

**ODISHA POWER GENERATION CORPORATION LTD.**

(A Government Company of the State of Odisha)

CIN : U40104OR1984SGC001429



**Regd. Off. :** Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar - 751023, Odisha  
**Ph. :** 0674-2303765 - 66, **Fax :** 0674-2303755 / 56  
**Web :** www.opgc.co.in,

Ref.: OPGC Units-1&2/Tariff/ 1237

24<sup>th</sup> May 2018

To

**The Secretary,**  
Odisha Electricity Regulatory Commission,  
Plot No. 4, Chunokoli, SailashreeVihar,  
Bhubaneswar – 751 021

**Sub: Authorisation of Mr. Ritwik Mishra, GM (C&RA) for filing of Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2016-17 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017**

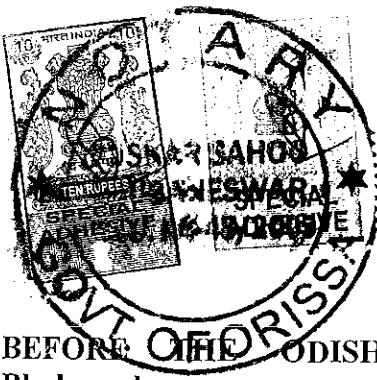
Sir,

This is to certify that Mr. Ritwik Mishra, functioning as General Manager (C&RA), Odisha Power Generation Corporation Limited, posted at the corporate office at Zone-A, 7<sup>th</sup> Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar – 751 023, Odisha, India (Petitioner), is hereby authorised to file the Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2016-17 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017 and represent the Petitioner during the regulatory proceedings in the matter before the Hon'ble Odisha Electricity Regulatory Commission.

Thanking you,

Yours faithfully,

**(Indranil Dutta)**  
**Managing Director**



AFFIDAVIT

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,  
Bhubaneswar

FILE NO.

CASE NO. \_\_\_\_\_ OF 2018

**IN THE MATTER OF:** Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2016-17 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017

AND

**IN THE MATTER OF:**

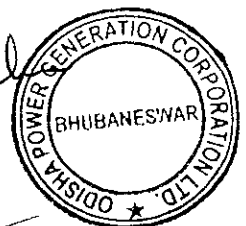
Odisha Power Generation Corporation Ltd. (OPGC)  
Zone-A, 7<sup>th</sup> Floor, Fortune Towers,  
Chandrasekharpur, Bhubaneswar – 751 023


..... Petitioner

I, Ritwik Mishra, son of Shri. Muralidhar Mishra, aged about 49 years, residing at Flat No. E/3, Brindavan Enclave, Khandagiri Bari, Bhubaneswar – 751 030, do solemnly affirm and say as follows:

- (a) That I am the General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The statements made in paragraphs ...1...to...4.... of the Petition herein now shown to me are true to my knowledge and statements made in paragraphs ...1...to...4.... are based on information made available to me and I believe them to be true.

  
Deponent




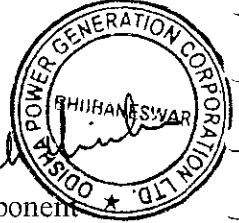
  
MUSKAR SAHOO  
MANAGER, BHUBANESWAR  
GOVT OF ODISHA  
Mob : 9337129137

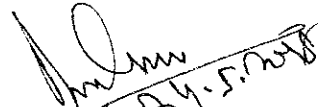
Verification

I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge; no part of it is false and nothing material has been concealed there from.

Verified at Bhubaneswar on the <sup>24<sup>th</sup></sup> day of May, 2018.

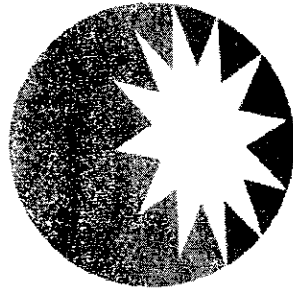
  
Deponent



  
24.5.2018

**MUSKAR SAHOO**  
NOTARY, BHUBANESWAR  
GOVT. OF ODISHA  
Mob: 9337129137

**ODISHA POWER GENERATION CORPORATION LIMITED**  
**BHUBANESWAR**



**OPGC**  
*Power for Progress*

**PETITION FOR RE-DETERMINATION OF TARIFF FOR FY  
2016-17 PURSUANT TO THE JUDGMENT OF THE HON'BLE  
SUPREME COURT DATED APRIL 19, 2018 IN CIVIL APPEAL  
NO. 9485 OF 2017**

MAY, 2018

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,  
BHUBANESHWAR**

CASE No. \_\_\_\_ of 2018

**IN THE MATTER OF** Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2016-17 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017

**AND**

**IN THE MATTER OF** Odisha Power Generation Corporation Ltd. (OPGC Ltd.),  
**THE APPLICANT** Zone-A, 7<sup>th</sup> Floor, Fortune Towers, Chandrasekharpur,  
Bhubaneswar-751023, Odisha, India(Petitioner)

**ODISHA POWER GENERATION CORPORATION LIMITED ("The Petitioner")  
RESPECTFULLY SUBMITS AS FOLLOWS:**

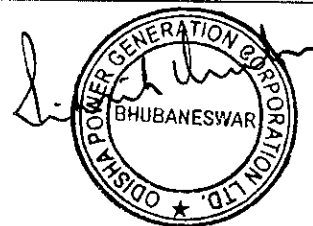
Odisha Power Generation Corporation Limited (hereinafter referred as "OPGC" or "the Petitioner") is a company incorporated under the Companies Act, 1956 and having its registered office at Zone-A, 7<sup>th</sup> floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023.

GRIDCO Limited ("GRIDCO") had entered into Bulk Power Supply Agreement ("PPA") with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1 & 2, having capacity of 420 MW (210 MW x 2) of IB Thermal Power Station. The said PPA came into force from January 1, 1995 and was approved by Government of Odisha ("GoO") in exercise of its power under Section 43A of the Electricity (Supply) Act, 1948.

OPGC, GRIDCO and GoO signed a Tripartite Agreement dated October 18, 1998 ("Tripartite

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*Petition for Re-determination of Tariff for FY 2016-17*



Page 1

Agreement”) providing certain further amendments to the existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further an Escrow and Securitization Agreement dated November 30, 1998 was entered between OPGC, GRIDCO and Union Bank of India. In 2001, disputes arose between the parties in respect of the enforcement of the said Escrow and Securitization Agreement.

After resolving the disputes between the parties, OPGC and GRIDCO agreed to amend the existing PPA and Tripartite Agreement based on GoO Notification dated June 21, 2008 (“2008 Notification”). The relevant extract of the GoO’s Notification dated June 21, 2008 is as follows:

*“3. After careful consideration of the recommendations of the task force, Government have been pleased to decide as under;*

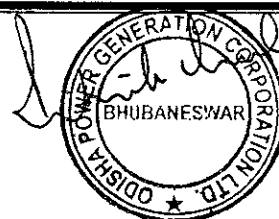
*(a) In order to avoid any ambiguity with regard to tariff norms and parameters for Units 1 & 2, the provisions for calculation of incentive in the existing PPA shall stand amended to enhance the Plant Load Factor (PLF) from 68.49% to 80%. All other terms and parameters for determination of tariff for Units 1 & 2 shall be as per the existing PPA. Suitable amendments will be made in the PPA accordingly including deletion of all reference to change in tariff parameters in future. In other words, all tariff parameters will stand frozen till validity of amended PPA notwithstanding modification in tariff norms by CERC from time to time.*

*(b) The amended PPA shall be filed before the OERC for consent/approval.*

*(c) The amended PPA shall be effective with effect from 01.04.2007.”*

Accordingly, an agreement was signed on September 6, 2012 as Supplemental to the Tripartite Agreement executed on October 18, 1998 (together called “Amended Tripartite Agreement”). The Amended Tripartite Agreement has been made effective from October 12, 2009.

Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by amending certain clauses (together called the “Amended PPA”).



Hon'ble OERC vide its Order dated April 27, 2015 approved the Amended PPA as under (with emphasis added by underlining):

*"9. The above stipulation in PPA provides for settlement of issues if any arise due to implementation of this PPA in a future date the same shall be resolved basing on mutual discussion keeping intent and objects of the PPA intact. Therefore, the Commission has no objection to approve the PPA including its amendment between GRIDCO and OPGC for purchase of power from Unit 1 & 2 of Ib Thermal Power Station as it stands now.*

...

*11. Since the power purchase by GRIDCO from Unit 1 & 2 of Ib Thermal Power Station has been continuing as per mutual agreement without approved PPA and the Commission has approved the same in the ARR of GRIDCO for the concerned year there is no need to reopen the same as per the above Regulation. The parties should therefore, settle the power purchase process for the period prior to implementation of the above Regulation taking into account the original PPA and its supplemental one as approved by us now."*

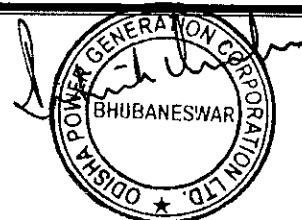
Further, Hon'ble OERC in the said Order dated April 27, 2015 (Case No. 13/2002) directed OPGC to file an application for determination of Generation Tariff, as per approved Amended PPA, for rest of the control period starting from FY 2016-17 onwards since tariff for FY 2014-15 and FY 2015-16 has already been approved by Hon'ble OERC in GRIDCO's ARR. The relevant extract of the Order of the Hon'ble OERC is reproduced below:

*"13. Due to the above provision in the Regulation read with Regulation 7.13 of the same Regulations, OPGC shall make an application before the Commission as per the above approved PPA each year for determination of tariff for the rest of the control period starting from FY 2016-17 onwards since the tariff for the FY 2014-15 and 2015-16 has already been approved by the Commission in the ARR of GRIDCO for the said year basing on the submission of GRIDCO."*

In compliance with the above directions of the Hon'ble OERC, OPGC filed a Petition for

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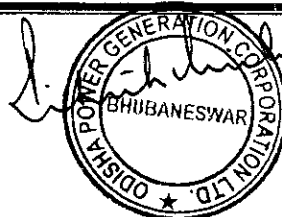
*Petition for Re-determination of Tariff for FY 2016-17*



Approval of Generation Tariff for FY 2016-17 under Section 62 and 86 of the Electricity Act, 2003 (“the Act”), approved Amended PPA and related provisions of the OERC (Terms and Conditions of Generation Tariff) Regulations, 2014 (“2014 Tariff Regulations”) and OERC (Conduct of Business) Regulations, 2004, as amended from time to time. The Hon’ble OERC, vide its Order dated March 21, 2016 disposed of the above Petition (Case No. 53/2015) approving the Generation Tariff of Units 1 & 2 of IB Thermal Power Station for FY 2016-17, exclusively in accordance with the terms and conditions of the 2014 Tariff Regulations, and not the 2008 Notification or the Amended PPA.

OPGC filed an Appeal before the Hon’ble Appellate Tribunal (Appeal No. 126 of 2016) for Electricity (“APTEL”) against the said Tariff Order for FY 2016-17 in Case No. 53/2015. During the pendency of the stated Appeal before the Hon’ble APTEL, OPGC filed the Petition for Approval of Generation Tariff for FY 2017-18 and the Hon’ble OERC disposed of the said Petition (Case No. 62/2016) vide its Order dated March 23, 2017 determining the Generation Tariff for FY 2017-18 in line with its approach adopted in the tariff determination for FY 2016-17. Hon’ble APTEL vide its Judgment dated April 6, 2017 in the stated Appeal upheld this Hon’ble Commission’s Tariff Order for FY 2016-17.

