease hold</td> </tr> <tr> <td>3</td> <td>Nawarangpur (Tentulikhunti)</td> <td>Some portion of 15.79 Acre</td> <td>Free hold</td> </tr> <tr> <td>4</td> <td>Bolangir (Larkipali)</td> <td>Some portion of 14.498 Acre</td> <td>Lease hold</td> </tr> <tr> <td>5</td> <td>Rayagada (Seriguda)</td> <td>3.94 Acre</td> <td>Lease hold</td> </tr> </tbody> </table> <p>No land is declared surplus as the acquired lands are used for construction of Grid Sub Stations, Staff Quarters and Store yards and some available lands are meant for future expansion of Grid.</p>	Sl No.	Name of District	Land Encroached (Acre)	Free hold / Lease hold	1	Khurda (Bhubanpur)	Some portion of 7.30 Acre	Lease hold	2	Koraput (Kaki)	2.86 Acre	Lease hold	3	Nawarangpur (Tentulikhunti)	Some portion of 15.79 Acre	Free hold	4	Bolangir (Larkipali)	Some portion of 14.498 Acre	Lease hold	5	Rayagada (Seriguda)	3.94 Acre	Lease hold
Sl No.	Name of District	Land Encroached (Acre)	Free hold / Lease hold																							
1	Khurda (Bhubanpur)	Some portion of 7.30 Acre	Lease hold																							
2	Koraput (Kaki)	2.86 Acre	Lease hold																							
3	Nawarangpur (Tentulikhunti)	Some portion of 15.79 Acre	Free hold																							
4	Bolangir (Larkipali)	Some portion of 14.498 Acre	Lease hold																							
5	Rayagada (Seriguda)	3.94 Acre	Lease hold																							
02	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, The cases of deviation may please be detailed.	Yes. Settlement of dues are being done expeditiously and in a transparent manner as per the approval of District Compensatory Committee (DCCC). No deviation for the same was noticed.																								
03	Where the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes, except for the cases of recognition of revenue from deposit work and supervision services charges which are not in compliance to Ind-AS115- Revenue and the same is reported in our Qualified Opinion paragraph already																								
04	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	The company has incurred Rs.13.01 Crore up to 31/03/2023 on the various abandoned and suspended projects. No amount has been written off as at 31 <sup>st</sup> March, 2023. Further in respect of Abandoned Project the company has made provision of Rs.7.69 Crore up to 31/03/2023.																								

Odisha Power Transmission Corporation Limited  
Balance Sheet as at March 31, 2023

Amount in Rs. Crore  
As at  
31.03.2023

	Notes	As at 31.03.2023	As at 31.03.2022
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	5	5,130.02	4,774.96
(b) Capital work-in-progress	6	1,599.87	1,771.25
(c) Intangible assets	7	4.61	7.18
(d) Financial assets			
(i) Investments	8	99.73	114.73
(ii) Loans	9	10.57	12.40
(iii) Other financial assets	10	24.84	22.40
(e) Deferred tax assets	11	-	4.73
(f) Other non-current assets	12	180.90	167.63
<b>Total non-current assets</b>		<b>7,050.54</b>	<b>6,875.28</b>
<b>(2) Current assets</b>			
(a) Inventories	13	188.59	181.63
(b) Financial assets			
(i) Investments	8	15.00	10.00
(ii) Trade receivables	14	136.13	152.82
(iii) Cash and cash equivalents	15	1,781.56	1,402.68
(iv) Bank balances other than (iii) above	16	800.40	541.56
(v) Loans	9	6.58	6.73
(vi) Other financial assets	10	189.30	83.95
(c) Current tax assets	17	58.66	64.19
(d) Other current assets	12	3.15	3.12
<b>Total current assets</b>		<b>3,179.37</b>	<b>2,446.68</b>
<b>Total assets</b>		<b>10,229.91</b>	<b>9,321.96</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity share capital	18	2,071.47	1,886.71
(b) Other equity	19	575.86	411.41
<b>Total equity</b>		<b>2,647.33</b>	<b>2,298.12</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	1,693.52	1,784.50
(ii) Other financial liabilities	21	104.67	136.07
(b) Provisions	22	174.30	613.32
(c) Deferred income	23	1,594.19	1,583.95
(d) Deferred Tax Liabilities	11	166.63	-
(e) Other non-current liabilities	24	2,202.12	1,619.77
<b>Total non-current liabilities</b>		<b>5,935.43</b>	<b>5,737.61</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	136.38	125.16
(ii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	25	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	25	146.61	195.99
(iii) Other financial liabilities	21	68.47	69.81
(b) Deferred income	23	554.60	429.55
(c) Other current liabilities	24	296.93	289.44
(d) Provisions	22	444.16	176.28
<b>Total current liabilities</b>		<b>1,647.15</b>	<b>1,286.23</b>
<b>Total liabilities</b>		<b>7,582.58</b>	<b>7,023.84</b>
<b>Total equity and liabilities</b>		<b>10,229.91</b>	<b>9,321.96</b>

The accompanying notes (1 to 44) form an integral part of the financial statements

Subject to our report of even date

For PAMS & Associates,  
Chartered Accountants,  
FRN:316079E

Sd/-  
(CA Satyajit Mishra)  
Partner  
Membership No. 057293  
Date:29.09.2023

Sd/-  
(Somir Kumar Swain  
Director (Finance)

Sd/-  
(Umesh Kumar Gupta)  
Chief Financial Officer

Sd/-  
(Sanjay Kumar Mishra,IRTS)  
Chairman Cum Managing Director

Sd/-  
(Prasant Kumar Das)  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2023

	Notes	Amount in Rs. Crore	
		Year ended 31.03.2023	Year ended 31.03.2022
<b>I</b> Revenue from operations	26	1,259.88	1,045.90
<b>II</b> Other income	27	260.62	183.85
<b>III Total revenue (I + II)</b>		<b>1,520.50</b>	<b>1,229.75</b>
<b>IV Expenses</b>			
(a) Employee benefits expense	28	567.60	487.39
(b) Finance costs	29	115.66	86.91
(c) Depreciation and amortisation expense	30	389.27	343.38
(d) Other expenses	31	155.89	186.74
<b>Total expenses (IV)</b>		<b>1,228.42</b>	<b>1,104.42</b>
<b>V Profit Before Tax (III - IV)</b>		<b>292.08</b>	<b>125.33</b>
<b>VI Tax expense</b>			
(1) Current Tax (MAT)	32	39.52	17.42
(2) Deferred tax	32	197.19	45.94
<b>Total tax expense (VI)</b>		<b>236.71</b>	<b>63.36</b>
<b>VII Profit/(Loss) after Tax (V - VI)</b>		<b>55.37</b>	<b>61.97</b>
<b>VIII Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gains / (losses) on defined benefit plans	35	(73.92)	(28.22)
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	25.83	9.86
<b>Total other comprehensive income for the year (VIII)</b>		<b>(48.09)</b>	<b>(18.36)</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>7.28</b>	<b>43.61</b>
<b>X Earnings per equity share:</b>			
(1) Basic	33	28.48	38.60
(2) Diluted	33	28.48	38.60

The accompanying notes (1 to 44) form an integral part of the financial statements

Subject to our report of even date

For PAM5 & Associates,  
Chartered Accountants,  
FRN:316079E

Sd/-  
(CA Satyajit Mishra)  
Partner  
Membership No. 057293  
Date:29.09.2023

Sd/-  
(Samir Kumar Swain  
Director (Finance)

Sd/-  
(Umesh Kumar Gupta)  
Chief Financial Officer

Sd/-  
(Sanjay Kumar Mishra,IRTS)  
Chairman Cum Managing Director

Sd/-  
(Prasant Kumar Das)  
Company Secretary

## Cash Flow Statement

	Year ended 31.03.2023	Year ended 31.03.2022
<b>A. Cash flows from operating activities</b>		
<b>Profit for the period</b>	<b>55.37</b>	<b>61.97</b>
<i>Adjustments for:</i>		
Income tax expense recognised in profit or loss	236.71	63.36
Finance costs recognised in profit or loss	115.66	86.91
Interest income recognised in profit or loss	(62.28)	(30.53)
Deferred Income recognised in profit or loss	(99.96)	(98.33)
Net (gain) / loss on disposal of property, plant and equipment	(35.32)	-
Impairment loss recognised on non-financial assets	(3.45)	(0.01)
Inventories of stores, spares written off	1.07	0.42
Depreciation of plant, property and equipment	386.70	340.81
Amortisation of intangible assets	2.57	2.57
Loss on Discom Projects	-	-
Impairment Loss	-	-
Write Off of old balances	-	-
Write back of old balance	-	-
	<b>597.07</b>	<b>427.17</b>
<i>Movements in working capital:</i>		
(Increase) / decrease in inventories	(4.58)	17.69
(Increase) / decrease in trade receivables	16.69	(6.00)
(Increase) / decrease in loans and other financial asset	(105.81)	(6.35)
(Increase) / decrease in other assets	(13.30)	7.08
Increase / (decrease) in trade payables	(49.38)	11.20
Increase / (decrease) in other financial liabilities	(32.74)	18.72
Increase / (decrease) in other liabilities	588.91	(564.44)
Increase / (decrease) in provisions	(223.04)	30.82
<b>Cash (used in) / generated from operations</b>	<b>773.82</b>	<b>(64.11)</b>
Income taxes paid	<b>(59.82)</b>	<b>(36.52)</b>
<b>Net cash (used in) / generated by operating activities</b>	<b>714.00</b>	<b>(100.63)</b>
<b>B. Cash flows from investing activities</b>		
Payments to acquire financial assets	10.00	-
Payment towards term deposits	(258.84)	(231.80)
Interest received from banks and others	73.77	30.97
Payments for property, plant and equipments	(579.65)	(561.89)
Proceeds from disposal of property, plant and equipments	49.31	15.16
Payments for intangible assets	-	-
<b>Net cash (used in) / generated by investing activities</b>	<b>(705.41)</b>	<b>(747.56)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity instrument of the company	330.46	315.65
Proceeds from borrowings	(79.76)	552.14
Finance cost paid	(115.66)	(86.91)
Increase/(Decrease) in Trade Payables on Discom Related Works	-	-
Increase / (decrease) in deferred revenue	235.25	253.38
<b>Net cash (used in) / generated by financing activities</b>	<b>370.29</b>	<b>1,034.26</b>
<b>Net increase or (decrease) in cash or cash equivalents</b>	<b>378.88</b>	<b>186.07</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,402.68</b>	<b>1,216.61</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,781.56</b>	<b>1,402.68</b>

See accompanying notes forming an integral part of the financial statements

**Note-** Prepared on the basis on Indirect Method as per Ind AS-7

for PAMS & Associates,  
Chartered Accountants.  
FRN:316079E

Sd/-  
(CA Satyajit Mishra)  
Partner  
Membership No. 057293  
Date:29.09.2023

Sd/-  
(Samir Kumar Swain  
Director (Finance)

Sd/-  
(Umesh Kumar Gupta)  
Chief Financial Officer

Sd/-  
(Sanjay Kumar Mishra, IRTS)  
Chairman Cum Managing Director

Sd/-  
(Prasant Kumar Das)  
Company Secretary



## ODISHA POWER TRANSMISSION CORPORATION LIMITED

### Notes to the Financial Statements

#### 1. General Corporate Information

Odisha Power Transmission Corporation Limited (OPTCL) is the Power Transmission Utility having registered office at Bhubaneswar, Odisha. OPTCL became fully operational with effect from 1<sup>st</sup> April 2005 consequent upon issue of Odisha Electricity Reform (Transfer of Transmission and Related Activities) Scheme, 2005 under the provisions of Electricity Act, 2003 and the Odisha Electricity Reform Act, 1995 by the State Government for transfer and vesting of transmission related activities of GRIDCO Ltd. with OPTCL. The Company has been designated as the State Transmission Utility in terms of Section 39 of the Electricity Act, 2003.

Presently the Company is carrying on intra state transmission and wheeling of electricity under a license issued by the Odisha Electricity Regulatory Commission.

The operations of the Company are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities. Accordingly, in preparing the financial statements the relevant provisions of the said Act, Regulations etc. have been duly considered.

#### 2. Significant Accounting Policies:

##### 2.01 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

##### 2.02 Basis of preparation and presentation

The financial statements of the Company have been prepared in all material aspects with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2016 and other relevant provision of the Act. Further, as the Company is governed by the Electricity Act, 2003, the Company has followed the provisions of this Act read with rules made to the extent they are inconsistent with the provisions of the Companies Act, 2013.

##### 2.03 Basis of Measurement

The financial statements are prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities which are classified at fair value through profit and loss or fair value through other comprehensive income;
- Defined benefit plans and plan assets.
- Contingent consideration.

Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

#### 2.04 Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- i) It is expected to be realized, or is intended to be sold or consumed, in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or
- iii) It is expected to realise the asset within twelve months after the reporting period; or
- iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- i) It is expected to be settled in the normal operating cycle; or
- ii) It is held primarily for the purpose of trading; or



- iii) It is due to be settled within twelve months after the reporting period; or
- iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

### 2.05 Use of estimates

The preparation of these financial statements are in conformity with the recognition and measurement principles of IND-AS which requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of, fair value of unquoted securities and impairment of investments, valuation of current and deferred tax expense, valuation of defined benefit obligations, regulatory deferral accounts and provisions and contingent liabilities.

### 2.06: Materiality

In line with the Guidance note issued by the Institute of Chartered Accountants of India taking into consideration the size nature and complexity of the business the Corporation has refixed the limit of materiality concept as "any item of income or expenditure which exceeds 03% (Three) of Total Income or Rs.30.00 Crore whichever is higher to be treated as material."



The value of errors and omissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented, if the sum total effect of earlier period income/expenses exceeds 03% (Three) of Total Income or Rs.30.00 Crore whichever is higher.

### **2.07 Functional & Presentation Currency and Rounding off of amounts:**

All amounts disclosed in the financial statements and notes have been presented in Indian Rupees (₹), which is the Company's functional currency and rounded off to the nearest Crores as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

### **2.08 Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Cost comprises the purchase price and any other applicable costs attributable in bringing the assets to their working condition for their intended use, including borrowing costs and other overheads attributable to Property, Plant and Equipment. Depreciation commences when the assets are ready for their intended use. However, Freehold lands are not depreciated.

In the case of commissioned assets, deposit work / cost plus contracts where final settlement of bills with contractors is yet to be effected; capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement. Capitalisation from Capital work in progress (CWIP) is being done only after receipt of Technical Certificate from the respective field officers in line with Ind AS.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs relating to day to day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather, these costs are recognised in profit or loss as incurred.