Aggrieved by the Judgment of the Hon’ble APTEL, OPGC filed Civil Appeal No. 9485 of 2017 before the Hon’ble Supreme Court (“SC”). During the pendency of the stated Civil Appeal before the Hon’ble SC, OPGC filed the Petition for Approval of Generation Tariff for FY 2018-19 and the Hon’ble OERC disposed of the said Petition (Case No. 75/2017) vide its Order dated March 22, 2018 determining the Generation Tariff for FY 2018-19 in line with its approach adopted in the tariff determination for FY 2016-17. The Hon’ble SC vide its Judgment dated April 19, 2018 in the stated Appeal set aside the Tariff Order for FY 2016-17 and remanded the matter to the Hon’ble OERC for a fresh decision. In effect, the Hon’ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC’s tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC’s tariff. It is submitted that the effect of the SC’s Judgment is that this arrangement would apply for the



entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. The relevant extract of the Judgment of the Hon'ble SC is reproduced below:

*"6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.*

*7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.*

*8. The appeal shall stand disposed of as indicated above.*

*9. The parties may appear before the State Commission for further proceedings on 2.07.2018."*

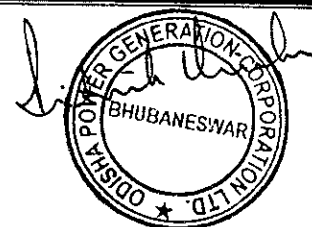
Further, Hon'ble OERC vide its Order dated May 5, 2018 in Case No. 43 of 2017 ruled as under:

*"4. Heard the parties at length. As the Hon'ble Supreme Court vide their order dated 19.04.2018 in Civil Appeal No. 9485/2017 has set aside the order dated 21.03.2016 passed by the Commission and remanded the matter for fresh decision, OPGC Ltd. is required to file fresh application for determination of Generation Tariff of its Unit-I & II within 15 days from date of this order. Basing on the said application of OPGC Ltd., a public notice shall be issued inviting suggestions /objections from the general public for re-determination of generation tariff for FY 2016-17 & FY 2017-18 which would be completed within one month fixing the date of hearing on 02.07.2018."*

OPGC requests the Hon'ble OERC to condone the delay in filing the Petition for tariff re-determination for FY 2016-17 and admit this Petition.

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*Petition for Re-determination of Tariff for FY 2016-17*



Page 5

In view of the foregoing, this instant Petition for re-determination of tariff for FY 2016-17 is being filed herewith.

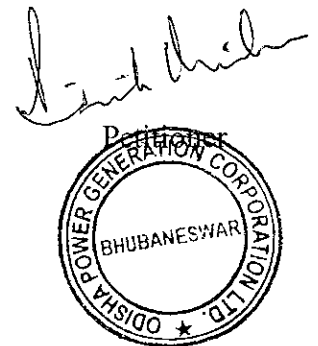
**Prayers to the Hon'ble OERC**

OPGC respectfully prays that the Hon'ble OERC may:

- i. Condone the delay in filing the instant Petition for re-determination of tariff for FY 2016-17 for Units 1 & 2 of IB Thermal Power Station.
- ii. Admit the instant Petition for re-determination of tariff for FY 2016-17 for Units 1 & 2 of IB Thermal Power Station.
- iii. Approve the tariff, including annual fixed cost and variable charges, for FY 2016-17 as claimed in the Petition.
- iv. Approve the recovery of differential amount arising out of tariff re-determination for FY 2016-17 along with carrying cost as claimed in the Petition.
- v. Allow the recovery of additional capitalisation in accordance with the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in CA No. 9485/2017, which shall be claimed in a separate Petition being filed shortly as per the Commission's Order dated March 22, 2018.
- vi. Condone any inadvertent omissions, errors, short comings and permit OPGC to add/change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- vii. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Bhubaneswar

May 24, 2018



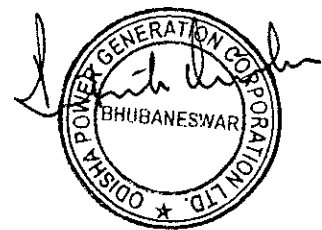
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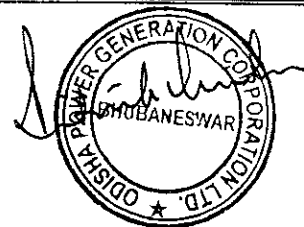
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## 1 Introduction

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- 1.1 Odisha Power Generation Corporation Limited (herein after referred as “OPGC” or “the Petitioner”) is a company incorporated under the Companies Act, 1956 and having its registered office at Zone-A, 7<sup>th</sup> floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023.
- 1.2 GRIDCO Limited (“GRIDCO”) had entered into Bulk Power Supply Agreement (“PPA”) with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1 & 2, having capacity of 420 MW (210 MW x 2) of IB Thermal Power Station. The said PPA came into force from January 1, 1995 and was approved by Government of Odisha (“GoO”) in exercise of its power under Section 43A of the Electricity (Supply) Act, 1948.
- 1.3 OPGC, GRIDCO and GoO signed a Tripartite Agreement dated October 18, 1998 (“Tripartite Agreement”) providing certain further amendments to existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further, Escrow and Security Agreement dated November 30, 1998 was entered between OPGC, GRIDCO and Union Bank of India.
- 1.4 GRIDCO had approached the Hon’ble OERC for approval of the existing PPA in 2002. The jurisdiction of the Hon’ble OERC for approval of the existing PPA was challenged by OPGC before Hon’ble Orissa High Court, but was upheld by Hon’ble Orissa High Court. Further, aggrieved by this, OPGC filed a Special Leave Petition before Hon’ble Supreme Court (“SC”). The proceedings of the Hon’ble OERC were stayed pursuant to an interim Order of the Hon’ble SC dated April 29, 2005.
- 1.5 Subsequently, certain disputes arose between the parties on issues arising from the terms of the PPA, Tripartite Agreement and other agreements between the Parties. In order to resolve these disputes, the parties entered into discussion and GoO constituted a Task



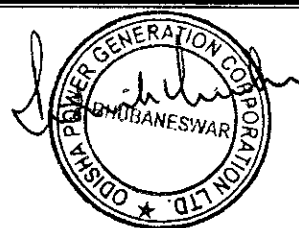
Force vide Resolution No. 3895 dated May 7, 2007 for resolving disputes regarding tariff and other related matters. GoO based on the recommendations of Task Force, issued Notification No. 7216 dated June 21, 2008 (“2008 Notification”) for resolving all such disputes on terms and conditions contained therein in regard to Unit 1 & 2 and also in regard to setting up of Unit 3 & 4, as overall settlement of all such disputes. The relevant extract of GoO 2008 Notification is as follows:

*“3. After careful consideration of the recommendations of the task force, Government have been pleased to decide as under;*

- (a) In order to avoid any ambiguity with regard to tariff norms and parameters for Units 1 & 2, the provisions for calculation of incentive in the existing PPA shall stand amended to enhance the Plant Load Factor (PLF) from 68.49% to 80%. All other terms and parameters for determination of tariff for Units 1 & 2 shall be as per the existing PPA. Suitable amendments will be made in the PPA accordingly including deletion of all reference to change in tariff parameters in future. In other words, all tariff parameters will stand frozen till validity of amended PPA notwithstanding modification in tariff norms by CERC from time to time.*
- (b) The amended PPA shall be filed before the OERC for consent/approval.*
- (c) The amended PPA shall be effective with effect from 01.04.2007.”*

1.6 Pursuant to above, OPGC and GRIDCO agreed to amend existing PPA and Tripartite agreement based on GoO’s 2008 Notification. Accordingly, an agreement was signed on September 6, 2012 as Supplemental to the Tripartite agreement executed on October 18, 1998 (together called as “Amended Tripartite Agreement”). The Amended Tripartite Agreement has been made effective from October 12, 2009.

1.7 Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by amending certain clauses (together called the “Amended PPA”), which was retrospectively brought to effect from April 1, 2007.



1.8 With the execution of this agreement, the Parties agreed that all pending differences have been settled and OPGC shall withdraw Special Leave Petition pending before Hon'ble SC. Further, Hon'ble SC vide its Order dated February 14, 2013 dismissed the Special Leave Petition as withdrawn by OPGC and in the said order Hon'ble SC directed OPGC to file the Amended PPA before Hon'ble OERC and the Hon'ble OERC shall consider the same appropriately in accordance with law.

1.9 Hon'ble OERC vide its Order dated April 27, 2015 approved the Amended PPA, being filed before Hon'ble OERC jointly by OPGC and GRIDCO, as under (with emphasis added by underlining):

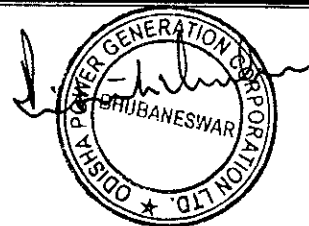
*"9. The above stipulation in PPA provides for settlement of issues if any arise due to implementation of this PPA in a future date the same shall be resolved basing on mutual discussion keeping intent and objects of the PPA intact. Therefore, the Commission has no objection to approve the PPA including its amendment between GRIDCO and OPGC for purchase of power from Unit 1 & 2 of Ib Thermal Power Station as it stands now.*

...

*11. Since the power purchase by GRIDCO from Unit 1 & 2 of Ib Thermal Power Station has been continuing as per mutual agreement without approved PPA and the Commission has approved the same in the ARR of GRIDCO for the concerned year there is no need to reopen the same as per the above Regulation. The parties should, therefore, settle the power purchase process for the period prior to implementation of the above Regulation taking into account the original PPA and its supplemental one as approved by us now."*

1.10 Further, Hon'ble OERC in the said Order dated April 27, 2015 directed OPGC to file an application for determination of Generation Tariff, as per approved Amended PPA, for rest of the control period starting from FY 2016-17 onwards since tariff for FY 2014-15 and FY 2015-16 has already been approved by Hon'ble OERC in ARR of GRIDCO. The relevant extract of the OERC Order is reproduced below:

*"12. The Regulation 2.7 of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 provides as follows:*

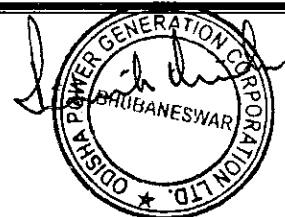


*“The existing generation plants of OHPC and OPGC may make an application as per the Format prescribed by the Commission for determination of tariff as per annual schedule, by November 30<sup>th</sup> of every year for determination of tariff in respect of the units of the generating station completed or projected to be completed within six months from the date of application.*

*Provided that the OHPC and OPGC shall make an application as per the prescribed Format with necessary information and explanations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the period for which application for determination of tariff is filed of the generating station:”*

*13. Due to the above provision in the Regulation read with Regulation 7.13 of the same Regulations, OPGC shall make an application before the Commission as per the above approved PPA each year for determination of tariff for the rest of the control period starting from FY 2016-17 onwards since the tariff for the FY 2014-15 and 2015-16 has already been approved by the Commission in the ARR of GRIDCO for the said year basing on the submission of GRIDCO.”*

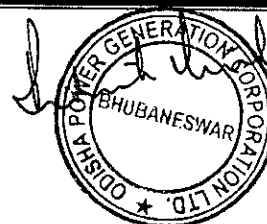
1.11 In compliance with the above directions of the Hon’ble OERC, OPGC filed a Petition for Approval of Generation Tariff for FY 2016-17 under Section 62 and 86 of the Act, approved Amended PPA and related provision of OERC (Terms and Conditions of Generation Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations, 2004, as amended from time to time. The Hon’ble OERC, vide its Order dated March 21, 2016 disposed of the above Petition (Case No. 53/2015) approving the Generation Tariff of Units 1 & 2 of IB Thermal Power Station for FY 2016-17 exclusively in accordance with the terms and conditions of the 2014 Tariff Regulations, and not the 2008 Notification or the Amended PPA. OPGC filed Appeal No. 126 of 2016 before the Hon’ble Appellate Tribunal for Electricity (“APTEL”) against the said Tariff Order for



FY 2016-17 in Case No. 53/2015. During the pendency of the stated Appeal before the Hon'ble APTEL, OPGC filed a Petition for Approval of Generation Tariff for FY 2017-18 and the Hon'ble OERC disposed of the said Petition (Case No. 62/2016) vide its Order dated March 23, 2017 determining the Generation Tariff for FY 2017-18 in line with its approach adopted in the tariff determination for FY 2016-17. Hon'ble APTEL vide its Judgment dated April 6, 2017 in the stated Appeal upheld this Hon'ble Commission's Tariff Order for FY 2016-17.

1.12 Aggrieved by the Judgment of the Hon'ble APTEL, OPGC filed Civil Appeal No. 9485 of 2017 before the Hon'ble SC. During the pendency of the stated Civil Appeal before the Hon'ble SC, OPGC filed the Petition for Approval of Generation Tariff for FY 2018-19 and the Hon'ble OERC disposed of the said Petition (Case No. 75/2017) vide its Order dated March 22, 2018 determining the Generation Tariff for FY 2018-19 mostly in line with its approach adopted in the tariff determination for FY 2016-17. The Hon'ble SC vide its Judgment dated April 19, 2018 in the stated Appeal set aside the Tariff Order for FY 2016-17 and remanded the matter to the Hon'ble OERC for a fresh decision. In effect, the Hon'ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this arrangement would apply for the entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. This being the case, it is no longer permissible to rely on the generic tariff norms under the 2014 Tariff Regulations for the purpose of determining fixed costs and variable costs, which must now be determined in accordance with the tariff norms under the approved PPA.

1.13 The relevant extract of the Judgment of the Hon'ble SC is reproduced below with relevant portion underlined:



“6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.

7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.

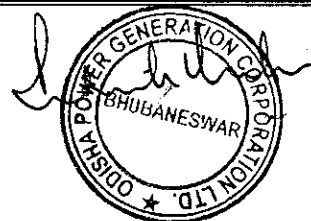
8. The appeal shall stand disposed of as indicated above.

9. The parties may appear before the State Commission for further proceedings on 2.07.2018.”

1.14 Further, Hon’ble OERC vide its Order dated May 5, 2018 in Case No. 43 of 2017 ruled as under:

“4. Heard the parties at length. As the Hon’ble Supreme Court vide their order dated 19.04.2018 in Civil Appeal No. 9485/2017 has set aside the order dated 21.03.2016 passed by the Commission and remanded the matter for fresh decision, OPGC Ltd. is required to file fresh application for determination of Generation Tariff of its Unit-I & II within 15 days from date of this order. Basing on the said application of OPGC Ltd., a public notice shall be issued inviting suggestions /objections from the general public for re-determination of generation tariff for FY 2016-17 & FY 2017-18 which would be completed within one month fixing the date of hearing on 02.07.2018.”

1.15 In view of the foregoing, this instant Petition for re-determination of tariff for FY 2016-17 is being filed herewith.



## 2 Overall Approach for Filing Petition

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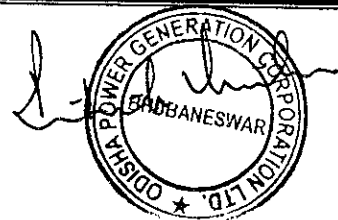
- 2.1 The instant Petition has been filed for re-determination of Generation Tariff for FY 2016-17 for IB Thermal Power Station of OPGC Ltd., having installed capacity of 420 MW (2 x 210 MW- Unit 1 & 2), located at Banharpalli in District Jharsuguda.
- 2.2 Hon'ble SC vide its Judgment dated April 19, 2018 in remanding the matter to Hon'ble OERC for fresh decision ruled as under:

*"6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.*

*7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.*

*8. The appeal shall stand disposed of as indicated above."*

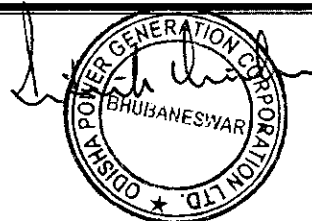
- 2.3 Accordingly, the instant Petition has been filed based on the following agreements entered between the parties:
- (a) Bulk Power Supply Agreement between OPGC and GRIDCO, dated August 13, 1996 ("PPA") and an agreement as Supplemental to Bulk Power Supply Agreement dated December 19, 2012 ("Amended PPA"). Both agreements were approved by the Hon'ble OERC vide its Order dated April 27, 2015.
  - (b) Tripartite Agreement between OPGC, GRIDCO and Government of Odisha dated October 18, 1998 ("Tripartite Agreement")
  - (c) Govt. of Orissa ("GoO") Notification No. 7216/E dated June 21, 2008.
  - (d) Agreement as Supplemental to Tripartite Agreement dated September 6, 2012 ("Amended Tripartite Agreement") which was approved by Hon'ble OERC vide its



Order dated April 27, 2015.

(e) Escrow and Securitization Arrangement dated November 30, 1998 entered between OPGC, GRIDCO and Union Bank of India, which was approved by Hon'ble OERC vide its Order dated April 27, 2015.

- 2.4 The Hon'ble OERC notified the Terms & Conditions for Determination of Generation Tariff Regulations, 2014 ("2014 Tariff Regulations") on September 8, 2014 in exercise of the powers conferred by Section 61 and Section 62 read with Section 181 of the Act. These Regulations are valid during the Period from FY 2014-15 to FY 2018-19.
- 2.5 The Hon'ble OERC vide its Tariff Order for FY 2016-17 dated March 21, 2016 approved the Generation Tariff for OPGC considering the provisions of the 2014 Tariff Regulations.
- 2.6 Hon'ble SC vide its Judgment dated April 19, 2018 in Civil Appeal No. 9485 of 2017 set aside the stated Order and remanded the matter for fresh decision. In effect, the Hon'ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this arrangement would apply for the entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. This being the case, it is no longer permissible to rely on the generic tariff norms under the 2014 Tariff Regulations for the purpose of determining fixed costs and variable costs, which must now be determined in accordance with the tariff norms under the approved PPA. This Hon'ble Commission in its Tariff Order for FY 2016-17 had considered the O&M Expenses and norms for Interest on Working Capital as per OERC Generation Tariff Regulations, 2014 and not as per PPA. Accordingly, the fixed cost for FY 2016-17 in this petition has been claimed in accordance with the provisions of the approved Amended PPA.



- 2.7 Further, Hon'ble SC ruled that the provisions of the PPA should be considered for variable costs. The Hon'ble Commission in its Tariff Order for FY 2016-17 had considered the performance parameters i.e., Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption as per the 2014 Tariff Regulations and not as per norms specified in the PPA. Accordingly, the variable cost for FY 2016-17 has been claimed considering the performance parameters as specified in the approved Amended PPA. Furthermore, Hon'ble SC ruled that for other costs not reflected in the PPA, statutory Regulations may be applied. Accordingly, the costs not explicitly covered in the PPA have been claimed in accordance with the provisions of the 2014 Tariff Regulations.
- 2.8 OPGC, in its Tariff Petition for FY 2018-19, claimed the additional capitalisation actually incurred/proposed to be incurred and the recovery thereof through tariff. In this regard, the Commission, in its Tariff Order for FY 2018-19 ruled as under:

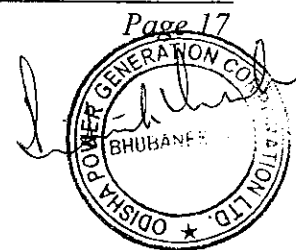
***“Additional Capitalization***

*OPGC has submitted that, it has incurred additional capitalisation of Rs. 18.13 Crore and Rs.23.62 crore during FY 2015-16 and FY 2016-17 respectively. Out of which, it has claimed that Rs. 17.82 Crore and Rs.22.04 crore respectively have been incurred during the same period towards efficient and successful operation of the generating station as per OERC Tariff Regulation 3.4(d) and should be considered for truing up of account for FY 2016-17. The rest of the amount has been spent for creation of minor assets which the Petitioner has not claimed. The Commission required evidential information from OPGC for prudence check and detail scrutiny. During public hearing, almost all the objectors requested the Commission to treat the expenditure on additional capitalization as expenditure on repair and maintenance. Therefore, this matter requires a separate hearing. OPGC may file a separate application in this regard. ....”*

- 2.9 As per the directions of the Hon'ble OERC in the Tariff Order for FY 2018-19, OPGC is in process of preparing separate Petition for approval of additional capitalisation in

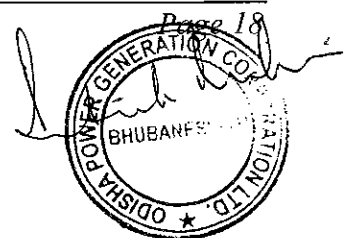
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*Petition for Re-determination of Tariff for FY 2016-17*



accordance with the OERC Generation Tariff Regulations, 2014, and the separate Petition for approval of additional capitalisation for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 will be filed shortly. OPGC requests Hon'ble OERC to allow the recovery of additional capitalisation in accordance with the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in CA No. 9485/2017.

2.10 Accordingly, in the instant Petition the additional capitalisation is not considered and the impact of the same shall be considered in the separate Petition to be filed for approval of additional capitalisation.



### **3 Re-Determination of Generation Tariff for FY 2016-17**

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#### ***Computation of Annual Fixed Cost***

3.1 As per Clause 3.0 of Schedule II of the Amended PPA, the Annual Fixed Cost of OPGC shall consist of the following components:

- (a) Depreciation;
- (b) Return on Equity;
- (c) Interest on Loan;
- (d) Operation and Maintenance Expenses;
- (e) Interest on Working Capital.

3.2 The computation of each of the above components of the Annual Fixed Cost is detailed in the subsequent paragraphs.

#### ***Capital Cost***

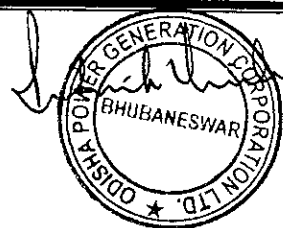
3.3 The Amended PPA signed between OPGC and GRIDCO has considered the Capital Cost of the Project as Rs. 1060 Crore. It is submitted that while approving the Amended PPA vide Order dated April 27, 2015, Hon'ble OERC has approved the capital cost of the project. In view of this, OPGC has considered the capital cost of Rs. 1060 Crore for the purpose of computation of tariff for FY 2016-17.

#### ***Additional capitalisation***

3.4 As submitted in Para 2.9, OPGC craves leave for claiming the additional capitalisation in accordance with the OERC Generation Tariff Regulations, 2014, in a separate Petition to be filed in compliance to the directions of the Hon'ble OERC in its Order towards True Up Petition for 2016-17 and Tariff Order for FY 2018-19, dt: March 22, 2018.

#### ***Debt:Equity Ratio***

3.5 OPGC submits that project cost of Rs. 1060 Crore as approved in Amended PPA included equity of Rs. 450 Crore and Loan of Rs. 610 Crore. It is submitted that while



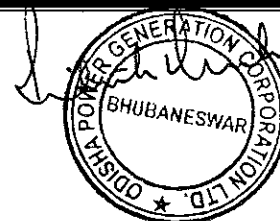
approving the Amended PPA vide Order dated April 27, 2015, Hon'ble OERC has approved the equity of Rs. 450 Crore and loan of Rs. 610 Crore. Hence, OPGC has considered actual debt:equity ratio, as approved in Amended PPA, for the purpose of determination of tariff for FY 2016-17.