Spare parts, standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized. The carrying amount of those spare parts, standby equipment and servicing equipment that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts, standby equipment and servicing equipment are treated as "Stores and spares" and are classified as Inventory.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In some of the cases the title deeds of land are in the name of OSEB, GRIDCO, Power and Irrigation Department or Energy Department, Govt. of Odisha as they are transferred to OPTCL by virtue of the Transfer Notification No.6035 dated 21.06.2006.

### **2.09 Assets on Deposit Work**

Assets transferred from customers are recognized at their fair value when it meets the definition of an asset and all attaching conditions is complied with.

Assets received from customers or assets constructed on receipt of amounts from the customers and on obtaining the control over the asset the Company recognised it as property, plant and equipment and depreciates over their expected useful lives on the same basis as the owned assets.

Amount received from the customer towards construction of a property, plant and equipment are included in non-current liabilities as deposit against deposit work assets and are credited to profit or loss on a systematic basis over the expected lives of the related assets and presented within other income as deferred income to the extent of depreciation provided during the year.

### 2.10 Capital Work in Progress

In respect of Works Contract, value of work-in-progress is recognised on the basis of bill submitted by the contractor relating to the progress of work. Incidental expenditure prior to construction, preliminary project expenditure on identification, survey / feasibility studies of the project, etc. are apportioned to capital work in progress on the basis of accretion thereto. These expenses, however, are charged to Statement of profit and loss in case the project is abandoned. Deposit work or cost plus contracts are accounted for on the basis of statement of account received from concerned office. Claims for Price variations in the form of escalation in contracts are accrued for on acceptance basis.

Supervision charges received on deposit work executed by OPTCL has been transferred to statement of P&L on percentage of completion method over the period of construction. Employees cost and A&G Cost over and above the supervision changes credited to P&L has been debited to CWIP (both Government work and own work) on proportionate basis to the total value of work executed during the year in case of construction division.

In case of other divisions, employees cost and A&G cost has been debited to CWIP @ 2% and @0.5% respectively of the work executed during the year.

### 2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulate amortisation and accumulated impairment losses. Amortisation is recognised on a straight -line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## 2.12 Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



### 2.13 Investment in Joint-venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company measures its investment in joint venture at cost in accordance with Ind AS 27 – Separate financial statements.

### 2.14 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Unserviceable / damaged stores and spares are identified and written down based on the rates specified under the technical assessment.

### 2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having an original maturity of three months or less.

### 2.16 Leases

#### Lease Accounting

At inception of contract, the Company assesses whether the Contract is or contains a lease. A contract is or contains a lease if the contract convey a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.



## As a Lessee

### Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is re-measured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### Short term leases and leases of low value of assets

The Company applies short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.



### 2.17 Government Grants

Grants and subsidies from the government are not recognized at their fair value until there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate and presented within other income. Specifically, government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic basis over the expected lives of the related assets and presented within other income to the extent of depreciation provided during the year.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 2.18 Borrowing costs

General and specific borrowing cost directly related to a particular project under construction or acquisition of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period they occur. The borrowing cost is measured at amortized cost using the effective interest method.

### 2.19 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, in respect of which a reliable estimate can be made based on technical valuation and past experience. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized/disclosed unless the possibility of outflow of resources are remote. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.

### 2.20 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts or cash credit liabilities. In the balance sheet, bank overdrafts or cash credit liabilities are shown within borrowings in current liabilities.

## 2.21 Income Taxes

Tax expense represents the sum of current tax and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset arising from unused tax losses or tax credits are recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

## 2.22 Employee benefits

### 2.22.1 Defined benefit plans

The liability to pay defined benefits to the personnel who have joined on or before 31.12.2004 is vested with Odisha Power Transmission Corporation Ltd.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period from April 01, 2015 onwards. Re-measurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

The retirement benefit obligation recognised in the balance sheet represents the actual obligation in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.22.2 Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

### 2.22.3 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## 2.23 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

### a) Financial assets

#### (i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

#### (iii) Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

**(iv) De-recognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

**(v) Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**b) Financial liabilities and equity instruments****(i) Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**(iii) Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**(iv) De- recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**(v) Offsetting financial instruments**

Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

**2.24 Revenue Recognition**

Revenue is recognized when no significant uncertainty as to the measurability or collectability exists. Revenue is measured at the fair value of the consideration received or receivable net of trade discount and volume rebates. The revenue from Transmission of power is accounted for on accrual basis. At the year end, the provisions for outstanding liability are made if no bills are received or raised till date of closing 'of the respective financial year.

Income such as supervision charges are recorded as revenue on accrual basis under "Sale of Services". Supervision charges / implementing agency charges in respect of DISCOMs and other work are credited/debited to statement of Profit & Loss in the year in which the completion and handing over (i.e., control is transferred) of the assets is made to the division, after adjustment of related expenses, if any.

Supervision charges received on assets created by beneficiary are credited to statement of Profit & Loss on raising of bills by OPTCL to the party.

Supervision charges received on deposit work executed by OPTCL is transferred to statement of Profit & Loss on percentage of completion method over the period of construction.

Revenue income is recognized as and when accrued by written communication from any Regulatory or Statutory authority, unless the same is under litigation or process of litigation. Further Income Receivable through Regulatory Mechanism in respect of additional cost incurred during the period over and above cost allowed in prevailing tariff order is recognized based on the applicable available orders and regulations of Regulatory Authorities.

Revenue from other works in the nature of Consultancy/Contract Services is accounted for on the basis of actual progress/technical assessment of work executed, except in cases where contracts provide otherwise. Receipts for delayed payments surcharges are accounted for when it is ascertained and the collection of the amount is confirmed.

The property, plant and equipment created by the Beneficiaries have been capitalized after obtaining the ownership along with the control with matching credit to Deferred Revenue. This deferred revenue account is debited and Revenue is recognized over the useful life of the asset.

One time registration fees of new user, training fees, sale of scrap are accounted for when there is certainty regarding the realisation of the same. Rebate allowed to Distribution Companies on realization of bills are accounted for when it is ascertained and confirmed.

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

Revenue Subsidies received from State Government are accounted to statement of Profit and Loss Account.

**Other Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued

on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.25 Expense Recognition

All expenses are recognised in the Statement of Profit and Loss on accrual basis as per the necessary terms of the contracts entered into with suppliers and service providers.

Interest on Infrastructure loan is accounted for subject to full filling of certain conditions after 5years from the date of commencement of supply of power.

Expenses like demand for Ground rent / Cess are accounted for on receipt of demand from appropriate authorities.

### 2.26 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus Issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

## 3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future periods.

### A. Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point i to iv below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

#### i) Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. Details of these assets are set out in **note 11**.

#### ii) Regulatory deferral accounts

Ind AS - 114 "Regulatory Deferral Accounts" permits the Company to apply the requirements of this standard in its first Ind AS financial statements if and only if it conducts rate-regulated activities and recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP. As the Company had consistently elected not to recognise the

regulatory deferral balances in its previous GAAP, the requirement of IND AS 114 does not apply to the Company.

**iii) Depreciation rates, depreciation method and residual value of property, plant and equipment**

In terms of Part B of Schedule II of the Companies Act, 2013, the Company has followed the depreciation rates, depreciation method and residual value of the items of property, plant and equipment as notified by the respective regulators in accordance with the Electricity Act, 2003 with respect to the assets falling under regulated business. Individual Assets costing Rs.5000/- or less are depreciated fully in the year in which they are put to use.

**iv) Service concession arrangements**

The Company has assessed applicability of Appendix A of Ind AS - 11 "Service Concession Arrangements" with respect to its distribution assets portfolio. In assessing the applicability, the Company have exercised judgment in relation to the provisions of the Electricity Act, 2003, distribution license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

**B. Key sources of estimation uncertainty:**

**i) Deferred tax assets**

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**ii) Provisions**

Provisions (excluding provision for salary) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

**iii) Contingent liabilities**

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligation but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

**iv) Impairment of property plant and equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**v) Fair value measurements and valuation processes:**

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the

asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### vi) Exceptional Items

Exceptional items are items of income and expenses arises from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.

### 4. Changes in Ind AS and related pronouncements effective at a future date

#### 4.1 Amendment in Schedule III to Companies Act 2013:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with the Companies (Indian Accounting Standards) Rules 2015 (as amended) are:

#### Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

for PAMS & Associates,  
Chartered Accountants.  
FRN:316079E  
Sd/-  
(CA Satyajit Mishra)  
Partner  
Membership No. 057293  
Date:29.09.2023

Sd/-  
(Samir Kumar Swain  
Director (Finance)

Sd/-  
(Umesh Kumar Gupta)  
Chief Financial Officer

Sd/-  
(Sanjay Kumar Mishra,IRTS)  
Chairman Cum Managing Director  
Sd/-  
(Prasant Kumar Das)  
Company Secretary

### Notes to the Financial Statements

#### 5 - Property, Plant and Equipment

Amount in Rs. Crore  
FY 2022-23

PARTICULARS	Gross Block			Depreciation			Net Block			
	As on 01.04.2022	Addition during the Year	Deletions during the Year	Adjustment during the Year	As on 31.03.2023	Addition during the Year	Deletions during the Year	Adjustment during the Year	As on 31.03.2023	As on 31.03.2022
Freehold land	54.94	-	-	-	54.94	-	-	-	54.94	54.94
Leasehold land	54.03	1.12	(1.00)	-	54.15	2.02	-	12.31	41.84	43.74
Buildings	121.00	13.46	-	1.91	136.37	5.29	-	0.25	104.20	94.37
Electrical installation	10.42	1.48	(0.07)	-	11.83	0.70	-	(0.02)	9.00	8.27
Other civil works	88.45	15.86	-	2.27	106.58	3.29	-	0.30	92.42	77.88
Plant & Machinery	3,948.78	551.33	(10.12)	-	4,489.99	249.92	-	(0.68)	3,268.00	2,976.03
Lines and cables	2,011.04	153.48	(2.66)	0.01	2,161.87	113.01	-	0.01	1,496.78	1,458.97
Vehicles	1.03	-	(0.03)	-	1.00	0.09	-	(0.04)	0.56	0.52
Furniture and fixtures	7.10	0.79	-	0.14	8.03	0.48	-	0.02	2.74	4.86
Office equipment	77.91	13.51	(0.11)	0.13	91.44	11.89	-	(0.09)	34.33	55.38
<b>TOTAL</b>	<b>6,374.70</b>	<b>751.03</b>	<b>(13.99)</b>	<b>4.46</b>	<b>7,116.20</b>	<b>386.69</b>	<b>-</b>	<b>(0.25)</b>	<b>1,986.18</b>	<b>4,774.96</b>

FY 2021-22

PARTICULARS	Gross Block			Depreciation			Net Block			
	As on 01.04.2021	Addition during the Year	Deletions during the Year	Adjustment during the Year	As on 31.03.2022	Addition during the Year	Deletions during the Year	Adjustment during the Year	As on 31.03.2022	As on 31.03.2021
Freehold land	52.31	2.63	-	-	54.94	-	-	-	54.94	52.31
Leasehold land	52.83	1.20	-	-	54.03	1.89	-	-	43.74	44.43
Buildings	109.37	11.63	-	-	121.00	4.90	-	-	94.37	87.64
Electrical installation	9.72	0.71	(0.01)	-	10.42	0.64	-	-	8.27	8.21
Other civil works	83.44	5.01	-	-	88.45	2.97	-	-	77.88	75.84
Plant & Machinery	3,307.02	650.65	(8.89)	-	3,948.78	215.51	-	0.01	2,976.03	2,549.79
Lines and cables	1,677.92	339.37	(6.25)	-	2,011.04	106.78	-	(0.01)	1,458.97	1,232.62
Vehicles	1.16	-	(0.13)	-	1.03	0.53	-	(0.12)	0.51	0.63
Furniture and fixtures	6.73	0.42	(0.05)	-	7.10	1.86	-	(0.06)	2.24	4.87
Office equipment	38.58	39.38	(0.05)	-	77.91	7.58	-	(0.04)	22.53	23.59
<b>TOTAL</b>	<b>5,339.08</b>	<b>1,051.00</b>	<b>(15.38)</b>	<b>-</b>	<b>6,374.70</b>	<b>340.81</b>	<b>-</b>	<b>(0.22)</b>	<b>1,599.74</b>	<b>4,774.96</b>

Depreciation is recognised so as to write off the cost of assets (Other than free hold land and properties under construction) less their residual value up to 90% of the original cost of asset and at the rates notified by the OERC Regulation using the straight line method, over useful life of respective assets as estimated by the management and at the rates specified by OERC and where the rates are not prescribed by OERC, the rates given under schedule II of the Companies Act, 2013. However, depreciation was recognised up to 31.03.2013 as per the Companies Act, 1956 where the assets is depreciated up to 95% of the original cost, the impact of which is Rs. 22.51 crore more than the OERC rate.