### ***Depreciation***

- 3.6 Hon'ble OERC, in its Tariff Order for FY 2016-17 had not approved any amount towards depreciation for FY 2016-17 as no depreciation was claimed by OPGC.
- 3.7 OPGC submits that Clause 3.0 (a) of Schedule II of the Amended PPA provides that depreciation charges shall be equal to 7.5% of the Capital Cost during the year. Considering the depreciation charges computed as per the provisions of the Amended PPA, the assets of Generating Stations are fully depreciated by the financial year ending March 31, 2009.
- 3.8 In view of the above, OPGC does not submit any claim towards the depreciation for FY 2016-17. However, the depreciation for FY 2016-17 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

### ***Return on Equity***

- 3.9 Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved the Return on Equity of Rs. 72 Crore for FY 2016-17.
- 3.10 OPGC has considered the actual amount of equity of Rs. 450 Crore for computation of Return on Equity. The Clause 8.0 (10) of Schedule II of PPA provides for Return on Equity at the rate of 16%. Accordingly, OPGC submits the Return on Equity for FY 2016-17 as under:



**Table 3.1: Return on Equity for FY 2016-17(Rs. Crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Approved in the Tariff Order</b>	<b>Claimed for tariff re-determination</b>
1.	Actual Equity for Station	450.00	450.00
2.	Rate of Return on Equity	16.00%	16.00%
3.	<b>Return on Equity</b>	<b>72.00</b>	<b>72.00</b>

3.11 OPGC humbly requests the Hon'ble OERC to approve the Return on Equity of Rs. 72.00 Crore for FY 2016-17.

3.12 The Return on Equity for FY 2016-17 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

***Interest on Loan Capital***

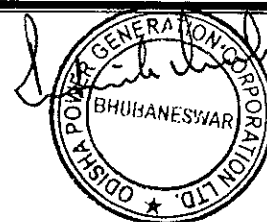
3.13 Hon'ble OERC, in its Tariff Order for FY 2016-17 had not approved any amount towards interest on loan capital for FY 2016-17.

3.14 OPGC submits that Clause 8.0 (7) and (11) of Schedule II of the Amended PPA provides the loan amount of Rs. 610 Crore and interest on loan as per actuals. Considering the actual repayment made against the outstanding loan, OPGC submits that loan amount of Rs. 610 Crore has been fully repaid by financial year ending March 31, 2012. In view of the above, OPGC does not submit any claim towards the Interest on Loan Capital for FY 2016-17. However, the interest on loan capital for FY 2016-17 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

***O&M Expenses***

3.15 Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved Rs. 115.50 Crore towards O&M expenses for FY 2016-17.

3.16 OPGC submits that Clause 3.0 (d) and (e) of Schedule II of the Amended PPA provides



that O&M expenses for first year of operation at the rate of 2.5% of the capital cost which shall be escalated by 8% each year from April 1, 1996.

3.17 Accordingly, OPGC submits the O&M Expenses for FY 2016-17 considering the escalation factor of 8% as per the methodology prescribed in Amended PPA as under:

**Table 3.2: O&M Expenses for FY 2016-17(Rs. Crore)**

Sr. No.	Particulars		Claimed for tariff re-determination
1.	Capital Cost of Project considered for O&M Expenses as per Amended PPA	a	1030.00
2.	O&M Expenses for first year @ 2.5% of Capital Cost	$b=a*2.5\%$	25.75
3.	Escalation rate	c	8.00%
4.	O&M Expenses	$d=b*((1+c)^{20})$	120.02

3.18 OPGC humbly request the Hon'ble OERC to approve O&M Expenses of Rs. 120.02 Crore for FY 2016-17.

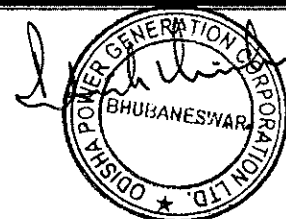
***Interest on Working Capital***

3.19 Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved Rs. 13.13 Crore towards interest on working capital for FY 2016-17.

3.20 The Clause 3.0 (f) of Schedule II of the Amended PPA provides the Interest on working Capital as under:

*"f) Interest on Working Capital will be worked out on the following basis on normative level of generation calculated at the rate of interest applicable to OPGC for its Working capital facility as on the fixed charge computation date*

- i) Coal cost for 1.5 months*
- ii) Oil cost for 2 months*
- iii) O&M expenses for 1 month*



iv) *Receivables for 2 months "*

3.21 As regards the rate of interest, the above said clause stipulates the interest rate applicable to OPGC for its Working Capital facility. It is submitted that OPGC has been meeting its working capital requirement through internal accruals.

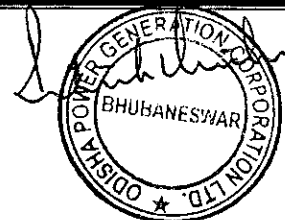
3.22 As OPGC had not availed any actual working capital loan during FY 2016-17, the rate of interest for FY 2016-17 has been considered as 12.30% in accordance with Regulation 4.26 of the OERC Generation Tariff Regulations, 2014.

3.23 Hon'ble Supreme Court in its Judgment dated April 19, 2018 ruled that for the costs not reflected in the PPA, the statutory Regulations may be applied. Further, Hon'ble APTEL in its Judgment dated May 28, 2009 in Appeal No. 111 of 2008 ruled as under:

*"7) The Commission observed that in actual fact no amount has been paid towards interest. Therefore, the entire interest on working capital granted as pass through in tariff has been treated as efficiency gain. It is true that internal funds also deserve interest in as much as the internal fund when employed as working capital loses the interest it could have earned by investment elsewhere. Further the licensee can never have any funds which has no cost. The internal accruals are not like some reserve which does not carry any cost....."*

3.24 In light of the above stated Judgments of Hon'ble Supreme Court and Hon'ble APTEL, OPGC requests the Hon'ble OERC to approve the interest on working capital considering the rate of interest in accordance with the OERC Generation Tariff Regulations, 2014.

3.25 Accordingly, OPGC submits the Interest on Working Capital for FY 2016-17 as under:



**Table 3.3: Interest on Working Capital for FY 2016-17(Rs. Crore)**

Sr. No.	Particulars	Claimed for tariff re-determination
1.	Cost of Coal for one and half months	45.29
2.	Cost of Secondary Fuel Oil for two months	4.13
3.	O&M Expenses for one month	10.00
4.	Receivables equivalent to two months	99.78
5.	<b>Total Working Capital Requirement</b>	<b>159.21</b>
6.	Interest Rate %	12.30%
7.	<b>Interest on Working Capital</b>	<b>19.58</b>

3.26 OPGC humbly request the Hon'ble OERC to approve the Interest on Working Capital of Rs. 19.58Crore for FY 2016-17.

**Summary of Annual Fixed Cost**

3.27 The Annual Fixed Cost proposed by OPGC for FY 2016-17 is summarised as under:

**Table 3.4: Annual Fixed Cost for FY 2016-17(Rs. Crore)**

Sr. No.	Particulars	As approved by the Hon'ble Commission in Tariff Order for FY 2016-17	Claimed for tariff re-determination
1.	Return on Equity	72.00	72.00
2.	Depreciation	0.00	0.00
3.	Interest on Loan Capital	0.00	0.00
4.	Interest on Working Capital	13.13	19.58
5.	O&M Expenses	115.50	120.02
6.	<b>Total Annual Fixed Cost</b>	<b>200.63</b>	<b>211.60</b>

3.28 OPGC humbly request the Hon'ble OERC to approve Re-Determined Annual Fixed Cost of Rs. 211.60 Crore for FY 2016-17.

### ***Operational Performance Parameters***

3.29 OPGC has considered the following Operational Performance parameters as under:

- (a) Plant Load Factor (PLF)
- (b) Gross Station Heat Rate
- (c) Secondary Fuel Oil Consumption
- (d) Auxiliary Energy Consumption

3.30 OPGC in Amended PPA signed with GRIDCO has agreed upon operational performance parameters. OPGC for computation of Energy Charge for FY 2016-17 has considered the operational performance parameters as per Clause 8 of Schedule II of the approved Amended PPA.

#### **Plant Load Factor (PLF)**

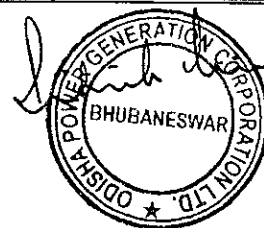
3.31 Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved PLF of 85% for FY 2016-17.

3.32 As per Clause 3.0 (g) of Schedule II of the Amended PPA, full fixed charges will be paid to OPGC subject to adjustment provided OPGC achieves Actual Net Availability (AAN) within normal operating range of 68.49%.

3.33 As per Clause 3.0 (g) of Schedule II of the Amended PPA, the PLF applicable for computation of incentive shall be 80%.

3.34 **Gross Station Heat Rate:** Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved Gross Station Heat Rate of 2450 kcal/kWh for FY 2016-17. Gross Station Heat Rate of 2500 kcal/kWh has been considered as per the provisions of the approved Amended PPA as per Clause 8 of Schedule II of the approved Amended PPA.

3.35 **Specific Oil Consumption:** Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved Specific Oil Consumption of 1 ml/kWh for FY 2016-17. Secondary Fuel Oil



Consumption of 3.5 ml/kWh has been considered as per Clause 8 of Schedule II of the approved Amended PPA.

3.36 **Auxiliary Consumption:** Hon'ble OERC, in its Tariff Order for FY 2016-17 had approved Auxiliary Consumption of 8.50% for FY 2016-17, which was subsequently revised to 9.0% in the Tariff Order for FY 2018-19. Auxiliary Consumption of 9.5% has been considered as per Clause 8 of Schedule II of the approved Amended PPA.

3.37 The Operational Performance parameters considered by OPGC are summarised as under:

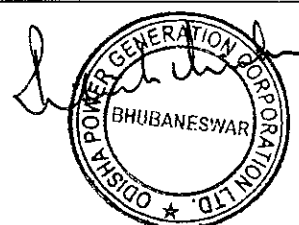
**Table 3.5: Operational Performance Parameters for FY 2016-17**

Sr. No.	Particulars	Unit	As approved by the Hon'ble Commission in Tariff Order for FY 2016-17	Claimed for tariff re-determination
1.	Auxiliary Consumption	%	8.50%	9.50%
2.	Station Heat Rate	kcal/kWh	2450	2500
3.	Specific Oil Consumption	ml/ kWh	1.00	3.50

#### **Fuel Prices and GCV**

3.38 During FY 2016-17, the entire coal requirement for OPGC was met from coal supply under existing FSA with Mahanadi Coal Fields Limited ("MCL").

3.39 Clause 7.0 of Schedule II of the existing PPA provides the computation of Fuel Cost. For computation of the fuel cost, OPGC has relied on the provisions of the Amended PPA which provides that the Price and Gross Calorific Value of coal and oil shall be considered as delivered to the Power Station. As FY 2016-17 is already over, OPGC has considered the actual weighted average prices and GCV of Coal and Oil in FY 2016-17 as delivered to Power Station for re-determination of energy charges. The documentary evidences in support of the actual fuel prices and GCV in FY 2016-17 are enclosed at **Annexure 1** of the Petition. The Audited Accounts of OPGC for FY 2016-17 is enclosed



at Annexure-2 of the Petition.