Deposit Work Assets included in PPE are as under :

	Freehold land	Leasehold land	Buildings	Electrical Installation	Other civil works	Plant and machinery	Lines and cables	Vehicles	Furniture and fixtures	Office equipment	Total
<b>Cost or deemed cost</b>											
<b>Balance as at 31.03.2023</b>	<b>6.29</b>	<b>5.63</b>	<b>8.18</b>	<b>3.95</b>	<b>5.94</b>	<b>1,056.28</b>	<b>755.01</b>	-	<b>0.52</b>	<b>6.06</b>	<b>1,847.86</b>
(i) Grant Asset	0.27	3.32	-	2.28	0.05	486.02	300.94	-	0.10	5.53	798.51
(ii) Other than Grant Asset	6.02	2.31	8.18	1.67	5.89	570.26	454.07	-	0.42	0.53	1,049.35
<b>Balance as at 31.03.2022</b>	<b>6.29</b>	<b>5.58</b>	<b>6.99</b>	<b>3.67</b>	<b>3.13</b>	<b>938.82</b>	<b>680.89</b>	-	<b>0.44</b>	<b>3.46</b>	<b>1,649.27</b>
(i) Grant Asset	0.27	3.32	-	2.27	0.05	426.82	274.63	-	0.10	3.02	710.48
(ii) Other than Grant Asset	6.02	2.26	6.99	1.40	3.08	512.00	406.26	-	0.34	0.44	938.79
<b>Accumulated depreciation and impairment</b>											
<b>Balance as at 31.03.2023</b>	-	<b>0.72</b>	<b>1.75</b>	<b>1.00</b>	<b>0.58</b>	<b>290.65</b>	<b>171.15</b>	-	<b>0.17</b>	<b>2.87</b>	<b>468.89</b>
(i) Grant Asset	-	0.37	-	0.75	0.01	94.74	54.33	-	0.02	2.62	152.84
(ii) Other than Grant Asset	-	0.35	1.75	0.25	0.57	195.91	116.82	-	0.15	0.25	316.05
<b>Balance as at 31.03.2022</b>	-	<b>0.53</b>	<b>1.49</b>	<b>0.75</b>	<b>0.41</b>	<b>234.63</b>	<b>130.66</b>	-	<b>0.15</b>	<b>2.17</b>	<b>370.79</b>
(i) Grant Asset	-	0.26	-	0.60	-	69.19	38.67	-	0.02	1.97	110.71
(ii) Other than Grant Asset	-	0.27	1.49	0.15	0.41	165.44	91.99	-	0.13	0.20	260.08
<b>Carrying amount</b>											
<b>Balance as at 31.03.2023</b>	<b>6.29</b>	<b>4.91</b>	<b>6.43</b>	<b>2.95</b>	<b>5.36</b>	<b>765.63</b>	<b>583.86</b>	-	<b>0.35</b>	<b>3.19</b>	<b>1,378.97</b>
(i) Grant Asset	0.27	2.95	-	1.53	0.04	391.28	246.61	-	0.08	2.91	645.67
(ii) Other than Grant Asset	6.02	1.96	6.43	1.42	5.32	374.35	337.25	-	0.27	0.28	733.30
<b>Balance as at 31.03.2022</b>	<b>6.29</b>	<b>5.05</b>	<b>5.50</b>	<b>2.92</b>	<b>2.72</b>	<b>704.19</b>	<b>550.23</b>	-	<b>0.29</b>	<b>1.29</b>	<b>1,278.48</b>
(i) Grant Asset	0.27	3.06	-	1.67	0.05	357.63	235.96	-	0.08	1.05	599.77
(ii) Other than Grant Asset	6.02	1.99	5.50	1.25	2.67	346.56	314.27	-	0.21	0.24	678.71

List of Lands not Held in the name of the Company as on 31.03.2023

Sl. NO.	Nature of PPE	Title Deeds held in the name of	No of Title Deeds	Area (In Acre)
1	Land	Energy & Irrigation Department	9	125.218
2	Land	OSEB	31	480.032
3	Land	GRIDCO	12	138.42
		Total	52	743.67

The above Lands were transferred vide Notification No.6892 dated 09.06.2005 of Govt. of Odisha for the purpose of transfer and vesting of the transmission undertakings of GRIDCO in favour of Odisha Power Transmission Corporation Limited, a wholly owned Undertaking of the State Govt. w.e.f.1st April 2005. Out of the 52 nos of title deeds the value is available for 42 nos of titles deeds and for the remaining title deeds no value is available.

Notes to the Financial Statements

6 - Capital work-in-progress

Amount in Rs. Crore

PARTICULARS	FY 2022-23					FY 2021-22				
	As on 01.04.2022	Additions	Other adjustments	Capitalised during the year	As on 31.03.2023	As on 01.04.2021	Additions	Other adjustments	Capitalised during the year	As on 31.03.2022
Building	23.51	23.37	-	(16.33)	30.55	62.19	6.09	-	(44.77)	23.51
Electrical installation	0.09	2.51	-	(0.55)	2.05	0.09	0.01	-	(0.01)	0.09
Other civil works	18.98	7.15	-	(6.89)	19.24	2.23	21.76	-	(5.01)	18.98
Other office equipment	1.64	4.12	4.90	(2.71)	7.95	1.07	1.66	-	(1.09)	1.64
Plant and machinery	1,559.68	330.98	(0.34)	(539.75)	1,350.57	1,822.69	417.39	(0.28)	(680.12)	1,559.68
Lines and cables	167.35	144.23	(0.79)	(121.28)	189.51	372.09	101.40	(5.01)	(301.13)	167.35
<b>TOTAL</b>	<b>1,771.25</b>	<b>512.36</b>	<b>3.77</b>	<b>(687.51)</b>	<b>1,599.87</b>	<b>2,260.36</b>	<b>548.31</b>	<b>(5.29)</b>	<b>(1,032.13)</b>	<b>1,771.25</b>

1. The Cost of Capital Expenditure includes an amount of Rs. 16.40 Cr (Previous Year Rs. 15.55 Cr) towards employee cost, Rs. 3.67 Cr (Previous Year Rs. 2.21 Cr) towards A&G cost and Rs. 22.55 Cr (Previous Year Rs. 32.99 Cr) towards interest respectively.

2. CWIP relating to Discom Project and BBNL Project amounting to Rs. 5029.43 Cr (Previous Year Rs. 4638.56 Cr) has not been included in the above notes.

Capital Work-In-Progress

Ageing Schedule

CWIP	FY 2022-23				Total
	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	353.14	259.34	358.94	623.33	1,594.75
Projects temporarily Suspended/Abandoned	0.46	0.90	4.66	6.99	13.01
Provisions on Abandoned Projects	-	-	-	(7.89)	(7.89)

CWIP	FY 2021-22				Total
	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	315.06	453.79	368.23	608.87	1,745.95
Projects temporarily Suspended/Abandoned	-	1.87	0.19	28.53	30.59
Provisions on Abandoned Projects	-	-	-	(5.29)	(5.29)

Notes to the Financial Statements

7 - Intangible assets

Amount in Rs. Crore  
FY 2022-23

PARTICULARS	Gross Block			Depreciation			Net Block		
	As on 01.04.2022	Addition during the period	Adjustment during the period	As on 31.03.2023	As on 01.04.2022	Addition during the Year	Adjustment during the period	As on 31.03.2023	As on 31.03.2022
Computer Software	17.42	-	-	17.42	10.24	2.57	-	12.81	7.18
<b>TOTAL</b>	<b>17.42</b>	<b>-</b>	<b>-</b>	<b>17.42</b>	<b>10.24</b>	<b>2.57</b>	<b>-</b>	<b>12.81</b>	<b>7.18</b>

**FY 2021-22**

PARTICULARS	Gross Block			Depreciation			Net Block		
	As on 01.04.2021	Addition during the period	Adjustment during the period	As on 31.03.2022	As on 01.04.2021	Addition during the Year	Adjustment during the period	As on 31.03.2022	As on 31.03.2021
Computer Software	17.42	-	-	17.42	7.67	2.57	-	10.24	9.75
<b>TOTAL</b>	<b>17.42</b>	<b>-</b>	<b>-</b>	<b>17.42</b>	<b>7.67</b>	<b>2.57</b>	<b>-</b>	<b>10.24</b>	<b>9.75</b>

# Deposit Work Asset included in above Rs. 2.95 Cr (Gross Asset value Rs. 10.69 Crore, Accumulated Depreciation Rs. 7.74 Crore), Previous Year Rs. 4.55 Cr (Gross Asset Value Rs. 10.69 Crore, Accumulated Depreciation Rs. 6.14 Crore)

Notes to the Financial Statements

8 - Investments

I. Other investments

Non-current

	As at 31.03.2023			As at 31.03.2022		
	Quantity Units	Amount Rs. in crores	Market Value Rs. in crores	Quantity Units	Amount Rs. in crores	Market Value Rs. in crores
<b>Quoted investments</b>						
Investments in Government securities (Face value Rs. 10,000/each)						
8.51% Punjab SDL - 2023	-	-	-	5,000.00	5.00	5.19
8.49% Haryana SDL - 2023	-	-	-	3,000.00	3.00	3.11
9.69% Jharkhand SDL - 2024	-	-	-	5,000.00	5.00	5.39
9.38% Himachal Pradesh SDL - 2024	-	-	-	2,000.00	2.00	2.15
9.64% Kerala SDL - 2024	1,062.00	1.06	1.09	1,062.00	1.06	1.15
9.65% Nagaland SDL-2024	1,300.00	1.30	1.33	1,300.00	1.30	1.41
9.63% Punjab SDL-2024	1,625.00	1.63	1.66	1,625.00	1.63	1.76
9.63% Himachal Pradesh SDL-2024	2,500.00	2.50	2.56	2,500.00	2.50	2.71
9.63% Rajasthan-2024	2,500.00	2.50	2.56	2,500.00	2.50	2.71
9.22% Chhattisgarh SDL-2024	5,000.00	5.00	5.10	5,000.00	5.00	5.39
9.23% Himanchal Pradesh SDL -2024	2,000.00	2.00	2.04	2,000.00	2.00	2.16
9.23% Maharashtra SDL-2024	4,080.00	4.08	4.16	4,080.00	4.08	4.40
9.21% Punjab SDL-2024	3,434.00	3.43	3.50	3,434.00	3.43	3.70
9.21% Rajasthan SDL-2024	5,000.00	5.00	5.10	5,000.00	5.00	5.39
9.24% Tamil Nadu SDL-2024	5,000.00	5.00	5.10	5,000.00	5.00	5.39
9.11% Rajasthan SDL-2024	5,000.00	5.00	5.09	5,000.00	5.00	5.38
9.05% Goa SDL-2024	1,951.00	1.95	1.99	1,951.00	1.95	2.11
9.03% Rajasthan -2024	5,000.00	5.00	5.10	5,000.00	5.00	5.39
9.03% Kerala SDL -2024	3,000.00	3.00	3.06	3,000.00	3.00	3.24
8.72% Kerala SDL -2024	3,000.00	3.00	3.06	3,000.00	3.00	3.23
8.21% Goa SDL-2025	2,000.00	2.00	2.03	2,000.00	2.00	2.14
8.22% Nagaland SDL -2025	500.00	0.50	0.51	500.00	0.50	0.53
8.25% Odisha SDL-2025	5,000.00	5.00	5.09	5,000.00	5.00	5.36

7.64% West Bengal SDL-2027	10,173.00	10.17	10.21	10,173.00	10.17	10.67
7.30% PN SDL-2027	1,500.00	1.50	1.49	1,500.00	1.50	1.55
7.26% AS SDL 09-08-2027	5,000.00	5.00	4.95	5,000.00	5.00	5.15
8.13% CG SDL-2028	5,000.00	5.00	5.12	5,000.00	5.00	5.34
8.39% UPSDL- 2029	10,000.00	10.00	10.40	10,000.00	10.00	10.80
8.39% BRSDL- 2029	4,106.00	4.11	4.27	4,106.00	4.11	4.43
6.33% AS SDL- 2026-29	5,000.00	5.00	4.81	5,000.00	5.00	5.01
<b>Total - investments in Government securities</b>	<b>99,731.00</b>	<b>99.73</b>	<b>101.35</b>	<b>1,14,731.00</b>	<b>114.73</b>	<b>122.34</b>
<b>Total - other non-current investments</b>	<b>99,731.00</b>	<b>99.73</b>	<b>101.35</b>	<b>1,14,731.00</b>	<b>114.73</b>	<b>122.34</b>
<b>Current</b>						
<b>Quoted investments</b>						
8.54% Punjab SDL - 2023	-	-	-	2,000.00	2.00	2.07
8.62% Jharkhand SDL -2023	-	-	-	3,000.00	3.00	3.11
8.65% Karnataka SDL -2023	-	-	-	5,000.00	5.00	5.19
8.51% Punjab SDL - 2023	5,000.00	5.00	5.00	-	-	-
8.49% Haryana SDL - 2023	3,000.00	3.00	3.00	-	-	-
9.69% Jharkhand SDL - 2024	5,000.00	5.00	5.09	-	-	-
9.38% Himachal Pradesh SDL - 2024	2,000.00	2.00	2.03	-	-	-
<b>Total - Current Investments</b>	<b>15,000.00</b>	<b>15.00</b>	<b>15.13</b>	<b>10,000.00</b>	<b>10.00</b>	<b>10.37</b>
<b>Total Investment</b>	<b>1,14,731.00</b>	<b>114.73</b>	<b>116.48</b>	<b>1,24,731.00</b>	<b>124.73</b>	<b>132.71</b>

Notes to the Financial Statements

9 - Loans

Amount in Rs. Crore

A. Non-current

	As at 31.03.2023	As at 31.03.2022
(a) Loans to employees		
Considered good-Secured	-	-
Considered good-Unsecured	10.57	12.40
Having significant increase in credit risk	0.08	0.08
Less: Credit Impaired	(0.08)	(0.08)
<b>Total non-current loans</b>	<b>10.57</b>	<b>12.40</b>

B. Current

	As at 31.03.2023	As at 31.03.2022
(a) Loans to employees		
Considered good-Secured	-	-
Considered good-Unsecured	6.58	6.73
Having significant increase in credit risk	-	-
Less: Credit Impaired	-	-
Less: Allowance for bad and doubtful loans		
<b>Total current loans</b>	<b>6.58</b>	<b>6.73</b>

10 - Other financial assets

A. Non current

	As at 31.03.2023	As at 31.03.2022
(a) Security Deposit	3.43	3.44
(b) Security deposits with public utilities	3.89	3.40
(c) Interest accrued but not due		
i) on staff loans and others	10.78	11.22
(d) Receivable from Government	4.47	2.10
(e) Amount recoverable from employees/ex-employees	0.80	0.77
(f) Other receivables	1.47	1.47
<b>Total other non-current financial assets</b>	<b>24.84</b>	<b>22.40</b>

B. Current

	As at 31.03.2023	As at 31.03.2022
(a) Interest accrued but not due		
i) on term deposits	35.24	5.39
ii) on non-current investment	-	2.37
iii) on staff loans and others	2.89	3.44
(b) Receivable from Government	0.17	1.31
(c) Amount recoverable from employees/ex-employees	0.05	0.04
(d) Advances with Government Authorities	-	-
(e) Other receivables	154.80	75.25
Less: Allowance for bad and doubtful other non-current assets	(3.85)	(3.85)
<b>Total other current financial assets</b>	<b>189.30</b>	<b>83.95</b>

Notes to the Financial Statements

11 - Deferred tax liabilities

Amount in Rs. Crore

			As at 31.03.2023	As at 31.03.2022
<b>Deferred tax liabilities</b>			448.99	406.23
<b>Deferred tax assets</b>			282.36	410.95
MAT credit receivable			-	-
			<b>166.63</b>	<b>(4.73)</b>
	<b>Opening Balance as at 01.04.2022</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance as at 31.03.2023</b>
<b>2022-23</b>				
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment	(406.23)	(42.76)		(448.99)
FVTPL financial assets				
<b>Deferred tax liabilities</b>	<b>(406.23)</b>	<b>(42.76)</b>	<b>-</b>	<b>(448.99)</b>
<b>Deferred tax assets in relation to:</b>				
Provision for compensated absences and other employee benefits	4.86	(3.95)		0.91
Provision for defined benefit obligation	271.05	(81.67)	25.83	215.21
Others	135.04	(68.80)		66.24
<b>Deferred tax assets</b>	<b>410.95</b>	<b>(154.43)</b>	<b>25.83</b>	<b>282.36</b>
MAT credit receivable				
<b>Deferred tax (liabilities) / assets (net)</b>	<b>4.73</b>	<b>(197.19)</b>	<b>25.83</b>	<b>(166.63)</b>
	<b>Opening Balance as at 01.04.2021</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance as at 31.03.2022</b>
<b>2021-22</b>				
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment	(369.45)	(36.78)		(406.23)
FVTPL financial assets				
<b>Deferred tax liabilities</b>	<b>(369.45)</b>	<b>(36.78)</b>	<b>-</b>	<b>(406.23)</b>
<b>Deferred tax assets in relation to:</b>				
Provision for compensated absences and other employee benefits	9.53	(4.66)		4.86
Provision for defined benefit obligation	250.54	10.65	9.86	271.05
Others	150.20	(15.16)		135.04
<b>Deferred tax assets</b>	<b>410.27</b>	<b>(9.17)</b>	<b>9.86</b>	<b>410.95</b>
MAT credit receivable				
<b>Deferred tax (liabilities) / assets (net)</b>	<b>40.81</b>	<b>(45.94)</b>	<b>9.86</b>	<b>4.73</b>