3.40 Accordingly, GCV and Price of Coal and Oil considered for tariff computation is summarised below:

**Table 3.6: Price and Gross Calorific Value of Coal and Oil**

Sl. No.	Source of Coal	FY 2016-17
1	Price of Coal (Rs. /MT)	1565.60
2	Price of LDO (Rs./kL)	39456.04
3	Price of HFO	26861.90
4	Gross Calorific Value of Coal (kCal/kg)	2684
5	Gross Calorific value of LDO (kCal/ltr.)	10000
6	Gross Calorific Value of HFO (kcal/lt.)	10000

**Energy Charge**

3.41 OPGC has re-computed Energy Charge for FY 2016-17 as per Clause 7.0 of Schedule II of the Amended PPA. The computation of Energy Charge for FY 2016-17 is given in the Tables below:

**Table 3.7: Energy Charges for 2016-17**

Particulars	Unit	FY 2016-17
Auxiliary Consumption	%	9.50%
Gross Station Heat Rate	kCal/kWh	2500
GCV of Coal	kCal/kg	2684
GCV of Oil	kCal/kg	10000
Specific Coal Consumption	kg /kWh	0.92
Specific Oil Consumption-LDO	ml/kWh	0.35
Specific Oil Consumption-HFO	ml/kWh	3.15
Price of Coal	Rs. / MT	1565.60
Price of Secondary Oil-LDO	Rs. / kL	39456.04
Price of Secondary Oil-HFO	Rs. / kL	26861.90
Energy Charge	Paisa/kWh	169.74

3.42 OPGC humbly request the Hon'ble OERC to approve Energy Charge of 169.74 Paisa/kWh for FY 2016-17.

**Reimbursement of other charges**

3.43 Clause 10.0 of the approved Amended PPA stipulates as under:

**"10.0 LEVIES, TAXES, DUTIES, CESS ETC. :**

*The above tariff is exclusive of any statutory taxes, levies, duties, cess or any other kind of imposition(s) whatsoever imposed/charged by any Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption, transmission, sale or on supply of power/energy and/or in respect of any of its installations associated with Generating Stations and/or on Transmission System, Environmental Protection, Water etc. However electricity duty payable on energy drawn by OPGC if any shall be payable by OPGC and reimbursed by GRIDCO."*

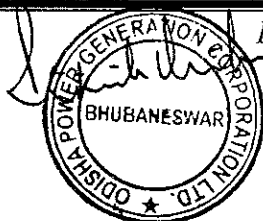
3.44 Clause 11.0(vii) of the approved Amended PPA stipulates as under:

*"vii) Supplementary bills will be raised for the following.*

- a) Fuel price adjustment on half yearly basis*
- b) Incentive/disincentive at the end of year*
- c) Income Tax as per actual to be reimbursed as detailed in Para-6.0 of schedule – II*
- d) Any other charges/taxes etc."*

3.45 Apart from the Annual Fixed Cost and Energy Charge, OPGC in the instant Petition has claimed the differential incentive for higher PLF only. OPGC in the instant Petition has not claimed recovery of other charges such as electricity duty on auxiliary consumption, water cess and water charges, tax and cess on land, SoC & MoC Charges for SLDC, ERPC charges and Income Tax as the recovery of same was allowed by the Commission.

3.46 **Incentive:** Incentive shall be charged as per Clause 4.0 of Schedule II of the Amended PPA and shall be paid to OPGC by GRIDCO where the actual PLF in the financial year exceeds 80%. Incentive shall be calculated based on the following formula and shall be



claimed at the end of the year.

Incentive (in Rs.) = Equity capital subject to maximum of 30% of the Project cost x 0.35 x (% PLF achieved during the year including deemed generation- 80%)/100

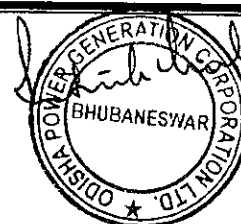
3.47 The incentive for FY 2016-17 is calculated as under:

**Table 3.8: Incentive for FY 2016-17**

Particulars	Units	Value
Installed capacity	MW	420
Target PLF for incentive	%	80.00
Actual sale of energy	MU	2891.11
Deemed Generation	MU	4.55
Actual net generation plus deemed generation	MU	2895.66
Normative auxiliary consumption	%	9.50
Actual net generation including deemed generation grossed up with auxiliary consumption	MU	3199.62
PLF achieved in FY 2016-17	%	86.97
Project cost	Rs. Crore	1060
Actual Equity capital	Rs. Crore	450
30% of Project cost	Rs. Crore	318
Equity capital for incentive	Rs. Crore	318
<b>Incentive</b>	<b>Rs. Crore</b>	<b>7.75</b>
Incentive billed in accordance with OERC Tariff Regulations, 2014	Rs. Crore	1.71
<b>Differential to be recovered</b>	<b>Rs. Crore</b>	<b>6.04</b>

3.48 OPGC humbly request the Hon'ble OERC to approve the recovery of differential amount of Rs.6.04 Crore as shown above.

3.49 **Electricity Duty on auxiliary consumption:** OPGC in its Petition for approval of true up for FY 2016-17 and tariff for FY 2018-19 (Case No. 75/2017) prayed the Hon'ble OERC to allow the recovery of actual Electricity Duty on auxiliary consumption paid in FY 2016-17 and accordingly allow the differential amount of Rs. 2.07 Crore. Hon'ble OERC in its Order dated March 22, 2018 ruled that the electricity duty is not a trueing up



item and it can be reimbursed from GRIDCO on actual basis. Subsequently, OPGC has billed the differential Electricity Duty on GRIDCO. As per the Hon'ble SC's Judgment in CA No. 9485 of 2017, the tariff determination for OPGC shall be governed by the provisions of the approved Amended PPA. In accordance with the Arbitration Settlement dated January 30, 2004 between OPGC and GRIDCO, the Electricity Duty on auxiliary consumption shall be capped to 9% auxiliary consumption. Hence, OPGC submits that appropriate adjustment shall be carried out with GRIDCO.

**Summary of Re-Determined Generation Tariff for FY 2016-17**

3.50 The summary of Re-Determined Generation Tariff proposed for FY 2016-17 is as under:

**Table 3.9: Generation Tariff for 2016-17**

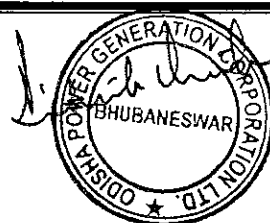
Sr. No.	Particulars	Units	Approved in the Tariff Order	Claimed in tariff re-determination
1.	Annual Fixed Cost	Rs. Crore	200.63	211.60
2.	Energy Charge	Paisa/kWh	120.15	169.74

3.51 OPGC humbly requests the Hon'ble OERC to approve the Generation Tariff for FY 2016-17 as claimed in this Petition and allow the recovery of differential amount arising out of the tariff re-determination.

3.52 Hon'ble APTEL in its Judgment dated February 15, 2011 in Appeal No. 173 of 2009 laid down the principle of carrying cost as under:

*"42. ... However, we would like to add that the Appellant is entitled to carrying cost on his claim of legitimate expenditure if the expenditure is:*

- (a) accepted but recovery is deferred e.g. interest on regulatory assets;*
- (b) claim not approved within a reasonable time; and*
- (c) disallowed by the State Commission but subsequently allowed by the superior authority."*



3.53 In light of the above stated Judgment of the Hon'ble ATE, OPGC requests the Hon'ble OERC to allow the carrying cost on the differential amount claimed for recovery on account of tariff re-determination for FY 2016-17. As the recovery of amount due to OPGC in FY 2016-17 will now happen in FY 2018-19 subsequent to re-determination of tariff by Hon'ble Commission, OPGC has computed the carrying cost for 2 years at the Working Capital Interest Rate. The total impact of tariff re-determination for FY 2016-17 claimed by OPGC including carrying cost is as shown in the Table below:

**Table 3.10: Impact of tariff re-determination for FY 2016-17**

Particulars	Units	Value
AFC approved in the Tariff Order	Rs. Crore	200.63
AFC claimed in tariff re-determination	Rs. Crore	211.60
<b>Differential AFC to be recovered</b>	<b>Rs. Crore</b>	<b>10.97</b>
Actual sale of energy	MU	2891.11
Rate of Energy Charge approved in the Tariff Order	Paisa/kWh	120.15
FPA billed	Rs. Crore	109.92
FPA billed	Paisa/kWh	38.02
Total Energy Charge Rate billed	Paisa/kWh	158.17
Rate of Energy Charge claimed in tariff re-determination	Paisa/kWh	169.74
Differential Rate of Energy Charge Rate to be recovered	Paisa/kWh	11.57
<b>Differential Energy Charge to be recovered</b>	<b>Rs. Crore</b>	<b>33.46</b>
<b>Differential amount to be recovered on account of re-determination of AFC and Energy Charge</b>	<b>Rs. Crore</b>	<b>44.44</b>
Carrying cost for 2 years @ rate of interest on working capital	Rs. Crore	10.93
<b>Differential incentive to be recovered</b>	<b>Rs. Crore</b>	<b>6.04</b>
Carrying cost for 1 year on the differential incentive to be recovered	Rs. Crore	0.74
Less: Differential energy charges billed pursuant to Hon'ble OERC's Order dated March 22, 2018	Rs. Crore	2.67
Less: Differential incentive billed pursuant to Hon'ble OERC's Order dated March 22, 2018	Rs. Crore	0.78
<b>Total differential amount to be recovered</b>	<b>Rs. Crore</b>	<b>58.70</b>

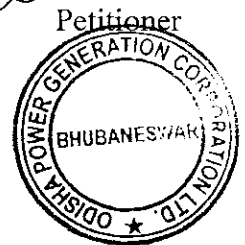
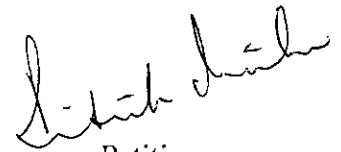
#### 4 Prayers

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OPGC respectfully prays that the Hon'ble OERC may:

- i) Condone the delay in filing the instant Petition for re-determination of tariff for FY 2016-17 for Units 1 & 2 of IB Thermal Power Station.
- ii) Admit the instant Petition for re-determination of tariff for FY 2016-17 for Units 1 & 2 of IB Thermal Power Station.
- iii) Approve the tariff, including annual fixed cost and variable charges, for FY 2016-17 as claimed in the Petition.
- iv) Approve the recovery of differential amount arising out of tariff re-determination for FY 2016-17 along with carrying cost as claimed in the Petition.
- v) Allow the recovery of additional capitalisation in accordance with the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in CA No. 9485/2017, which shall be claimed in a separate Petition being filed shortly as per the Commission's Order dated March 22, 2018.
- vi) Condone any inadvertent omissions, errors, short comings and permit OPGC to add/change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- vii) Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Bhubaneswar  
May 24, 2018

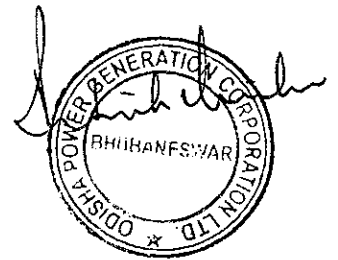


**Checklist of Forms and other information/ documents for tariff filing for FY-2016-17**

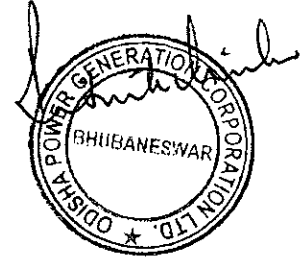
Name of Utility / Company: Odisha Power Generation Corporation Limited

Form No.	Title of Tariff Filing Form	Tick
Form 1.1	Summary of Tariff Proposal(Thermal)	✓
Form 1.2	Summary of Tariff Proposal(Hydro)	NA
Form 2.1	Plant Characteristics	NA
Form 2.2	Details of COD, Type of hydro station, Capacity Index, Primary energy rate	NA
Form 2.3	Salient Features of Hydroelectric Project	NA
Form 3.1	Planned & Forced Outages	NA
Form 4.1	Revenue from Sale of Power (Previous year actual)	NA
Form 5.1	Non Tariff Income	NA
Form 6.1	O&M Expenses	✓
Form 6.2	Fixed Assets and Depreciation	NA
Form 6.3	Calculation of Interest on Loans	NA
Form 6.4	Calculation of Interest on Working Capital Loan	✓
Form 7.1 ( C )	Details/Information to be Submitted in respect of Fuel for Computation of Energy Charges for FPA(Coal)	✓
Form 7.1 ( O )	Details/Information to be Submitted in respect of Fuel for Computation of Energy Charges for FPA(Oil)	✓
Form 7.2	Energy Charges for Thermal Generation	✓
Form 8.1	Break-up of Capital Cost for Coal based projects	NA
Form 8.2	Break up of Capital cost for hydro power generating station	NA
Form 8.3	Break up of Capital Cost for Plant & Equipment(Hydro)	NA
Form 8.4	Statement of Additional Capitalisation after COD	NA
Form 8.5	IDC Planned and actual	NA
Form 8.6	Details of Foreign loans / Equity	NA
Form 8.7	Deign energy and peaking capability (monthwise)- ROR with Pondage/Storgae type new stations	NA
Form 8.8	Deign energy and MW Continuous (monthwise)- ROR type new stations	NA
<b>Other Information/ Documents</b>		
Sl. No.	Information/Document	Tick
1	Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association ( For New Station setup by a company making tariff application for the first time to OERC)	NA
2	Stationwise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures on COD of the Station or the new station for the relevant years.	NA
3	Copies of relevant loan Agreements	NA
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package	NA
5	Copies of the Equity participation agreements and necessary approval for the foreign equity	NA
7	Copies of the BPSA/PPA with the beneficiaries, if any	NA
8	Detailed note giving reasons for time and cost over run, if applicable.	NA
9	Details of SBI Base rate taken for calculation	NA
10	Any other relevant information, in any to be specified	NA

Note: Electronic copy in the form of CD/Floppy disc shall also be furnished.