Notes to the Financial Statements

12- Other Assets

Amount in Rs. Crore

**A. Non-current**

(a) Capital Advance

Unsecured, considered good

180.02

166.67

Unsecured, considered doubtful

-

-

(b) Advances other than Capital Advances

Unsecured, considered good

0.88

0.96

Unsecured, considered doubtful

-

-

**Gross other non-current assets**

**180.90**

**167.63**

**Less: Allowance for bad and doubtful other non-current assets**

(a) Capital Advance

(b) Advance to suppliers and contractors

-

**Total allowance for bad and doubtful other non-current assets**

**Total other non-current assets**

**180.90**

**167.63**

**Classification of other non-current assets:**

Secured, considered good

Unsecured, considered good

180.90

167.63

Doubtful

-

-

**Gross other non-current assets**

**180.90**

**167.63**

**B. Current**

(a) Advance to suppliers and contractors

Unsecured, considered good

0.01

0.02

Unsecured, considered doubtful

-

-

(b) Prepaid expenses (Unsecured, considered good)

3.15

3.11

**Gross other current assets**

**3.16**

**3.13**

**Less: Allowance for bad and doubtful other current assets**

(a) Advance to suppliers and contractors

(0.01)

(0.01)

**Total allowance for bad and doubtful other current assets**

**(0.01)**

**(0.01)**

**Total other current assets**

**3.15**

**3.12**

**Notes to the Financial Statements****13 - Inventories (lower of cost and net realisable value) Amount in Rs. Crore**

	As at 31.03.2023	As at 31.03.2022
(a) Stores and spares	176.89	166.48
(1) Cost	188.54	181.63
(2) Less: Provisions	(11.65)	(15.15)
(b) Other material	11.70	15.15
(1) Cost	16.14	18.99
(2) Less: Provisions	(4.44)	(3.84)
<b>Total inventories</b>	<b>188.59</b>	<b>181.63</b>

**Notes:**

14.1 The cost of inventories recognised as expenses includes Rs. 70.25 crore for the year ended March 31, 2023 (for the year ended March 31, 2022: Rs. 62.43crore).

**Notes to the Financial Statements****14 - Trade receivables**

	Amount in Rs. Crore	
Current	As at 31.03.2023	As at 31.03.2022
(a) Considered good-Secured	-	-
(b) Considered good-Unsecured	136.13	152.82
(c) Having significant increase in credit risk	8.32	59.03
Less: Credit Impaired	(8.32)	(59.03)
<b>Net trade receivables</b>	<b>136.13</b>	<b>152.82</b>

**Notes:****14.1 Trade receivables**

Trade Receivables consist mainly of receivables relating to transmission services, and also receivables from consultancy services and telecom services. The Company had entered into Transmission Service Agreement (TSA) with DISCOMS consisting of Central Electricity Supply Utility ("CESU") upto 31.05.2020, TP Central Odisha Distribution Limited (TPCODL) w.e.f 01.06.2020, North Eastern Electricity Supply Company of Orissa Limited ("NESCO"), Western Electricity Supply Company of Orissa Limited ("WESCO") upto 31.12.2020, TP Western Odisha Distribution Limited (TPWODL) w.e.f 01.01.2021, Southern Electricity Supply Company of Orissa Limited ("SOUTHCO") upto 31.12.2020, TP Southern Odisha Distribution Limited (TPSODL) w.e.f 01.01.2021 which is entrusted with distribution function and also long-term open access users like IMFA and NALCO are primary users of transmission system of OPTCL. Currently the entire transmission system is owned by OPTCL and included in the Company's Property, plant and equipment and revenues generated from the same is being presented in revenue from operations as "Transmission Charges". No interest is to be charged even when the amount is overdue for more than credit period. The average credit period for transmission services to the customers is of 30 days from the date of billing which is considered as collection period.

Out of the trade receivable amounting to Rs.144.45 crores as at March 31, 2023, Rs.100.35 crores is due from LTOA Customers within the State of Odisha, Rs.44.10 crores is due from PGCIL and others for transmission of power and generally the collection against these receivables is made within a period of 3-6 months from the date of billing. However, in case of receivable from PGCIL it depends upon the collection from the DIC by the PGCIL. There is no other customer who represents more than 10% of the total balance of trade receivables.

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, the allowance for expected credit loss shall be equivalent to the existing provision already recognised in the books.

The Company has used a practical approach by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The Company makes provision for allowances based on the industrial credit loss experience and adjusted for forward looking information. In case of the Company the significant portion is generally collected within the credit period and there is only specific disputed case which needs to be provided for.

## Trade Receivable

### Ageing Schedule

FY 2022-23

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
(I) Undisputed Trade Receivable- Considered good	89.85	3.82	9.66	9.66	19.25	132.24
(ii) Undisputed Trade Receivable- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable- Considered good	-	-	-	-	8.32	8.32
(v) Disputed Trade Receivable- which have significant increase in credit risk	3.27	0.20	0.42	-	-	3.89
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

FY 2021-22

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
(I) Undisputed Trade Receivable- Considered good	110.64	4.83	9.69	9.67	16.92	151.75
(ii) Undisputed Trade Receivable- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	59.03	59.03
(iv) Disputed Trade Receivable- Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable- which have significant increase in credit risk	0.34	0.31	0.42	-	-	1.07
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

## Notes to the Financial Statements

### 15 - Cash and cash equivalents

Amount in Rs. Crore

	As at 31.03.2023	As at 31.03.2022
(a) Balances with banks		
(1) Balance with scheduled banks		
(i) In current account		
-For OPTCL	528.99	650.89
-For DISCOM and Other Projects	1,250.86	741.43
(b) Cheque in hand	1.60	10.26
(c) Cash on hand	0.11	0.10
<b>Gross cash and cash equivalents</b>	<b>1,781.56</b>	<b>1,402.68</b>
(a) Provision against theft	-	-
<b>Total cash and cash equivalents</b>	<b>1,781.56</b>	<b>1,402.68</b>

### 16 - Bank balances other than cash and cash equivalents

	As at 31.03.2023	As at 31.03.2022
(a) Balances with banks		
(1) Balance with scheduled banks		
(i) In deposit account with maturity between 3-12 months (OPTCL)	700.40	291.56
(ii) In deposit account with maturity between 3-12 months (DISCOMS)	100.00	250.00
<b>Total bank balances other than cash and cash equivalents</b>	<b>800.40</b>	<b>541.56</b>

**17 - Tax assets**

<b>Current</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
(a) TDS receivable and advance tax	134.45	100.46
(b) Less: Provision for Taxation	75.79	36.27
<b>Net Tax Asset</b>	<b>58.66</b>	<b>64.19</b>

**Notes to the Financial Statements****18 - Share Capital**

	<b>Amount in Rs. Crore</b>	
	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
<b>Equity share capital</b>		
Equity share capital	2,071.47	1,886.71
	<b>2,071.47</b>	<b>1,886.71</b>

**Authorised share capital:**

25,000,000 fully paid-up equity shares of Rs. 1,000 each (As at 31.03.2020 15,000,000 fully paid-up equity shares of Rs. 1,000 each)	2,500.00	2,500.00
	<b>2,500.00</b>	<b>2,500.00</b>

**Issued and subscribed capital comprises:**

2,07,14,680 fully paid-up equity shares of Rs. 1,000 each (As at 31.03.2022 1,88,67,080 fully paid-up equity shares of Rs. 1,000 each)	2,071.47	1,886.71
	<b>2,071.47</b>	<b>1,886.71</b>

**18.1 Fully paid equity shares**

	<b>Number of shares</b>	<b>Amount in Rs. Crores</b>
<b>Balance as at 31.03.2021</b>	<b>1,57,10,600</b>	<b>1,571.06</b>
Issue of shares	31,56,480	315.65
<b>Balance as at 31.03.2022</b>	<b>1,88,67,080</b>	<b>1,886.71</b>
Issue of shares	18,47,600	184.76
<b>Balance as at 31.03.2023</b>	<b>2,07,14,680</b>	<b>2,071.47</b>

# During the year 18,47,600 shares are issued for cash

**18.2 Rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 1,000 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 18.3 Details of shares held by each shareholder holding more than 5% of shares

	As at 31.03.2023		As at 31.03.2022	
	No. of shares held	% of holding of shares	No. of shares held	% of holding of shares
<b>Fully paid equity shares</b>				
Government of Odisha	2,07,14,673.00	99.99%	1,88,67,073	99.99%
Others*	7.00	0.01%	7	0.01%
<b>Total</b>	<b>2,07,14,680</b>	<b>100.00%</b>	<b>1,88,67,080</b>	<b>100.00%</b>

\*Other shareholders hold the shares as nominee of the Government of Odisha.

### 19 - Other equity

	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
(a) Equity component of compound financial Instruments	-	-
(b) Capital reserves	279.44	279.45
(c) Retained earnings		
(i) Corporate social responsibility reserves	-	-
(ii) Contingency reserve fund	124.73	124.73
(iii) SLDC development fund	89.68	78.19
(iv) Profit and loss	98.20	84.83
(v) Other Comprehensive Income	(203.89)	(155.79)
(vi) Share Capital Pending Allotment	145.70	-
(vii) Interim Dividend	42.00	-
<b>Total</b>	<b>575.86</b>	<b>411.41</b>

# The capital reserve includes Rs. 164.19 cr as the difference of assets and liabilities as per transfer notification No. 6035 dated 21.06.2006 of Dept. of Energy Govt. of Odisha regarding formation of OPTCL, write back of interest on GRIDCO bond of Rs. 104 cr for pre-OPTCL period and the balance represents write back of old/ unreconciled ledger balances.

# Contingency Reserve was created as per provision contained in Section IV of the 6th schedule of the Electricity Supply Act, 1948 read with "Electricity Act 2003". The Appropriation was made upto FY 2013-14. Investment equivalent to the appropriation amount has been made in Government securities.

# Based on the provisions of CERC Regulation, 2009 & Regulation-8 of OERC Regulation, 2010, SLDC development Fund has been created out of the unspent amount of SLDC in each year. The fund shall be utilised for assets creation and margin money for raising loan from Bank FIs for asset creation & funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission.

### Notes to the Financial Statements

#### 20 - Borrowings

##### A. Non current

##### a. Unsecured - at amortised cost

- (i) Loan from Govt. of Odisha (JICA) (Refer note (I) below)
- (ii) Loan from others

Infrastructure Loan from Industries (Refer note (II) below)

##### b. Secured - at amortised cost

Loan from banks (Refer note (iii) (a), (b) and (c) below)

from financial Institutions (Refer note (iv) (a) and (b) below)

##### Total Non-current Borrowings

	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
(i) Loan from Govt. of Odisha (JICA) (Refer note (I) below)	483.38	523.64
(ii) Loan from others		
Infrastructure Loan from Industries (Refer note (II) below)	96.70	98.33
(b) Secured - at amortised cost		
Loan from banks (Refer note (iii) (a), (b) and (c) below)	1,027.16	1,022.95
from financial Institutions (Refer note (iv) (a) and (b) below)	86.28	139.58
<b>Total Non-current Borrowings</b>	<b>1,693.52</b>	<b>1,784.50</b>

	As at 31.03.2023	As at 31.03.2022
<b>B. Current</b>		
a. Unsecured - at amortised cost		
(i) Loan from Govt. of Odisha (JICA) (Refer note (i) below)	43.62	43.43
(ii) Loan from others		
Infrastructure Loan from Industries (Refer note (ii) below)	1.36	1.36
b. Secured - at amortised cost		
Loan from banks (Refer note (iii) (a) and (b) below)	77.02	53.42
from financial Institutions (Refer note (iv) (a) and (b) below)	14.38	26.95
<b>Total Current Borrowings</b>	<b>136.38</b>	<b>125.16</b>

## 20.1 Summary of Borrowings arrangements

### (i) Japan International Co-operative Agency (Jica)

The total funded loan sanctioned by Govt. of Odisha (JICA) of INR ₹1146.68 Crore for specified capital project which will be repaid along with interest halfyearly in 14 years after the grace period of 6 years from the date of signing of the loan amount. The outstanding balance as on 31.03.2023 is Rs. 527.01 Cr. (includes Rs. 43.62 crore as current) (as at 31.03.2022 is Rs. 567.07 Cr. includes Rs. 43.53 crore as current)

### (ii) "Infrastructure loans:"

"The Company is also engaged in establishing grid substation and transmission lines for the purpose of establishing infrastructure facility for power transmission for upgradation of transformers of OPTCL to be located at the borrower's premises to meet the load demand available by the industry. Currently, there are several parties from whom such loans have been obtained, the amount of loan outstanding as at 31.03.2023 amounts to Rs. 98.06 crores (as at 31.03.2022 amounts to Rs. 99.67 crores)."

### (iii) "Secured term loan from bank include term-loan from

The Bank advanced a secured term Loan of Rs. 596 crores for specified capital project and which is to be repaid along with stipulated base rate of interest and repayable within a period of"

#### (a) Bank of India

"The Bank advanced a secured term Loan of Rs. 81 crores for specified capital project which is to be repaid along with stipulated base rate of interest and repayable within a period of 15 years with a moratorium period of 3 years from the date of 1st disbursement. The amount outstanding as at 31.03.2023 being Rs. 0.00 cr (includes Rs 0.00 cr as current) (As at 31.03.2022 being Rs. 24.89 crores and includes Rs. 6.75cr as current.)"