Summary of Tariff Proposal (Generation Thermal)				
Name of the Utility / Company : Odisha Power Generation Corporation Limited				FORM-1.1
Name of the Thermal Power Station: IB Thermal Power Station				(Rs. In Crore)
S.No.	Particulars	Reference	FY 2016-17	
			Approved in the Tariff Order	Claimed for tariff re-determination
<b>A</b>	<b>Fixed Charge</b>			
1	O & M Expenses	Form 6.1	115.50	120.02
2	Depreciation	Form 6.2	0.00	0.00
3	Interest on Term Loans & Fin. Charges	Form 6.3	0.00	0.00
4	Interest on Working Capital Loans	Form 6.4	13.13	19.58
5	Recovery of ARR & Tariff Petition Fee:		-	-
6	Return on Equity		72.00	72.00
7	<b>Total Fixed Charge</b>		<b>200.63</b>	<b>211.60</b>
8	Less: Non-Tariff Income	Form 5.1	0.00	0.00
9	<b>Net Fixed Charge</b>		<b>200.63</b>	<b>211.60</b>
<b>B</b>	<b>Variable Cost</b>	Form 7.2	<b>343.81</b>	<b>387.10</b>
<b>C</b>	<b>Total Cost</b>		<b>544.44</b>	<b>598.70</b>
<b>D</b>	Unit Sold to Discoms in MU	Form 7.2	2861.50	2891.11
<b>E</b>	Rate of Fixed Charge(Paisa/kwh)		70.11	73.19
<b>F</b>	Rate of Variable Charge(Paisa/kwh)	Form 7.2	120.15	169.74
<b>G</b>	Rate of Sale of Energy (Paisa./kwh)		190.26	242.93



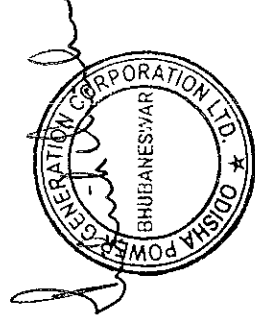
O&M Expenses

Name of the Utility / Company : Odisha Power Generation Corporation Limited

FORM-6.1

Name of the Thermal Power Station: IB Thermal Power Station

S.No.	Particulars	Units	Reference	FY 2016-17	
				Approved in the Tariff Order	Claimed for tariff re- determination
1	O&M Expense norms for Unit (per MW)	Rs. Cr.	Norms for O&M	0.275	-
2	No of Units	No.		2	2
3	O&M expense in Rs. Cr	Rs. Cr.		115.50	120.02
4	Allocation of corporate O&M Expense %	%	Based on Installed Capacity	0.00	0.00
5	Allocation of corporate O&M Expense in Rs. Cr	Rs. Cr.		0.00	0.00
6	Total O&M expense	Rs. Cr.		115.50	120.02



FORM-6.4

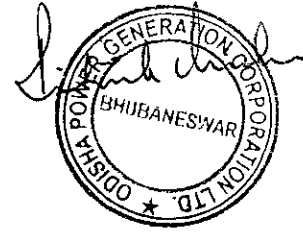
## Calculation of Interest on Working Capital Loan

Name of the Utility / Company: Odisha Power Generation Corporation Limited

Name of the Thermal Power Station: IB Thermal Power Station

(Rs. In Crore)

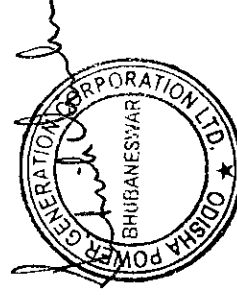
Sl. No.	Particulars	FY 2016-17	
		Approved in the Tariff Order	Claimed for tariff re-determination
1	Coal Cost	27.78	45.29
2	Oil Cost	0.87	4.13
3	O & M expenses	9.63	10.00
4	Maintenance Spares	23.10	0.00
5	Receivables	45.37	99.78
6	<b>Working capital Loan Requirement</b>	<b>106.75</b>	<b>159.21</b>
7	Rate of Interest	12.30%	12.30%
8	<b>Interest on Working Capital</b>	<b>13.13</b>	<b>19.58</b>



CALCULATION OF WEIGHTED AVERAGE COST OF COAL FOR 2016-17

FORM 7.1(C)

MONTH	OB		PURCHASE		CONSUMPTION Qty.(MT)	WTD.AVG COST of COAL (Rate Rs/MT)
	Qty.(MT)	Value in Rs.	Qty.(MT)	Value in Rs.		
Apr-16	80,978	12,77,33,365	2,43,019	33,87,26,768	2,57,452	1,440
May-16	66,545	9,58,05,508	2,44,065	34,11,60,849	1,80,711	1,407
Jun-16	1,29,899	18,27,41,828	2,78,947	42,94,69,667	2,30,373	1,497
Jul-16	1,78,473	26,72,47,945	2,21,957	34,17,26,788	2,60,546	1,521
Aug-16	1,39,884	21,27,35,754	2,32,793	35,84,09,990	2,54,281	1,533
Sep-16	1,18,396	18,14,47,341	2,21,962	34,17,34,709	2,53,081	1,537
Oct-16	87,277	13,41,57,679	2,39,015	36,79,90,420	2,55,976	1,539
Nov-16	70,316	10,82,13,017	2,18,187	33,59,21,928	2,31,567	1,539
Dec-16	56,936	8,76,49,545	2,46,615	37,96,90,580	2,55,721	1,540
Jan-17	47,830	7,36,37,434	2,58,321	39,77,13,803	2,45,818	1,540
Feb-17	60,333	9,28,88,903	2,36,730	42,27,22,896	2,29,319	1,736
Mar-17	67,744	11,75,82,609	2,29,369	43,85,93,854	2,59,346	1,872
			28,70,979	4,49,38,62,253	29,14,191	1,566



Actual GCV of Coal

Month	Quantum of Coal fired MT	GCV of coal kcal/kg
May-16	180711	2690
Jun-16	230373	2765
Jul-16	260546	2614
Aug-16	254281	2622
Sep-16	253081	2435
Oct-16	255976	2544
Nov-16	231567	2586
Dec-16	255721	2701
Jan-17	245818	2978
Feb-17	229319	2906
Mar-17	259346	2716
<b>Weighted average GCV</b>		<b>2684</b>

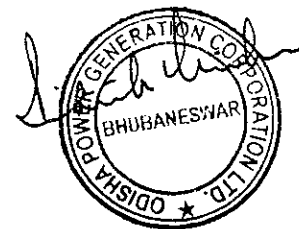
CALCULATION OF WEIGHTED AVERAGE COST OF LDO-2016-17

FORM 7.1(O)

MONTH	OB		PURCHASE		CONSUMPTION Qty.(KL)	WTD.AVG COST (Rate Rs/KL)
	Qty.(KL)	Value in Rs.	Qty.(KL)	Value in Rs.		
Apr-16	403.763	1,52,02,981.00	137.84	49,51,904.00	17.196	37,213.74
May-16	524.402	1,95,14,957.59	74.00	28,39,427.00	12.816	37,356.80
Jun-16	585.586	2,18,75,619.83	223.50	90,40,451.00	449.692	38,211.11
Jul-16	359.394	1,37,32,842.19	145.00	60,10,769.00	69.984	39,143.23
Aug-16	434.410	1,70,04,211.27	68.00	25,42,524.00	-	38,905.94
Sep-16	502.410	1,95,46,735.27	56.00	22,50,633.00	78.732	39,034.70
Oct-16	479.678	1,87,24,088.06	21.00	7,85,191.00	90.480	38,965.72
Nov-16	410.198	1,59,83,660.66	145.50	62,83,169.00	145.984	40,070.02
Dec-16	409.714	1,64,17,247.95	-	-	4.800	40,070.02
Jan-17	404.914	1,62,24,911.85	148.50	62,03,361.00	24.074	40,527.12
Feb-17	529.340	2,14,52,623.08	-	-	8.769	40,527.12
Mar-17	520.571	2,10,97,240.81	17.00	7,10,149.00	15.528	40,566.53
			1,036.335	4,16,17,578.00	918.055	39,456.04

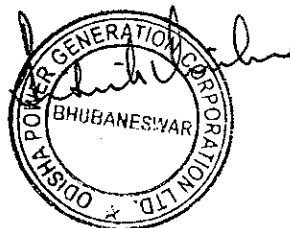


Energy Charges for Thermal Generation				
Name of the Utility / Company : Odisha Power Generation Corporation Limited			FORM-7.2	
Name of the Thermal Power Station: IB Thermal Power Station				
Particulars	Units	Reference	FY 2016-17	
			Approved in the Tariff Order	Claimed for tariff re- determination
<b>Operational Parameter</b>				
Number of Units				
Upto 250 MW			2	2
More than 250 MW			-	-
Total Capacity	MW		420	420
Availability	%		85%	68.49%
PLF	%		85%	68.49%
Gross Generation	MU		3127.32	2519.88
Auxiliary Energy Consumption	%		8.50%	9.50%
Auxiliary Energy Consumption	MU		265.82	239.39
Net Generation	MU		2861.50	2280.50
Heat Rate	kcal/kwh		2450	2500
Fly Ash Utilization	%		-	-
Other By product utilization (with List)	%		-	-
<b>Fuel Parameters</b>				
<b>Calorific Value for Different Fuels</b>				
Fuel 5 (Indigenous Coal)	kcal/Kg	From 7.1 (C)	2716.00	2684
Fuel 4 (Imported Coal)	kcal/Kg	From 7.1 (C)		
Fuel 1 (HFO)	kcal/Ltr.	From 7.1 (O)		10000
Fuel 2(HSD)	kcal/Ltr.	From 7.1 (O)		
Fuel 3 (LDO)	kcal/Ltr.	From 7.1 (O)	10000	10000
<b>Landed Fuel Price for different fuels</b>				
Fuel 5 (Indigenous Coal)	Rs/MT	From 7.1 (C)	1186.62	1565.60
Fuel 4 (Imported Coal)	Rs/MT	From 7.1 (C)		
Fuel 1 (HFO)	Rs/KL	From 7.1 (O)		26861.90
Fuel 2(HSD)	Rs/KL	From 7.1 (O)	33338.76	
Fuel 3 (LDO)	Rs/KL	From 7.1 (O)		39456.04
<b>Specific Fuel Consumption</b>				
Fuel 5 (Indigenous Coal)	Kg/kWh		0.90	0.92
Fuel 4 (Imported Coal)	Kg/kWh			
Fuel 1 (HFO)	ml/kWh			3.15
Fuel 2(HSD)	ml/kWh		1.00	
Fuel 3 (LDO)	ml/kWh			0.35
<b>Total Fuel Consumption</b>				
Fuel 5 (Indigenous Coal)	MT		2809521.65	2314117.07
Fuel 4 (Imported Coal)	MT			
Fuel 1 (HFO)	KL			7937.63
Fuel 2(HSD)	KL		3127.32	
Fuel 3 (LDO)	KL			881.96
<b>Heat Content (each fuel separately)</b>				
Fuel 5 (Indigenous Coal)	Million kcal		7630660.80	6211514.26
Fuel 4 (Imported Coal)	Million kcal			
Fuel 1 (HFO)	Million kcal			79376.35
Fuel 2(HSD)	Million kcal		31273.20	
Fuel 3 (LDO)	Million kcal			8819.59
<b>Total Fuel Cost</b>				
Fuel 5 (Indigenous Coal)	Rs Crore		333.38	362.30
Fuel 4 (Imported Coal)	Rs Crore			
Fuel 1 (HFO)	Rs Crore			21.32
Fuel 2(HSD)	Rs Crore		10.43	
Fuel 3 (LDO)	Rs Crore			3.48
Total fuel Cost			343.81	387.10
<b>Other Charges and Adjustments</b>				
Other Charges FOR WATER CESS & WATER CONSUMPTION	Rs Crore	As per actual	0.00	0.00
Other Adjustments	Rs Crore		0.00	0.00
Total Cost	Rs Crore		343.81	387.10
Cost of Generation per unit ( Coal +oil+water)	Paisa/kWh		109.94	153.62
Energy Charges per unit	Paisa/kWh		120.15	169.74



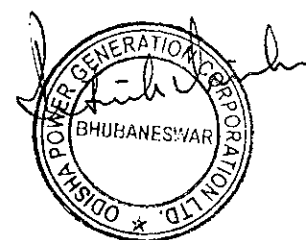
**Incentive for achieving higher PLF than target PLF**

<b>Particulars</b>	<b>Units</b>	<b>Value</b>
Installed capacity	MW	420
Target PLF for incentive	%	80.00
Actual sale of energy	MU	2891.11
Deemed Generation	MU	4.55
Actual net generation plus deemed generation	MU	2895.66
Normative auxiliary consumption	%	9.50
Actual net generation including deemed generation grossed up with auxiliary consumption	MU	3199.62
PLF achieved in FY 2016-17	%	86.97
Project cost	Rs. Crore	1060
Actual Equity capital	Rs. Crore	450
30% of Project cost	Rs. Crore	318
Equity capital for incentive	Rs. Crore	318
<b>Incentive</b>	<b>Rs. Crore</b>	<b>7.75</b>
Incentive billed in accordance with OERC Tariff Regulations, 2014	Rs. Crore	1.71
<b>Differential to be recovered</b>	<b>Rs. Crore</b>	<b>6.04</b>



**Differential amount to be recovered on account of tariff re-determination for  
FY 2016-17**

Particulars	Units	Value
AFC approved in the Tariff Order	Rs. Crore	200.63
AFC claimed in tariff re-determination	Rs. Crore	211.60
<b>Differential AFC to be recovered</b>	<b>Rs. Crore</b>	<b>10.97</b>
Actual sale of energy	MU	2891.11
Rate of Energy Charge approved in the Tariff Order	Paisa/kWh	120.15
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<b>Differential Energy Charge to be recovered</b>	<b>Rs. Crore</b>	<b>33.46</b>
<b>Differential amount to be recovered on account of re-determination of AFC and Energy Charge</b>	<b>Rs. Crore</b>	<b>44.44</b>
Carrying cost for 2 years @ rate of interest on working capital	Rs. Crore	10.93
<b>Differential incentive to be recovered</b>	<b>Rs. Crore</b>	<b>6.04</b>
Carrying cost for 1 year on the differential incentive to be recovered	Rs. Crore	0.74
Less: Differential energy charges billed pursuant to Hon'ble OERC's Order dated March 22, 2018	Rs. Crore	2.67
Less: Differential incentive billed pursuant to Hon'ble OERC's Order dated March 22, 2018	Rs. Crore	0.78
<b>Total differential amount to be recovered</b>	<b>Rs. Crore</b>	<b>58.70</b>



# Annexure – 1

**ODISHA POWER GENERATION CORPORATION LTD.**  
(A Government Company of the State of Odisha)  
CIN : U40104OR1984SGC001429



Regd. Off. : Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar - 751023, Odisha  
Ph. : 0674-2303765 - 66, Fax : 0674-2303755 / 56  
Web : www.opgc.co.in,

Ref; No. OPGC/1323/WE



Dated: 02-06-2017

To  
The Chief General Manager (PP),  
GRIDCO Ltd,  
Bhubaneswar

Sub: - Submission of Annual Adjustment Bill for the period April 2016 to March 2017.  
(Without Prejudice)

Dear Sir,

We are enclosing herewith the aforesaid bill in accordance with the impugned Tariff Order dated 21.03.2016 passed by Hon'ble OERC. You are requested to release the payment in terms of the said invoice at the earliest.

A line of acknowledgement of the above is solicited.

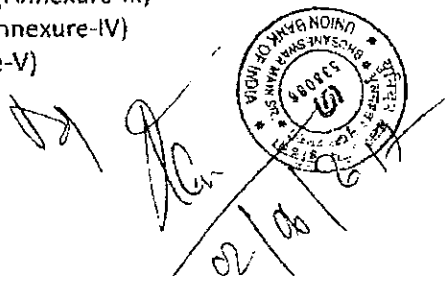
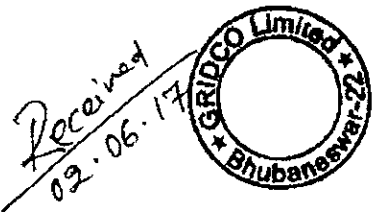
Thanking You,

Encl. As above

- 1) Statutory Auditors Certified copy of fuel price adjustment Bill (Annexure-I)
- 2) Income Tax Reimbursements (Annexure-II)
- 3) Incentive for 2016-17 (Annexure-III)
- 4) ED Reimbursement (Annexure-IV)
- 5) Import Cost (Annexure-V)

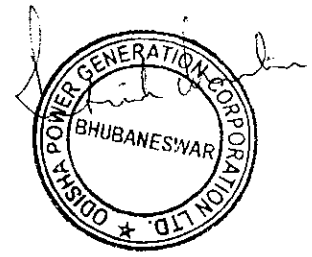
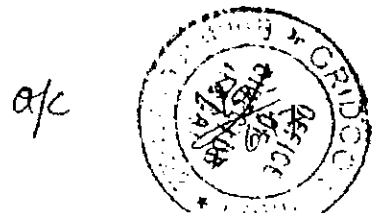
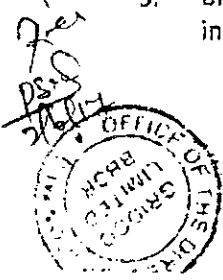
Yours faithfully

*[Handwritten Signature]*  
Addl. GM (Finance)



Copy to:-

1. Director (Commercial), GRIDCO Ltd, Bhubaneswar.
2. Director (Finance), GRIDCO Ltd, Bhubaneswar.
3. CGM (Corporate finance), GRIDCO Ltd, Bhubaneswar.
4. Sri Santosh Sarangi, Dy. GM (Finance), DPGC Ltd, ITPS
5. Branch Head, Union Bank of India, Main Branch, Bhubaneswar for favour of information and necessary action.



ODISHA POWER GENERATION CORPORATION LIMITED  
PO-BANHARPALI, DIST-JHARSUGUDA, PIN-768 234

## PROVISIONAL ANNUAL ADJUSTMENT BILL: 2016-17

BILL NO- 12A

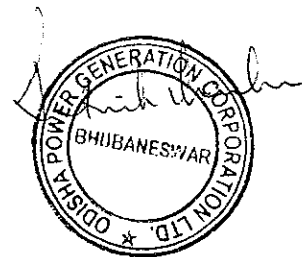
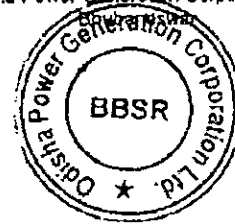
(Provisional)

DATED: 01-06-2017

CUSTOMER: GRIDCO

<i>Without Prejudice</i>			
Sl	PARTICULARS	Reference	Amount in Rs.
1	Monthly Fuel Price Adjustment	Annexure-I (Statutory Auditor's Certificate)	1,09,91,76,461
2	Less FPA Bill already raised Vide letter no. 2478/WVE Dt 18.10.2016		47,38,31,360
3	Balance Fuel Price Adjustment		62,53,45,101
4	Reimbursement of Tax, Cess	Annexure-II	(71,90,384)
5	Incentive	Annexure-III	1,70,80,090
6	ED differential for the FY 2015-16	Annexure-IV	4,81,586
7	Total (3+4+4+6)		63,62,34,807
8	Less Import cost adjustment	Annexure-V	(1,13,011)
9	Net amount of Bill (7-8)		63,53,47,819

*Ajilande*  
Addl General Manager (Finance)  
Odisha Power Generation Corporation Ltd





**Nag & Associates**  
Chartered Accountants


Head Office: MPI-136, Khandagiri Enclave  
Near Sisugruh, Housing Board Colony  
Khandagiri, Bhubaneswar-751030  
Mob: 9937315551,  
Telefax: 91-674-2384569  
E-mail: nagandassociates@gmail.com

Annexure - 1

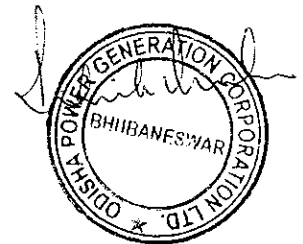
TO WHOMSOEVER IT MAY CONCERN

We have checked the books of account and other records of ODISHA POWER GENERATION CORPORATION LIMITED Zone -A , 7<sup>th</sup> floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023 Odisha and as per the Information & explanations provided to us , we do hereby certify that the statements on annual Fuel Price Adjustment bill for the financial year 2016-17 enclosed herewith are in accordance with the Clause No. 9 of Power Purchase Agreement dated 13.08.1996 between the Company and Grid Corporation of Odisha Limited.