#### (b) Union Bank of India I & II

"The Bank advanced a secured term Loan of Rs. 560 crores( Loan-I) and Rs. 607.12 (Loan-II) Crore for specified capital project and which is to be repaid along with stipulated rate of interest and repayable within a period of 15 years with a moratorium period of 3 years from the date of 1st disbursement. The amount outstanding as at 31.03.2023 being Rs. 930.50 Cr. (includes Rs 77.02 cr as current) (As at 31.03.2022 being Rs. 977.18 crores)"

#### (c) UCO BANK

"The Bank advanced a secured term Loan of Rs. 468.29crore for specified capital project and which is to be repaid along with stipulated rate of interest and repayable within a period of 15 years with a moratorium period of 3 years from the date of 1st disbursement. The amount outstanding as at 31.03.2023 being Rs. 173.67 crore (As at 31.03.2022 being Rs. 74.33 Crore)"

### (iv) Loan from Financial Institutions

"(a) Rural Electrification Corporation (RECL):The total loan sanctioned by financial institution is Rs. 424.96 crores out of which amount outstanding Rs.100.67Cr (includes Rs 14.38 cr as current)at 31.03.2023 against security [Rs. 142.27 crores (includes Rs. 20.21 cr current) as at 31.03.2022]"

"(b) Power Finance Corporation Limited (PFCL):The total loan sanctioned by financial institution is Rs. 96.67 crores out of which amount outstanding Rs. 0.00 crores (includes Rs. 0.00 cr as current)against security as at 31.03.2023 [Rs. 24.26 crores (includes Rs 6.74 cr as current)as at 31.03.2022]"

**20 The terms of repayment of term loans and other loans are stated below:  
As at March 31, 2023**

**Amount in Rs. Crore**

Particulars	Amount outstanding	Terms of repayment	Rate of interest
(I) Loan form financial institutions			
Term loans-REC Ltd	100.67	Principal to be repaid in equal annual instalments payable after 3 years of moratorium period beginning from the date of 1st disbursement of loan sanctioned but the entire loan shall be repaid by the OPTCL within a period of 10/12 years from the date of disbursement of the first instalment of the loan.	a)Interest reset option after every 3 years. b) The interest rate for the year varies from 10.50% to 11.11% per annum.
Term loans-PFC Ltd	-	Principal to be repaid in equal annual instalments payable after 3 years of moratorium period beginning from the date of 1st disbursement of loan sanctioned but the entire loan shall be repaid by the OPTCL within a period of 10/12 years from the date of disbursement of the first instalment of the loan.	a)Interest reset option after every 3 years. b) The interest rate for the year varies from 10.5% to 11.50% per annum.
(ii) Loan from bank			
Term Loan from Bank of India ( Term Loan-I)	-	Principal to be repaid in 144 equal monthly instalments (Rs 0.5625 crores in 144 instalments) commencing after 3 years from 1st disbursement.	The rate of interest is variable rate and accordingly reset every time the Base Rate/MCLR is reset by the RBI.
Term Loan from Union Bank of India-I	432.15	Principal to be repaid in 144 equal monthly instalments (Rs 3.89 crores in 144 instalments) commencing after 3 years from 1st disbursement.	The rate of Interest is variable rate and accordingly reset every time the MCLR is reset by the Bank.
Term Loan from Union Bank of India-II	498.35	Principal to be repaid in 144 equal monthly instalments (Rs 3.89 crores in 144 instalments) commencing after 3 years from 1st disbursement.	The rate of interest is variable rate and accordingly reset yearly basis every time the MCLR is reset by the Bank.

UCO Bank	173.67	Principal to be repaid in 144 equal monthly instalments (Rs 3.25 crores in 144 instalments) commencing after 3 years from 1st disbursement.	The rate of interest is variable rate and accordingly reset yearly basis every time the MCLR is reset by the Bank.
(iii) Japan International Co-operative Agency (Jica)	527.01	The total JICA funded loan sanctioned was INR ₹1146.68 Crore by the State Govt on back to back basis for specified capital project and which will be repaid along with interest half yearly in 14 years after the grace period of 6 years from the date of signing of the loan amount	Rate of Interest being 5.00% p.a.
(iv) Loan from others - Infrastructure loan from Industries	98.06	The principal amount of loan deposited by the industry with OPTCL will be refunded by OPTCL to the industry as per the agreement with the respective industries.	Rs. 24.94 cr on simple interest @ 6% p.a. subject to fulfilling the terms and conditions of the agreement and the rest are interest free.



## Notes to the Financial Statements

Amount in Rs. Crore

### 21 - Other financial liabilities (Classified at amortised cost)

#### A. Non current

	As at 31.03.2023	As at 31.03.2022
(a) Interest accrued and due on borrowings		
(i) IBRD Loan	34.73	34.73
(ii) Central Government Loan	26.97	26.97
(iii) Govt. Of Odisha (JICA)	18.49	21.58
(b) Others		
(i) Payable to State Govt.against Central Plan Assistance	24.48	52.79
(ii) Payables to others	-	-
<b>Total other non-current financial liabilities</b>	<b>104.67</b>	<b>136.07</b>

#### B. Current

	As at 31.03.2023	As at 31.03.2022
(a) Interest accrued but not due on borrowings	10.25	11.87
(b) Other payables	58.22	57.94
<b>Total other current financial liabilities</b>	<b>68.47</b>	<b>69.81</b>

#### Notes:

21.1 There are no dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company.

### 22 - Provisions

#### A. Non-current

	As at 31.03.2023	As at 31.03.2022
(a) Provision for employee benefits		
(1) Retirement benefits obligations		
(i) Pension obligation	184.06	599.11
(ii) Gratuity obligation	(12.35)	14.21
(2) Other long-term employee benefits		
(i) Compensated absences	2.59	-
<b>Total non current provisions</b>	<b>174.30</b>	<b>613.32</b>

#### B. Current

	As at 31.03.2023	As at 31.03.2022
(a) Provision for employee benefits		
(1) Retirement benefits obligations		
(i) Pension obligation	444.16	140.36
(ii) Gratuity obligation	-	22.00
(2) Other short-term employee benefits		
(i) Compensated absences	-	13.92
<b>Total current provisions</b>	<b>444.16</b>	<b>176.28</b>

## Notes to the Financial Statements

Amount in Rs. Crore

## 23 - Deferred income

	As at 31.03.2023	As at 31.03.2022
<b>A. Non-current</b>		
(a) Grants for Property, Plant and Equipment	1,075.48	1,000.81
(b) Deposits against deposit work assets	518.71	583.14
<b>Total non current deferred income</b>	<b>1,594.19</b>	<b>1,583.95</b>
<b>B. Current</b>		
(a) Grants for Property, Plant and Equipment	276.90	209.70
(b) Deposits against deposit work assets	277.70	219.85
<b>Total current deferred income</b>	<b>554.60</b>	<b>429.55</b>

23.1 The deferred revenue arises as a result of the benefit received against Property, Plant and Equipment has been received and the revenue is recognised as other income.

## 24 - Other liabilities

	As at 31.03.2023	As at 31.03.2022
<b>A. Non-current</b>		
(i) Deposit received from vendors	26.65	32.35
(ii) Deposit against Works	1,026.93	701.03
(iii) Deposits from suppliers/contractors:		
(a) Security deposit	22.63	10.83
(b) Earnest money deposit	1.82	1.34
(c) Retention money	145.73	264.89
(iv) Deposits relating to DISCOM assets	882.62	592.50
(v) Deposits relating to BBNL Projects	95.74	16.83
<b>Total other non-current liabilities</b>	<b>2,202.12</b>	<b>1,619.77</b>

24.1 Liability relating to Discom Project Rs. 4570.94 Cr (Previous Year Rs. 4236.88 Cr) and BBNL Project Rs. 458.50 Cr (Previous Year Rs. 398.19 Cr) has not been included in the above notes as the same has not been considered in CWIP being the Asset created for DISCOMs with specified funding from Govt.

	As at 31.03.2023	As at 31.03.2022
<b>B. Current</b>		
(i) Deposit received from vendors	40.45	26.21
(ii) Deposits from suppliers/contractors:		
(a) Security deposit	7.07	19.41
(b) Earnest money deposit	1.22	0.82
(c) Retention money	216.43	205.77
(iii) Statutory dues	31.76	37.23
<b>Total other current liabilities</b>	<b>296.93</b>	<b>289.44</b>

Notes to the Financial Statements

Amount in Rs. Crore

25 - Trade payables

A. Current

	As at 31.03.2023	As at 31.03.2022
(i) Creditors for capital supplies		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	80.78	101.21
(ii) Creditors for supplies and services		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	45.89	72.29
(iii) Creditors for accrued wages and salaries	19.94	22.49
<b>Total current trade payables</b>	<b>146.61</b>	<b>195.99</b>

Note:

25.1. There are no dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 and have been determined to the extent such parties have been identified on the basis of information available with the Company.

25.2 The average credit period on purchase of goods or procurement of services is 60 days. No interest is charged on the trade payables even if they become overdue after 60 days from the date of invoice. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Trade Payables

Ageing Schedule

FY 2022-23

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(i) Others	146.61	-	-	-	146.61
(iii) Disputed Dues- MSME	-	-	-	-	-

FY 2021-22

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(i) Others	195.99	-	-	-	195.99
(iii) Disputed Dues- MSME	-	-	-	-	-

**26 - Revenue from operations**

Amount in Rs. Crore

	Year ended 31.03.2023	Year ended 31.03.2022
(a) Transmission charges		
i. Long-term open access charges	953.15	785.84
ii. Short-term open access charges	295.03	243.75
(b) Other operating revenue		
i. System operation charges	9.24	8.36
ii. Market operation charges	2.31	2.09
iii. Scheduling charges	-	3.79
iv. Registration fees	-	0.05
v. Application fees	0.15	2.02
<b>Total revenue from operations</b>	<b>1,259.88</b>	<b>1,045.90</b>

**27 - Other income**

	Year ended 31.03.2023	Year ended 31.03.2022
(a) Interest income from		
- Bank deposits	59.57	28.95
- Loans to employees and suppliers	1.36	1.58
- Advances to suppliers	-	-
- Interest on income tax refund	1.35	-
(b) Deferred Income	99.96	98.33
(c) Sale of Scrap	35.32	-
(d) Writing back of old outstanding balances	-	-
(e) Excess Provision written back	15.97	7.27
(f) Supervision charges/ Implementing Agency Charges	31.08	36.15
(g) Other miscellaneous income	16.01	11.57
<b>Total other income</b>	<b>260.62</b>	<b>183.85</b>

**28 - Employee benefits expense**

Amount in Rs. Crore

	Year ended 31.03.2023	Year ended 31.03.2022
(a) Salaries and wages, including bonus		
(1) Salaries (Basic+DA)	221.25	189.05
(2) House Rent Allowance	28.14	50.81
(3) Other Allowance	9.85	18.58
(4) Bonus	0.02	0.01
(5) Stipend	10.34	4.19
(6) Out Sourced Employee	2.71	2.21
(7) Ex-Gratia	5.70	4.39
(8) Others	1.96	2.38
(b) Contribution to provident and other funds		
(1) Pension fund	257.48	180.26
(2) Provident fund	18.16	23.08
(3) Gratuity fund	12.63	11.85
(4) Leave Encashment	15.24	7.99
(c) Staff welfare expenses	0.52	8.14
<b>Total</b>	<b>584.00</b>	<b>502.94</b>
Less: Employee cost capitalised	(16.40)	(15.55)
<b>Total employee benefit expense</b>	<b>567.60</b>	<b>487.39</b>

## 29 - Finance costs

	Year ended 31.03.2023	Year ended 31.03.2022
(a) Interest cost relating to		
(i) Government bonds	-	-
(ii) Loan from financial institution	41.36	48.91
(iii) Loan from banks	78.81	56.28
(iv) Rebate to consumers	18.02	14.49
(b) Other borrowing costs	0.02	0.22
<b>Total</b>	<b>138.21</b>	<b>119.90</b>
Less: Interest capitalised	(22.55)	(32.99)
<b>Total finance costs</b>	<b>115.66</b>	<b>86.91</b>

## 30 - Depreciation and Amortisation expense

	Year ended 31.03.2023	Year ended 31.03.2022
(a) Depreciation of plant, property and equipment	386.70	340.81
(b) Amortisation of intangible assets	2.57	2.57
<b>Total Depreciation and Amortisation</b>	<b>389.27</b>	<b>343.38</b>

## Notes to the Financial Statements

### 31 - Other expenses

Amount in Rs. Crore

	Year ended 31.03.2023	Year ended 31.03.2022
<b>Repairs &amp; Maintenance Expenses</b>		
(a) Repairs and maintenance expenses relating to		
(i) Building	8.60	11.03
(ii) Plant and machinery	75.07	58.51
(iii) Lines cables and network assets	23.24	25.60
(iv) Electrical installations	1.76	1.12
(v) Vehicle	0.11	0.11
(vi) Furniture and fixtures	0.02	0.03
(vii) Office equipments	5.84	3.15
<b>Total</b>	<b>114.64</b>	<b>99.55</b>
<b>Administration &amp; General Expenses</b>		
(a) Power and fuel consumed	3.82	2.84
(b) Hire charges on vehicle	10.95	10.08
(c) Legal and professional fees	1.92	1.93
(d) Rent	3.28	2.40
(e) Watch and ward expenses	3.22	2.51
(f) License and other fees	2.06	2.07

(g) Rates and taxes	0.28	0.18
(h) Insurance charges	0.02	0.02
(i) Fees and subscription	0.05	0.14
(j) Advertisement for tenders	0.27	0.23
(k) Corporate Social Responsibility expenses	0.39	-
(l) Impairment loss recognised on non-financial assets	0.21	2.20
(m) Impairment loss recognised on PPE	0.01	-
(n) Loss on theft/Shortage/Obsolete of material and others	1.07	0.42
(o) Travelling expenses	2.12	1.23
(p) Communication expenses	0.68	0.52
(q) Office maintenance charges	0.83	0.82
(r) Other Losses	6.33	55.99
(s) Writing off of old outstanding balances	-	-
(t) PMA/PMC Expenses	-	-
(u) Auditors remuneration and out-of-pocket expenses	0.15	0.15
(v) Other General expenses	7.26	5.67
<b>Total</b>	<b>44.92</b>	<b>89.40</b>
<b>Total other expenses</b>	<b>159.56</b>	<b>188.95</b>
Less: A&G Cost Capitalised.	(3.67)	(2.21)
<b>Grand Total other expenses</b>	<b>155.89</b>	<b>186.74</b>

## 32 - Income taxes

### 32.1 Income tax recognised in profit or loss

	<u>Year Ended</u> <u>31.03.2023</u>	<u>Year Ended</u> <u>31.03.2022</u>
<b>Current tax</b>		
In respect of the current year (Minimum Alternate TAX)	39.52	17.42
	<b>39.52</b>	<b>17.42</b>
<b>Deferred tax</b>		
In respect of the current year	197.19	45.94
Deferred tax reclassified from equity to profit or loss		
Adjustments to deferred tax attributable to changes in tax rates		
Write-downs (reversals of previous write-downs) of deferred tax assets		
Total income tax expense recognised in the current year	<b>197.19</b>	<b>45.94</b>

During the year 2022-23, The current tax (MAT u/s 115JB) amounting to Rs.39.52 Crores (FY 2021-22 Rs.17.42 Crores) has been recognized. Further The Deferred Tax Expenses for Rs. 197.19 Crores (FY 2021-22 Deferred Tax Expenses Rs.45.94 Crores) has been recognized as expenditure during 2022-23. The Deferred Tax expenses increased by Rs 151.25 Crores (Rs 197.19-45.94 Crores). It is due to reduction of un-absorbed depreciation by Rs.205.49 Crores (Rs 275.21-69.72 Crores), writing off of Rs 50.71 Crores towards long outstanding receivables from erstwhile DISCOMs and provision towards terminal benefit liability payable to Trusts by Rs 171.14 Crores (Rs 789.60-618.46 Crores).

**The income tax expense for the year can be reconciled to the accounting profit as follows:**

Profit before tax	292.08	125.33
Income tax (MAT) expense calculated at 17.472% (2021-22: 17.472%)	39.52	17.42
Effect of Income Tax that is exempt from taxation	39.52	17.42
Adjustments recognised in the current year in relation to the current tax of previous years	-	-
<b>Income tax expense recognised in profit or loss</b>	<b>39.52</b>	<b>17.42</b>

**32.2 Income tax recognised in other comprehensive income**

	<u>Year Ended</u> <u>31.03.2023</u>	<u>Year Ended</u> <u>31.03.2022</u>
<b><u>Deferred tax</u></b>		
Arising on Income and expenses recognised in other comprehensive income		
- Remeasurements of defined benefit obligation	(25.83)	(9.86)
Arising on income and expenses reclassified from equity to profit or loss		
<b>Total income tax recognised in other comprehensive income</b>	<u>(25.83)</u>	<u>(9.86)</u>
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss		
Items that will not be reclassified to profit or loss	<u>(25.83)</u>	<u>(9.86)</u>

**33-Earnings per share**

	<u>Year ended</u> <u>31.03.2023</u>	<u>Year ended</u> <u>31.03.2022</u>
	<u>Rs. per share</u>	
Basic earnings per share	28.48	38.60
Diluted earnings per share	28.48	38.60

**33.1 Basic earnings per share**

The Earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
Profit for the year attributable to Owners of the Company	55.37	61.97
<b>Earnings used in the calculation of basic earnings per share</b>	<b>55.37</b>	<b>61.97</b>
	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
	<b>Quantity in Nos.</b>	<b>Quantity in Nos.</b>
Weighted average number of equity shares outstanding for the purposes of basic earnings per share	1,94,39,076.71	1,60,54,471.12

### 33.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
Earnings used in the calculation of basic earnings per share	55.37	61.97
Interest on non-convertible bonds (after tax at 0%)		
Earnings used in the calculation of diluted earnings per share	55.37	61.97
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>55.37</b>	<b>61.97</b>

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles with the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
	<b>Quantity in Nos.</b>	<b>Quantity in Nos.</b>
Weighted average number of equity shares used in the calculation of basic earnings per share	1,94,39,076.71	1,60,54,471.12
Shares deemed to be issued for no consideration in respect of :		
Convertible bonds		
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>	<b>1,94,39,076.71</b>	<b>1,60,54,471.12</b>

### 34 - Segment information

The Company's principal business is transmission of bulk power across the state of Odisha. However, power system operation carried out as a State Transmission Utility (STU) and State Load Despatch Center (SLDC) business are also treated as two separate reportable segment in accordance with Ind AS 108.

#### 34.1 Business segments which is a reportable segments

- State Transmission Utility (STU)
- State Load Despatch Center (SLDC)

#### 34.2 Segment revenues and results

The following is an analysis of the Company's revenue and results from operations by reportable segment

	Year Ended 31.03.2023			Year Ended 31.03.2022		
	SLDC	STU	Total	SLDC	STU	Total
<b>Amount in Rs. Crore</b>						
<b>Revenue</b>						
Revenue From System Operation Charges/ Market operation Charges	11.55	-	11.55	16.32	-	16.32
Revenue From Transmission Charges	-	1,248.33	1,248.33	-	1,029.58	1,029.58
<b>Total</b>	<b>11.55</b>	<b>1,248.33</b>	<b>1,259.88</b>	<b>16.32</b>	<b>1,029.58</b>	<b>1,045.90</b>
Other Income	0.25	260.37	260.52	0.14	183.71	183.85
<b>Total Income (A)</b>	<b>11.80</b>	<b>1,508.70</b>	<b>1,520.50</b>	<b>16.46</b>	<b>1,213.29</b>	<b>1,229.75</b>
<b>Expenditure</b>						
Employee Benefit Expenses	9.48	558.12	567.60	9.87	477.52	487.39
Finance costs	0.11	115.55	115.66	0.09	86.82	86.91
Depreciation and amortisation expense	1.11	388.16	389.27	0.82	342.56	343.38
Other expenses	1.91	153.98	155.89	1.87	184.87	186.74
<b>Total Expenditure (B)</b>	<b>12.61</b>	<b>1,215.81</b>	<b>1,228.42</b>	<b>12.65</b>	<b>1,091.77</b>	<b>1,104.42</b>
<b>Net Income Before Tax (A-B)</b>	<b>(0.81)</b>	<b>292.89</b>	<b>292.08</b>	<b>3.81</b>	<b>121.52</b>	<b>125.33</b>

#### 34.3 Segment assets and liabilities

	Year Ended 31.03.2023			Year Ended 31.03.2022		
	SLDC	STU	Total Assets	SLDC	STU	Total Assets
<b>Amount in Rs. Crore</b>						
<b>Segment assets</b>	121.45	10,108.46	<b>10,229.91</b>	120.06	9,201.90	<b>9,321.96</b>
<b>Segment liabilities</b>	107.71	7,474.87	<b>7,582.58</b>	115.42	6,908.42	<b>7,023.84</b>

#### 34.4 Other segment information

	Year Ended 31.03.2023			Year Ended 31.03.2022		
	SLDC	STU	Total for operations	SLDC	STU	Total for operations
<b>Amount in Rs. Crore</b>						
<b>Depreciation and amortisation</b>	1.11	388.16	<b>389.27</b>	0.82	342.56	<b>343.38</b>
<b>Additions to non-current assets</b>	2.57	199.63	<b>202.20</b>	0.23	160.39	<b>160.62</b>

### 34.5 Revenue from segments

The following is an analysis of the Company's revenue from continuing operations from its major products and services

	Amount in Rs. Crore					
	Year Ended 31.03.2023			Year Ended 31.03.2022		
	SLDC	STU	Total	SLDC	STU	Total
Revenue From Segment	11.55	1,248.33	1,259.88	16.32	1,029.58	1,045.90

### 34.6 Geographical information

The Company operates mainly in principal geographical areas-India (country of domicile) and none of its operation are carried out at abroad.

## 35 - Employee benefit plan

### 35.1 Defined contribution plan

"The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period. The total cost charged to statement of profit and loss in March 31, 2020 amounted to Rs. 8.59 crores (March 31, 2019: Rs. 8.56 crores)."

"The defined contribution plans operated by the company are as below:"

In accordance with Indian law, eligible employees of Odisha Power Transmission Corporation Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

#### a) Provident fund:

Company manages PF contributions of employees covered under pensionary and non-pensionary category through PF trust, which invests the funds in permissible securities. Employer and employees contributions in respect of employees covered under NPS are being invested with the fund manager as per PFRDA guidelines.

### 35.2 Defined benefit plans

#### a) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to half month pay subject to maximum limit of Rs. 15 lacs. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trusts. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. Gratuity is paid to the remaining employees as per Gratuity Act, 1972 i.e , maximum limit of Rs. 20 lacs. The Company is exposed to actuarial risk and investment risk with respect to this plan."

#### b) Pension scheme:

All the existing employees who have opted for DCRB scheme, existing pensioner and Family pensioner are covered:- i. Contingent pension of DCRB Optees: Where the benefit is as per

the formula applicable to the Company, Employees mainly superannuation pension which is 50% of basic salary for 25 years of pensionable services called basic pension. This basic pension will attract DA relief in line with revision of the same as of Government of Odisha. There is provision for payment of Disablement pension, which will be as per same formula as superannuation pension but paid with immediate effect. On death in service full pension shall be paid for 10 years and 30% of pension shall be paid thereafter for the rest of life time of family pensioner.

ii. Vested pension of DCRB pensioner: Pension as per rules detailed in point i. above has been granted on the exit. Thereafter certain rate of future increase in Original pension are also awarded half yearly. Pension in payment consist of aggregate of both. iii. Vested pension of DCRB Family pensioner: On death in service widow pension is paid at 50% of pay subject to a minimum of Rs. 8,300/- for 10 years or 65 years of age for employee, had he been alive whichever is earlier and 30% thereafter as long as the widow is alive and remained unmarried. On death after retirement man's pension for 7 years or 65 years of age for pensioner had he been alive whichever is earlier and 30% of last drawn pay by pensioner will be paid to widow."

These plans typically expose the Company to actuarial risks such as actuarial risk, investment risk, interest risk, longevity risk and salary risk.

**i. Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at their signation date."

**ii. Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period. If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability."

**iii. Interest risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**iv. Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.

**v. Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities."

**vi. Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**vii. Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.24%	7.73%
Expected rate(s) of salary increase	6.00%	6.00%
Average longevity at retirement age for current beneficiaries of the plan (years)	5	5
Superannuation at age - male	60	60
Superannuation at age - female	60	60
Attrition rate	1.00%	1.00%
Mortality Table	100% of IALM (2012-14)	100% of IALM (2012-14)

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as

	Amount in Rs. Crore	
	Year ended 31.03.2022	Year ended 31.03.2022
Service cost		
Current service cost	241.92	166.97
Net interest expense/(Income)	33.40	33.48
Net actuarial Gain /Loss	8.45	1.08
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>283.77</b>	<b>201.53</b>
Contribution for Deputationist	-	-
<b>Net Components of defined benefit costs recognised in profit or loss</b>	<b>283.77</b>	<b>201.53</b>
Remeasurement on the net defined benefit liability:		
Return on the plan assets excluding interest income	(53.90)	(31.48)
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(37.19)	(14.79)
Actuarial (Gains)/losses arising from experience assumptions	70.42	74.50
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(20.67)</b>	<b>28.23</b>
<b>Total</b>	<b>263.10</b>	<b>229.76</b>

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined

	<b>Gratuity (Funded)</b>	<b>Pension (Funded)</b>	<b>Leave Encashment</b>
<b>March 31, 2022</b>			
Present value of funded defined benefit obligation	115.53	2,660.52	127.21
Fair value of plan assets	(76.30)	(2,061.56)	(136.11)
<b>Net liability arising from defined benefit obligation (Funded status)</b>	<b>39.23</b>	<b>598.96</b>	<b>(8.90)</b>
<b>March 31, 2023</b>			
Present value of funded defined benefit obligation	117.76	2,925.73	139.05
Fair value of plan assets	(125.91)	(2,438.02)	(159.30)
<b>Net liability arising from defined benefit obligation (Funded status)</b>	<b>(8.15)</b>	<b>487.71</b>	<b>(20.25)</b>

Movements in the present value of the defined benefit obligations are as follows:

	<b>117.74</b>	<b>2,502.07</b>	<b>121.56</b>
<b>Closing defined benefit obligation as at March 31, 2021</b>			
Current service cost	9.45	149.85	7.68
Interest Cost	7.79	176.19	8.53
<b>Remeasurement (gains)/losses</b>			
I. Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
II. Actuarial (gains)/losses arising from changes in financial assumptions	(4.43)	(10.36)	(6.10)
III. Actuarial (gains)/losses arising from experience assumptions	8.90	65.60	7.23
Benefits paid	(24.19)	(222.84)	-11.69
<b>Closing defined benefit obligation as at March 31, 2022</b>	<b>115.26</b>	<b>2,660.51</b>	<b>127.21</b>
Current service cost	10.42	223.21	8.29
Interest Cost	7.71	184.04	8.70
<b>Remeasurement (gains)/losses</b>			
I. Actuarial (gains)/losses arising from changes in demographic assumptions	1.49	33.48	2.21

II. Actuarial (gains)/losses arising from changes in financial assumptions	(1.16)	61.52	6.64
III. Actuarial (gains)/losses arising from experience assumptions	(17.44)	-237.04	-14.00
Benefits paid			
<b>Closing defined benefit obligation as at March 31, 2023</b>	<b>116.28</b>	<b>2,925.72</b>	<b>139.05</b>

Movements in the fair value of the plan assets are as follows:

	<b>Gratuity (Funded)</b>	<b>Pension (Funded)</b>	<b>Leave Encashment (Funded)</b>
<b>Closing fair value of plan assets as at March 31, 2021</b>	<b>72.72</b>	<b>1,967.93</b>	<b>117.11</b>
Interest income	5.36	145.04	8.63
<b>Remeasurement gains/(losses)</b>			
a) Return on plan assets (excluding amounts included in net interest income)	0.41	31.07	0.06
Contribution from the employer	22.00	140.36	22.00
Benefits paid	(24.20)	(222.84)	(11.69)
<b>Closing fair value of plan assets as at March 31, 2022</b>	<b>76.29</b>	<b>2,061.56</b>	<b>136.11</b>
Interest income	5.52	149.26	9.85
<b>Remeasurement gains/(losses)</b>			
a) Return on plan assets (excluding amounts included in net interest income)	1.31	20.08	0.41
Contribution from the employer	60.21	444.16	26.92
Benefits paid	(17.44)	(237.04)	(14.00)
<b>Closing fair value of plan assets as at March 31, 2023</b>	<b>125.89</b>	<b>2,438.02</b>	<b>159.29</b>

	<b>Gratuity 31-Mar-22</b>	<b>Pension 31-Mar-22</b>	<b>Leave Encashment 31-Mar-22</b>
Net cumulative unrecognised actuarial gain/(loss) opening			
Actuarial gain/(loss) for the year on PBO	(4.47)	(55.24)	-
Actuarial gain/(loss) for the year on the asset	0.41	31.07	-
Unrecognised actuarial gain/(loss) at the end of the year	(4.06)	(24.17)	-

	<b>Gratuity 31-Mar-23</b>	<b>Pension 31-Mar-23</b>	<b>Leave Encashment 31-Mar-23</b>
Net cumulative unrecognised actuarial gain/(loss) opening			
Actuarial gain/(loss) for the year on PBO	(0.33)	(94.99)	-
Actuarial gain/(loss) for the year on the asset	1.31	20.08	-
Unrecognised actuarial gain/(loss) at the end of the year	0.98	(74.91)	-

Major Categories of Plan Assets (as a percentage of total plan assets)	Gratuity	Pension	Leave
	31-Mar-22	31-Mar-22	31-Mar-22
a) Funds Managed by Insurer	100%	100%	100%

Major Categories of Plan Assets (as a percentage of total plan assets)	Gratuity	Pension	Leave
	31-Mar-23	31-Mar-23	31-Mar-23
a) Funds Managed by Insurer	0%	100%	0%

Change in net defined benefit obligation	Gratuity	Pension	Leave
	31-Mar-22	31-Mar-22	31-Mar-22
a) Net defined benefit liability at the start of the period	45.04	534.15	4.45
b) Service cost	9.45	149.85	7.68
c) Net Interest cost/(Income)	2.43	31.15	(0.10)
d) Re-measurements	4.06	24.17	-
e) Contribution paid to the fund	(22.00)	(140.36)	(22.00)
f) Benefit paid directly by the enterprise	-	-	-
g) Net Defined benefit liability at the end of the reporting period	<b>38.98</b>	<b>598.96</b>	<b>(9.97)</b>

Change in net defined benefit obligation	Gratuity	Pension	Leave
	31-Mar-23	31-Mar-23	31-Mar-23
a) Net defined benefit liability at the start of the period	38.98	598.96	(9.97)
b) Service cost	10.42	223.21	8.29
c) Net Interest cost/(Income)	2.19	34.78	1.15
d) Re-measurements	(0.99)	74.91	-
e) Contribution paid to the fund	(60.21)	(444.16)	26.92
f) Benefit paid directly by the enterprise	-	-	-
g) Net Defined benefit liability at the end of the reporting period	<b>(9.61)</b>	<b>487.70</b>	<b>26.39</b>

Expected best estimate of expense for the next annual reporting period	Gratuity	Pension	Leave
	31-Mar-22	31-Mar-22	31-Mar-22
a) Service Cost	9.45	149.85	7.68
b) Net Interest cost	2.43	31.15	(0.10)
c) Expected expense for the next annual reporting period	<b>11.88</b>	<b>181.00</b>	<b>7.58</b>

Expected best estimate of expense for the next annual reporting period	Gratuity	Pension	Leave
	31-Mar-23	31-Mar-23	31-Mar-23
a) Service Cost	10.42	223.21	8.29
b) Net Interest cost	2.19	34.78	0.33
c) Expected expense for the next annual reporting period	<b>12.61</b>	<b>257.99</b>	<b>8.62</b>

Actuarial (Gain)/Loss on Plan Asset	Gratuity	Pension	Leave
	31-Mar-22	31-Mar-22	31-Mar-22
a) Expected Interest Income	5.36	145.04	8.63
b) Actual Income on Plan Asset	5.77	176.11	8.69
c) Actuarial gain/(loss) for the year on Asset	<b>0.41</b>	<b>31.07</b>	<b>0.06</b>

Actuarial (Gain)/Loss on Plan Asset	Gratuity	Pension	Leave
	31-Mar-23	31-Mar-23	31-Mar-23
a) Expected Interest Income	5.52	149.26	9.85
b) Actual Income on Plan Asset	6.83	169.34	10.26
c) Actuarial gain/(loss) for the year on Asset	<b>1.31</b>	<b>20.08</b>	<b>0.41</b>

Balance Sheet and Related analyses	Gratuity	Pension	Leave
	31-Mar-22	31-Mar-22	31-Mar-22
a) Present value of the obligation at end	115.27	2,660.52	127.21
b) Fair value of plan assets	76.30	2,061.56	136.11
c) Unfunded liability/provision in the balance sheet	(38.97)	(598.96)	8.90
d) Unfunded liability recognised in the balance sheet	(38.97)	(598.96)	8.90

Balance Sheet and Related analyses	Gratuity	Pension	Leave
	31-Mar-23	31-Mar-23	31-Mar-23
a) Present value of the obligation at end	116.28	2,925.73	139.06
b) Fair value of plan assets	125.91	2,438.02	159.93
c) Unfunded liability/provision in the balance sheet	9.63	(487.71)	20.87
d) Unfunded liability recognised in the balance sheet	9.63	(487.71)	20.87

The fair value of the plan assets for India plan at the end of the reporting period is as follows:-

Gratuity, Pension & Leave Encashment Trust	Fair value of plan assets as at	
	31-Mar-23	31-Mar-22
<b>Total</b>	<b>2,723.23</b>	<b>2,273.97</b>

### 35.3 Sensitivity analysis of defined benefit plans

**36.3.1** Significant actuarial assumption for determination of defined benefit plan are discount rate, expected salary growth, attrition rate and mortality rate. The sensitivity analysis below have been based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

#### 35.3.2 Sensitivity analysis

Particulars	As at 31.03.2023				As at 31.03.2022			
	Gratuity (Funded)		Pension (Funded)		Gratuity (Funded)		Pension (Funded)	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact on amount due to change in Discount rate (-/+0.5%)	(4.75)	5.25	(1.77)	1.83	(4.40)	4.85	(1.84)	1.91
% Change compared to base due to sensitivity [+ /(-)%]	2.11%	-2.14%	0.74%	-0.76%	0.02%	-0.02%	-0.01%	-0.01%
Impact on amount due to change in Salary growth (-/+0.5%)	(0.03)	(0.03)	0.01	(0.01)	0.02	(0.02)	0.83	(0.83)
% Change compared to base due to sensitivity [+ /(-)%]	-0.09%	-0.09%	0.04%	-0.04%	0.07%	0.07%	0.04%	-0.04%

Particulars	Leave Encashment (Funded)			
	As at 31.03.2023		As at 31.03.2022	
	Increase	Decrease	Increase	Decrease
Impact on amount due to change in Discount rate (-/+0.5%)	(5.90)	6.55	(5.46)	(7.84)
% Change compared to base due to sensitivity [+ /(-)%]	6.54%	-5.93%	0.02%	-0.02%
Impact on amount due to change in Salary growth (-/+0.5%)	0.01	(0.01)	6.05	(5.50)
% Change compared to base due to sensitivity [+ /(-)%]	0.01%	-0.01%	0.02%	0.02%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pension before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

### 35.3.3 Maturity Profile of Defined Benefit Obligation

Amount in Rs. Crore

Year	Gratuity	Pension	Leave Encashment
a) 0 to 1 Year	17.18	272.24	14.64
b) 1 to 2 Year	15.60	243.88	14.06
c) 2 to 3 Year	15.94	231.43	16.07
d) 3 to 4 Year	11.27	221.04	10.86
e) 4 to 5 Year	9.58	204.65	9.24
f) 5 to 6 Year	23.80	839.70	24.52
g) 6 Year onwards	231.22	1,166.06	3,373.36

## 36 - Financial instruments

### 36.1 Categories of financial instruments

Amount in Rs. Crore

	As at 31.03.2023	As at 31.03.2022
<b>Financial assets</b>		
(i) Measured at amortised cost		
(a) Investments	114.73	124.73
(b) Cash and bank balances	2,581.96	1,944.24
(c) Loans	17.15	19.13
(d) Trade receivables	136.13	152.82
(e) Other financial assets	214.14	106.35
	<b>3,064.11</b>	<b>2,347.27</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	1,829.90	1,909.66
(b) Trade payables	146.61	195.99
(c) Other financial liabilities	173.14	205.88
	<b>2149.65</b>	<b>2311.53</b>

### 36.2 Capital management

a) Risk management: The Company's objectives when managing capital are to:-

- To facilitate the transmission of power in the state of Odisha for its associate DISCOMs;
- safeguard its ability to continue as a going concern; and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and regulatory framework and requirements of financial covenants with creditors/lenders. The Company monitors capital on the basis of requirements of funds and borrows money to manage its capital needs in the future. The Company is not subject to any externally imposed capital requirements. At present the Company has a favorable debt - ratio with debt being very low as compared to equity. The Company includes within long-term debt, interest bearing loans and borrowings and current maturities of long-term debt.

The debt – equity ratio of the Company was as follows :-"

	<b>Amount in Rs. Crore</b>	
	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
Long term debt	1,829.90	1,909.66
Equity	2,071.47	1,886.71
Long term debt to Equity ratio	0.88	1.01

Under the terms of the major borrowing facilities, the Company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

b) Dividends management

The Company is operating under a Power Transmission Service Agreement with the DISCOMs and recover the cost of power transmission from the DISCOMs on the basis of OERC traiff regulation. The Company is engaged in transmission power in a rate regulated environment where in OERC regulation regulates the price and have limited circumstances where in there is scope of distribution of dividend. Further, no dividends are being paid by the Company in current financial year.

#### 36.2.1 Earnings Per Share

As stated in the above para for dividend management the company is operating on regulated basis as such the basic and diluted earnings per share varies for all the years. The earnings per share is thus as follows :

	<b>Amount</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2023</b>	<b>31.03.2022</b>
(a) Basic earnings per share attributable to the equity holders of the Company (in Rs.)	28.48	38.60
(b) Reconciliation of earnings used in calculating earnings per share		
Total earnings attributable to the equity holders of the company (Rs in Crore)	55.37	61.97
(c) Weighted average number of shares used as the denominator (No. of Shares in Crore)		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (in nos)	1,94,39,076.71	-
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,94,39,076.71	-

	As at 31.03.2023	As at 31.03.2022
(a) Diluted earnings per share attributable to the equity holders of the Company (in Rs.)	28.48	38.60
(b) Reconciliation of earnings used in calculating earnings per share		
Total Earnings attributable to the equity holders of the company (Rs in Crores)	55.37	61.97
(c) Weighted average number of shares used as the denominator (No. of Shares in Crore)		
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (In nos)	1,94,39,076.71	-
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,94,39,076.71	0.00

### 36.3 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables denominated in Indian rupees. The main purpose of these financial liabilities is to finance the Company's capital investments and operations. The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations. The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Measurement	Management
Credit Risk	Ageing analysis	Diversification of bank deposits and investment in Government securities
Liquidity Risk	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – Interest rate	Sensitivity analysis	Monitoring of interest rates. Unhedged.

#### 36.3.1 Financial Risk management framework

"Managing director and chief financial officer of the Company evaluates and manages the uncertainties in the Company. They conduct meetings committee meets at regular intervals involving other high level officers of the company and provides updates to the Audit Committee/Board. The management of financial risks by the Company is summarized below:-

##### a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivable balances on transmission of electricity to DISCOMs and other Public Sector Companies (PSC), which is based on tariff rate approved by OERC, loans and advances and from its financing activities due to deposits with banks and financial institutions and other financial instruments.

**Credit Risk Management:** A default on a financial asset is when the counter party fails to make contractual payments when they fall due as per the terms of relevant contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Assets are written-off after the prior approval of board of directors, when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss."

##### I. Trade Receivables

The Company primarily engaged in providing services relating to transmission of power to DISCOMs and other public sector companies within the State of Odisha under Transmission Service Agreement. Currently, the entire transmission system is owned by OPTCL and included in the Company's Property,

plant and equipment and revenues generated from the same is being presented in revenue from operations as "Transmission Charges". No interest is to be charged even when the amount is overdue for more than credit period. The average credit period for transmission services to the customers is of 30 days from the date of billing which is considered as collection period. Considering above factors, management believes that there is no credit risk in case of its current trade receivables.

Other trade receivables are due majorly from public sector entities which have sufficient capacity to meet the obligations, hence management believes that there is no significant credit risk involved.

Disclosure regarding major parties in trade receivables and aging of trade receivables is given in Note no. 14 to the financial statements.

## II. Cash and cash equivalents

The Company held cash and cash equivalents of Rs.1781.56 Crores (March 31, 2022: Rs. 1402.68 Crores). The cash and cash equivalents are held with scheduled banks and do not have any significant credit risk.

## III. Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of Rs.800.40 Crores (March 31, 2022: Rs. 541.56 Crores). Term deposits are placed with scheduled banks and do not have any significant credit risk.

## IV. Investments

The Company holds investment of Rs.114.73 Crores (March 31, 2022: Rs. 124.73 Crores) These investments are majorly in Government securities which are quoted Government bonds and as such the Company does not expect any significant change in the value of its investments and has not experienced any impairment losses in respect of these investments.

## V. Loans and advances

The Company has given loans to employees which are recovered through deduction from salary payable to employees and are secured against the security of house or motor vehicle. These loans are not exposed to the risk of default and are not considered for expected credit loss.

## B. Exposure to credit risk

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

Particulars	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
Non-current investments	99.73	114.73
Non-current loans	10.57	12.40
Other non-current financial assets	24.84	22.40
Current investments	15.00	10.00
Trade receivables	36.13	152.82
Cash and cash equivalents	1,781.56	1,402.68
Deposits with banks and financial institutions	800.40	541.56
Current loans	6.58	6.73
Other current financial assets	189.30	83.95
<b>Total</b>	<b>3,064.11</b>	<b>2,347.27</b>

### C. Allowance for expected credit losses

#### (a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no further allowance for expected credit loss is required to be made under lifetime expected credit loss model.

#### (b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers who are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

#### (c) Ageing analysis of trade receivables

The ageing analysis for trade receivables is given in Note no. 14 to the financial assets.

#### (d) Reconciliation of impairment loss provisions

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of any assets as the amounts are insignificant.

### 36.3.2 Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows and matching the maturity profiles of financial assets and liabilities.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

The Company's capital management is intended to optimize the cost of power transmission by facilitating the meeting of its long-term and short-term goals. Its capital structure consists of net debt and total equity.

#### i) Financial arrangement

The Company has access to financing facilities as described below which has been remaining unused in its entirety at the end of the reporting period. The Company expects to meet its other obligation from operating cash flows and proceeds of maturity of financial assets.

	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
Secured bank overdraft facility :		
- amount used	-	-
- amount unused	22.50	25.00
	22.50	25.00

## ii) Maturities of financial liabilities

The following table details the Company's expected maturity for its non-derivative financial assets with agreed repayment periods. The table has been drawn based on the undiscounted contractual maturities of financial assets including interest that will be earned on those assets, the inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

### Expected maturity for Non-derivative financial assets

	Amount in Rs. Crore				Carrying Amount
	Less than 1 Year	1-5 years	5+ years	Total	
<b>31-Mar-23</b>					
Non-interest bearing					
a) Trade receivables	136.13	-	-	<b>136.13</b>	<b>136.13</b>
b) Loans	17.15	-	-	<b>17.15</b>	<b>17.15</b>
c) Other financial assets	214.14	-	-	<b>214.14</b>	<b>214.14</b>
<b>31-Mar-22</b>					
Non-interest bearing					
a) Trade receivables	205.50	-	-	<b>205.50</b>	<b>205.50</b>
b) Loans	19.13	-	-	<b>19.13</b>	<b>19.13</b>
c) Other financial assets	106.35	-	-	<b>106.35</b>	<b>106.35</b>

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

### Expected maturity for Non-derivative financial liabilities

	Amount in Rs. Crore				Carrying Amount
	Less than 1 year	1-5 years	5+ years	Total	
<b>31-Mar-23</b>					
a) Borrowings	136.39	704.56	988.96	<b>1,829.91</b>	<b>1,829.91</b>
b) Trade payables	146.61	-	-	<b>146.61</b>	<b>146.61</b>
c) Other financial liabilities	173.14	-	-	<b>173.14</b>	<b>173.14</b>
<b>31-Mar-22</b>					
a) Borrowings	127.03	849.45	933.19	<b>1,909.67</b>	<b>1,909.67</b>
b) Trade payables	195.99	-	-	<b>195.99</b>	<b>195.99</b>
c) Other financial liabilities	205.88	-	-	<b>205.88</b>	<b>205.88</b>

### 36.3.3 Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:

#### i) Foreign currency risk

The Company is not exposed to foreign currency risk since all of its financial assets and financial liabilities are denominated in INR.

### Sensitivity analysis

Since the company is not exposed to foreign currency risk no sensitivity analysis of the same could be done.

#### ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in INR. At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

Particulars	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
<b>Long Term Debt with floating rate of interest</b>		
- Domestic	1,204.84	428.82
- Foreign	-	-
<b>Sub Total</b>	<b>1,204.84</b>	<b>428.82</b>
<b>Long Term Debt with fixed rate of interest</b>		
- Domestic	527.00	365.53
- Foreign	-	-
<b>Sub Total</b>	<b>527.00</b>	<b>365.53</b>
<b>Total Long Term Debt</b>	<b>1,731.84</b>	<b>794.35</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>69.57%</b>	<b>53.98%</b>

#### Sensitivity impact on Interest cost effecting Profit and loss of the Company for +/-10% change in interest rate (Rs. In Crore)

Note:- Previous year figures have been regrouped/ re-arranged wherever necessary.

#### iii) Other price risk

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities and classified in the balance sheet as at fair value through profit or loss. However, at the reporting date since it does not hold quoted securities. Accordingly, Company is not exposed to significant market price risk.

### 37 - Related party transactions

A) Promoter	Nil
B) Subsidiaries	Nil
C) Joint Ventures	Nil

#### D) Key Managerial Personnel:

##### i) Key Managerial Personnel designated by the company

Sri Sanjay Kumar Mishra, Managing Director  
Sri Umesh Kumar Gupta, CFO  
Sri P.K. Das, Company Secretary

##### ii) Whole-time Directors

Sri S.K Swain, Director (Finance)  
Sri U.K. Pati, Director (Operation)  
Sri R. Pratihari, Director (HR)  
Sri B.B. Mehta, Director (SLDC)

##### iii) Other Related Parties

Name of Entity	Place of Business	Nature of Relationship
Gridco Pension Trust Fund	India	Post-Retirement benefit
OSEB EPF Trustee Board	India	Post-Retirement benefit
Gridco Gratuity Trust Fund	India	Post-Retirement benefit
Gridco Rehabilitation Trust	India	Post-Retirement benefit
OPTCL Leave Encashment Benefit Trust	India	Post-Retirement benefit

## E) Govt Related Entities

The Company is a fully owned State Govt enterprise and has been declared as the State Transmission Utility. The Company has purchased capital items and others from other govt entities during the course of its operation which are procured through open tendering at arms length price. Apart from the above some project management services and others are also procured from govt companies and agencies through tendering process at prevailing market price. These are not significant considering the total transaction of the business.

Outstanding balances of different Trusts	Amount in Rs. Crore	
	As on 31.03.2023	As on 31.03.2022
Gridco Pension Trust Fund	628.22	739.47
OSEB EPF Trustee Board	1.65	2.22
Gridco Gratuity Trust	(12.35)	36.21
Gridco Rehabilitation Trust	-	-
OPTCL Leave Encashment Benefit Trust	2.59	13.92

\* negative figure represents receivable

Contribution to different Trusts during the year	Amount in Rs. Crore	
	For the Year 2022-23	For the Year 2021-22
Gridco Pension Trust Fund	444.16	140.36
Gridco Gratuity Trust	60.21	22.00
OPTCL Leave Encashment Benefit Trust	26.92	13.92

### 37.1 Compensation of Key Management personnel

The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	Amount in Rs. Crore	
	Year ended 31.03.2023	Year ended 31.03.2022
<b>Short-term benefits</b>		
Salaries	3.03	2.53
Loans & Advances	-	-
<b>Total</b>	<b>3.03</b>	<b>2.53</b>

## 38 - Contingent liabilities

### 38.1 Contingent liabilities

	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
a) Claims against the Company not acknowledged as debts	391.56	374.53
b) Claim against Service tax for the F.Y. 2006-07 to 2010-11 and for F.Y. 2014-15	2.47	2.47
c) Claim demand against Income Tax for the A.Y. 2010-11, 2011-12, 2013-14 and 2014-15	23.36	20.78
d) Claim u/s 9 (c) of the Orissa Entry Tax, 2005	5.28	5.28
e) Claim u/s 12(3)(f) of the CST (O) Rule, 1957	0.60	0.60
	<b>423.27</b>	<b>403.66</b>

### 38.2 Explanatory notes relating to contingent liabilities

38.02.01. Demand from various statutory authorities towards Income tax, sales tax, service tax, entry tax and other government levies. The Company is contesting the demand at appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.

38.02.02 Claims of contractors for supply of materials/services pending with arbitration/courts those have arisen in the ordinary course of business. The Company reasonably expect that these legal actions when ultimately concluded and determined will be in favour of the Company and will not have material adverse effect on the Company's results of operation or financial position.

38.02.03 An amount of Rs.27.22 crore excess received (as per CERC order) as wheeling charges from MPPMCL is shown as contingent liability pending dispute with GRIDCO.

### 39 - Commitments

	Amount in Rs. Crore	
	As at 31.03.2023	As at 31.03.2022
a) Estimated amount of Contracts remaining to be executed on capital account and not provided for	1,139.12	1,298.82
	<b>1,139.12</b>	<b>1,298.82</b>

Note: The capital commitments do not include commitments of DISCOM related project and BBNL Project.

### 40. Expenditure on Corporate social responsibility:

a. Gross amount required to be spent by the Company during the year March 31,2023 : Rs. 0.39 Crores (March 31, 2022 Rs. NIL)

	Amount in Rs. Crore	
	2022-23	2021-22
(i) Amount required to be spent	0.38	-
(ii) Amount of expenditure incurred,	0.39	-
(iii) Shortfall at the end of the year,	-	-
(iv) Total of previous years shortfall,	-	-
(vi) Nature of CSR activities- Contribution for Disaster Management etc.	-	-
(vii) Details of related party transactions,	-	-
(viii) Movements in the provision	-	-

40.1. Details of related party transactions	For the year ended 31.03.2023	For the year ended 31.03.2022
	(i) Contribution during the year	Nil
(ii) Payable as at the year end	Nil	Nil

41- Ratios			2022-23	2021-22	Variance %	Reasons
a) Current Ratio,	Current Assets/ Current liability		1.93	1.90	0.01	
(b) Debt-Equity Ratio,	Long Term Debt / Share holder's Equity		0.82	0.95	(0.14)	
(c) Debt Service Coverage Ratio,	Earnings available for debt services/ Interest+Installment		1.38	0.91	0.51	
(d) Return on Equity Ratio,	Net Profit after pref dividend/ Equity Shareholders Fund		0.03	0.03	(0.19)	
(e) Inventory turnover ratio,	Cost of goods sold/ Average Inventory		-	-	-	
(f) Trade Receivables turnover ratio,	Credit sales/ Average Collection Period		9.25	6.84	0.35	
(g) Trade payables turnover ratio,	Annual credit purchase/ Average Payable period		-	-	-	
(h) Net capital turnover ratio,	Sales/ Net Assets		0.18	0.15	0.16	
(i) Net profit ratio,	Net Profit/ Sales * 100		3.64	5.04	(0.28)	
(j) Return on Capital employed,	EBIT/ Capital Employed *100		4.75	2.64	0.80	
(k) Return on investment.	Profit/ Investment * 100		0.65	0.77	(0.16)	

a. Current Assets as per Balance Sheet

b. Total Debt: Long term borrowings (including current maturity of Long term borrowings, short term borrowings and interest accrued on the debts)

c. Total Equity taken as Equity Share Capital

d. For the purpose of computation scheduled principal repayment of long term borrowings does not include pre payment of borrowings

e. Capital employed : Total Assets less current Liabilities

f. Working Capital: Current Assets and Current Liability figures are considered from Balance Sheet

## 42 Option of Section 115BAA of the Income Tax Act, 1961

Pursuant to introduction of Section 115BAA under the Taxation Laws (Amendment) Act, 2019, Company has an irreversible option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including additional depreciation and lapse of the accumulated MAT credit. The Company has not yet exercised this option after evaluating the same and continues to recognize the taxes on income (current and deferred tax) for the Financial Year ended 31st March, 2023 as per the earlier provisions. The Company has a MAT credit entitlement of ₹ 59.94 crore as of 31st March, 2023 which has not been recognised in the Books of Account in absence of reasonable certainty of availing the same within the stipulated period. The tax calculated on the basis of MAT as per earlier provisions has been recognised as provision for taxation. However the Company has an option to switch over to Section 115BAA at the time of filling of Income Tax Return (ITR) for the FY 2022-23 (AY 2023-24).

### 43 I. Relationship with Struck off Companies

During the year there no transactions / relationship with Struck off Companies. There is no outstanding payable to Struck off Company as on 31st March 2023

### II. Disclosure under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016)

No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

### III. Disclosure Regarding unrecorded Income Under Income Tax Act, 1961

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

### IV. Disclosure Regarding Crypto Currency or Virtual Currency

There were no transactions involving Crypto currency or Virtual currency during the year.

## 44 Previous Year Figures have been regrouped / rearranged wherever necessary.



**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT-II)  
ODISHA, BHUBANESWAR**

AMG-I(V)/Accts/OPTCL/2022-23/IR No.45/2023-24/ 1048

Date:02.02.2024

To,

**The Chairman-cum-Managing Director,**

**Odisha Power Transmission Corporation Limited, Bhoinagar, Bhubaneswar-22**

**Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha Power Transmission Corporation Limited (OPTCL) for the year 2022-23.**

Sir,

I am to enclose herewith the comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha Power Transmission Corporation Limited (OPTCL) for the year 2022-23.

Three copies of the Annual Reports placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,

Sd/-

Deputy Accountant General/AMG-I

Encl: As above

**Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Odisha Power Transmission Corporation Limited for the year ended 31 March 2023.**

The preparation of financial statements of Odisha Power Transmission Corporation Limited for the year ended 31 March 2023 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 September 2023.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Power Transmission Corporation Limited for the year ended 31 March 2023. 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 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A1. Comment on Profitability  
Statement of Profit and Loss**

**Other Income (Note-27): ₹ 260.62 crore**

The above is overstated by ₹ 10.95 crore due to inclusion of the advance received against 'loss of revenue to the company and GRIDCO' for shut down of Extra High Tension (EHT) Lines. The company has received an amount of ₹ 10.95 crore as advance for loss of revenue from M/s NLC India Limited for execution of 'Diversion of 400 KV DC line'. However, the company has booked this advance amount as other income without executing the work. This has also resulted in understatement of Other Current Liabilities and overstatement of profit by the same amount i.e. by ₹ 10.95 crore each.

**A2 Other Income (Note-27): ₹ 260.62 crore**

The above is overstated by ₹ 1.77 crore due to inclusion of Bulk Supply Tariff (BST) payable to M/s GRIDCO Limited as other income of the company. The company has received

₹ 1.99 crore towards 'loss of Revenue' due to shut down for three deposit works. Out of this ₹ 1.99 crore, ₹ 1.77 crore realized under BST which is payable to GRIDCO and remaining 0.22 crore is transmission charge of the company. Hence, accounting of the BST charge payable to M/s GRIDCO as income of the company has also resulted in understatement 'Current Liabilities-Provision' and overstatement of profit by the same amount i.e. by ₹ 1.77 crore.

**A3 Other Miscellaneous Income: ₹ 16.01 crore**

The above is understated by ₹ 1.41 crore due to non-accounting of revenue receivable towards leasing of dark fiber under Bharat Net Phase II Project. The company has leased out dark fiber under Bharat Net Phase II Project to M/s BBNL and BSNL and claimed an amount of ₹ 1.41 crore till March 2023. However, the company has not accounted for this receivable amount from the lessees of the dark fibre. This has also resulted in understatement of 'Other Financial Assets' and profit by the same amount i.e. by ₹ 1.41 crore each.

#### B4. Comment on Financial Position Balance Sheet

##### Assets

##### Capital-Work-in-Progress: (Note-6): ₹ 1599.87 crore

The above is overstated by ₹ 23.86 crore due to non-capitalization the erection and 'Commissioning of 132KV SC line on DC tower from 132/33 GRID Sub-Station, Podagada to 132/33 KV GRID Sub-Station, Pottangi along with feeder bay extension'. The work was completed in March 2022 but, the company has not capitalized the same in the books of accounts. This has also resulted in understatement of Property Plant and Equipment (PPE) by the same amount i.e. by ₹23.86 crore with consequently understatement of depreciation and overstatement of profit by ₹ 1.78 crore each.

#### B5 Equity and Liabilities

##### Non-Current Liabilities

##### Other Non-Current Liabilities (Note-24): 2202.12 crore

##### Deposit against works: 1026.93 crore

The above is overstated by ₹ 30.40 crore due to non-adjustment of deposit received from Odisha State Disaster Management Authority for restoration of damaged lines of the company which was severely damaged in cyclone. The company has completed the restoration work by spending ₹ 41.73 crore and submitted the Utilisation Certificate to Government. However, the

company has adjusted only ₹ 11.33 crore leaving a balance of ₹ 30.40 crore. This has also resulted in overstatement of Other Financial Assets (Note-10) by the same amount i.e. by ₹ 30.40 crore.

**B6** Similarly, the above is also overstated by ₹ 9.45 crore due to non-adjustment of deposit received from Government of Odisha for construction of 33/11 KV lines at Badapada in Malkangiri district under Socio Economic Transformation and Upliftment (SETU) scheme. The work was completed and the company has issued Utilisation Certificate, however, the deposit received from Government of Odisha against this work was not adjusted. Hence, due to non-adjustment of the deposit received for this work has also resulted in overstatement of Other Financial Assets (Note-10) by the same amount i.e. by ₹ 9.45 crore.

#### B7 Equity and Liabilities

##### Current Liabilities

##### Other Current Liabilities (Note-24): ₹ 296.93 crore

The above is understated by ₹ 2.84 crore due to non-accounting of price variation bills raised by (i) Stelmec Limited for the work '132/33 KV Substation at Gondia with associated line and 400/220/132/33 KV grid S/S' at EHT construction division Angul' amounting to ₹ 1.51 crore and (ii) M/s Tata Limited for the construction work of '220/132/33 KV GSS Kiakata and associated line' amounting to ₹ 1.33 crore. This has also resulted in understatement of Property Plant and Equipment by the same amount i.e. by ₹ 2.84 crore.

Place: Bhubaneswar

Date: 02.02.2024

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

Sd/-

**PRINCIPAL ACCOUNTANT GENERAL**