For Nag & Associates  
Chartered Accountants

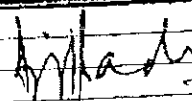
  
(S.P. Padhi)  
Partner

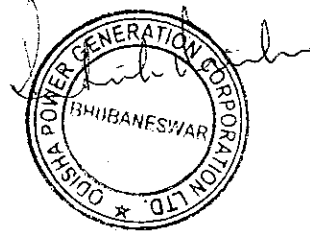
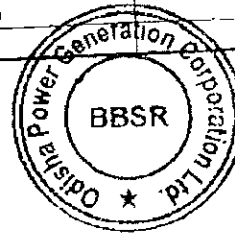
Member Ship No : 053292  
Date : 31.05.2017



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Administrative Office :  
C-52, HIG, Baramunda Housing Board Bhubaneswar  
Branches: New Delhi, Kolkata, Patna, Dhanbad

Certificate towards Fuel Price Adjustment 2016-17		
1b Thermal Power Station (Unit 1 & 2)		
		Amount in Rs.
<b>Fuel Price Adjustment for FY 2016-17</b>		
Coal	1,11,61,83,357	
Oil	(1,70,06,895)	
<b>Total</b>		<b>1,09,91,76,461.27</b>
Less FPA Bill Already raised vide letter No. 2476/WE Dt.18.10.2016		47,38,31,360.00
<b>Balance</b>		<b>62,53,45,101.27</b>
 A.G.M. (F) OPGC		



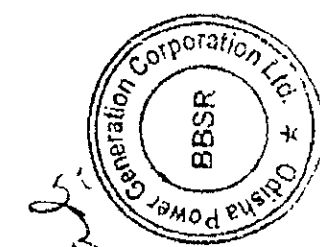
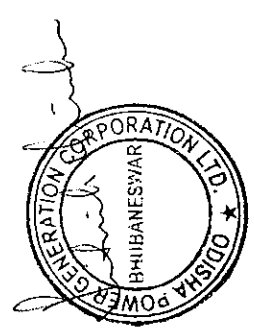
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**MONTHLY FUEL PRICE VARIATION ADJUSTMENT 2016-17**

**UNIT # 1 & 2 IB THERMAL POWER STATION**

**COAL**

Month	Au. Consn. % A	Export to GRIDCO	HEAT FROM COAL KCAL/KWH Hc	BASE GCV COAL KCAL/KG Kcs	BASE PRICE COAL RS/MT Pcs	ACTUAL GCV OF COAL KCAL/KG KCM	WTD AVG PRICE AS RECEIVED RS/MT PCM	DIFFERENTIAL TO BE BILLED Paise/KWh	DIFFERENTIAL TO BE BILLED Rs. (3 X16)/100	TOTAL COAL & OIL BILL RS (10 OF MFPVA-Oil (monthly)+17)
	2	3	11	12	13	14	15	16	17	18
Apr-16	8.50%	25,58,92,000	2,440	2716	1186.62	2686	1,439.70	26,4275	6,76,25,811	6,55,55,162
May-16	8.50%	17,54,99,000	2,440	2716	1186.62	2690	1,406.80	22,9533	4,02,82,743	3,88,69,853
Jun-16	8.50%	23,63,09,310	2,440	2716	1186.62	2765	1,497.41	27,9093	6,59,52,380	6,41,69,769
Jul-16	8.50%	25,07,25,500	2,440	2716	1186.62	2614	1,520.80	38,6377	9,68,74,597	9,52,38,456
Aug-16	8.50%	24,52,32,000	2,440	2716	1186.62	2622	1,532.55	39,3591	9,65,21,222	9,49,13,632
Sep-16	8.50%	22,53,49,000	2,440	2716	1186.62	2435	1,537.15	51,8333	11,68,05,735	11,54,03,235
Oct-16	8.50%	24,04,33,000	2,440	2716	1186.62	2544	1,538.95	44,8092	10,77,36,154	10,62,34,513
Nov-16	8.50%	21,88,59,000	2,440	2716	1186.62	2586	1,539.45	42,2403	9,24,46,668	9,13,58,011
Dec-16	8.50%	25,84,95,000	2,440	2716	1186.62	2701	1,539.58	35,4943	9,17,50,900	9,04,65,084
Jan-17	8.50%	27,50,78,000	2,440	2716	1186.62	2978	1,539.60	21,3581	5,87,51,308	5,76,15,897
Feb-17	8.50%	24,96,77,700	2,440	2716	1186.62	2906	1,735.70	42,7685	10,67,83,448	10,57,52,879
Mar-17	8.50%	25,95,63,000	2,440	2716	1186.62	2716	1,871.94	67,2871	17,46,52,391	17,35,99,969
<b>TOTAL</b>		<b>2,89,11,12,510</b>					<b>1,565.60</b>	<b>Total:</b>	<b>1,11,61,83,357</b>	<b>1,09,91,76,461</b>



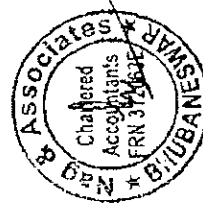
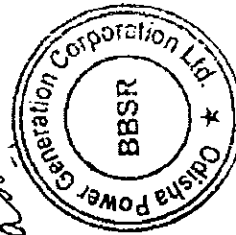
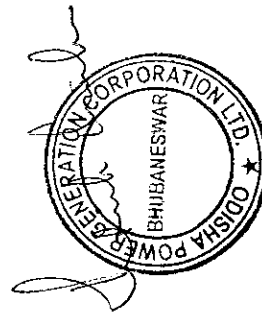
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CALCULATION OF WEIGHTED AVERAGE COST OF COAL FOR 2016-17

COAL

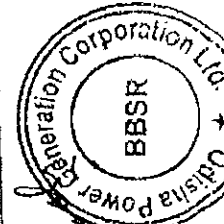
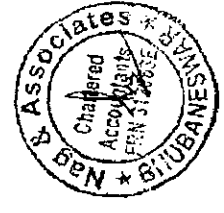
MONTH	OB		PURCHASE		CONSUMPTION Qty.(MT)	WTD.AVG COST of COAL (Rate Rs/MT)
	Qty.(MT)	Value in Rs.	Qty.(MT)	Value in Rs.		
Apr-16	80,978.39	12,77,33,365.00	2,43,018.90	33,87,26,768.25	2,57,452.00	1,439.70
May-16	66,545.29	9,58,05,507.63	2,44,064.50	34,11,60,848.64	1,80,711.00	1,406.80
Jun-16	1,29,898.79	18,27,41,828.42	2,78,947.30	42,94,69,667.49	2,30,373.00	1,497.41
Jul-16	1,78,473.09	26,72,47,945.09	2,21,956.80	34,17,26,787.87	2,60,546.00	1,520.80
Aug-16	1,39,883.89	21,27,35,753.96	2,32,792.80	35,84,09,990.14	2,54,281.00	1,532.55
Sep-16	1,18,395.69	18,14,47,341.03	2,21,962.00	34,17,34,709.45	2,53,081.00	1,537.15
Oct-16	87,276.69	13,41,57,678.74	2,39,015.30	36,79,90,420.33	2,55,976.00	1,538.95
Nov-16	70,315.99	10,82,13,017.16	2,18,186.70	33,59,21,927.81	2,31,567.00	1,539.45
Dec-16	56,935.69	8,76,49,545.12	2,46,614.90	37,96,90,580.18	2,55,721.00	1,539.58
Jan-17	47,829.59	7,36,37,434.16	2,58,321.40	39,77,13,802.84	2,45,818.00	1,539.60
Feb-17	60,332.99	9,28,88,902.52	2,36,729.60	42,27,22,895.86	2,29,319.00	1,735.70
Mar-17	67,743.59	11,75,82,608.66	2,29,368.90	43,85,93,853.68	2,59,346.35	1,871.94
			<b>28,70,979.10</b>	<b>4,49,38,62,752.53</b>	<b>29,14,191.35</b>	<b>1,565.60</b>



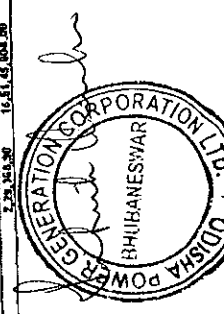
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STATEMENT OF COAL FOR THE FINANCIAL YEAR 2016-17

Sl. No.	Particulars	Q1	Q2	Q3	Q4	Month	Surplus	In surplus	Transmittance	Current Cost	Open Inventory	YAT	ENTRY YEAR	WMPY (MTPY)	WMPY (MTPY)	Total
1	01/04/2016 to 31/03/2016	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215
2	01/04/2016 to 31/03/2016	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230
3	01/04/2016 to 31/03/2016	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245
4	01/04/2016 to 31/03/2016	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260
5	01/04/2016 to 31/03/2016	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275
6	01/04/2016 to 31/03/2016	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290
7	01/04/2016 to 31/03/2016	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305
8	01/04/2016 to 31/03/2016	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320
9	01/04/2016 to 31/03/2016	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335
10	01/04/2016 to 31/03/2016	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350
11	01/04/2016 to 31/03/2016	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365
12	01/04/2016 to 31/03/2016	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380
13	01/04/2016 to 31/03/2016	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395
14	01/04/2016 to 31/03/2016	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410
15	01/04/2016 to 31/03/2016	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425
16	01/04/2016 to 31/03/2016	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440
17	01/04/2016 to 31/03/2016	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455
18	01/04/2016 to 31/03/2016	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470
19	01/04/2016 to 31/03/2016	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485
20	01/04/2016 to 31/03/2016	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500
21	01/04/2016 to 31/03/2016	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515
22	01/04/2016 to 31/03/2016	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530
23	01/04/2016 to 31/03/2016	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545
24	01/04/2016 to 31/03/2016	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560
25	01/04/2016 to 31/03/2016	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575
26	01/04/2016 to 31/03/2016	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590
27	01/04/2016 to 31/03/2016	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605
28	01/04/2016 to 31/03/2016	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620
29	01/04/2016 to 31/03/2016	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635
30	01/04/2016 to 31/03/2016	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650
31	01/04/2016 to 31/03/2016	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665
32	01/04/2016 to 31/03/2016	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680
33	01/04/2016 to 31/03/2016	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695
34	01/04/2016 to 31/03/2016	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710
35	01/04/2016 to 31/03/2016	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725
36	01/04/2016 to 31/03/2016	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740
37	01/04/2016 to 31/03/2016	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755
38	01/04/2016 to 31/03/2016	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770
39	01/04/2016 to 31/03/2016	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785
40	01/04/2016 to 31/03/2016	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800



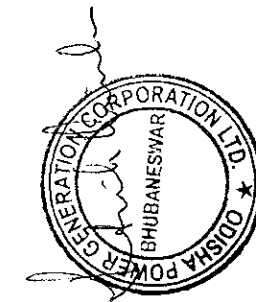
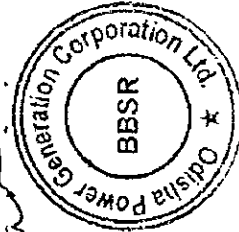
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MFPVA-OIL

MONTHLY FUEL PRICE VARIATION ADJUSTMENT 2016-17

UNIT # 1 & 2 IB THERMAL POWER STATION										OIL			
Month	Au. Consp. % A	Export to GRIDCO	WTD AVG PRICE OIL Rs/KL Ppm	BASE PRICE OIL RSIKL Pos	WTD AVG GCV OIL Kcal/Ltr	BASE GCV OIL Kcal/Ltr Kos	HEAT FROM OIL Kcal/Kwh Ho	DIFFERENTIAL TO BE BILLED Paise/Kwh	DIFFERENTIAL TO BE BILLED Rs. (3 X 9/100)	LDO	FO	ratio 90:10	
1	2	3	4	5	6	7	8	9	10				
Apr-16	8.50%	25,58,92,000	25,934.68	33,338.76	10000	10000	10.00	(0.8092)	(20,70,649)	37,213.74	24,681.46	25,934.68	
May-16	8.50%	17,54,99,000	25,972.37	33,338.76	10000	10000	10.00	(0.8051)	(14,12,890)	37,356.80	24,707.43	25,972.37	
Jun-16	8.50%	23,63,09,310	26,436.41	33,338.76	10000	10000	10.00	(0.7544)	(17,82,611)	38,211.11	25,128.11	26,436.41	
Jul-16	8.50%	25,07,25,500	27,367.81	33,338.76	10000	10000	10.00	(0.6526)	(16,36,141)	39,143.23	26,059.43	27,367.81	
Aug-16	8.50%	24,52,32,000	27,340.58	33,338.76	10000	10000	10.00	(0.6555)	(16,07,590)	38,905.94	26,055.54	27,340.58	
Sep-16	8.50%	22,53,49,000	27,644.09	33,338.76	10000	10000	10.00	(0.6224)	(14,02,500)	39,034.70	26,378.47	27,644.09	
Oct-16	8.50%	24,04,33,000	27,624.07	33,338.76	10000	10000	10.00	(0.6246)	(15,01,641)	38,965.72	26,363.88	27,624.07	
Nov-16	8.50%	21,88,59,000	28,787.33	33,338.76	10000	10000	10.00	(0.4974)	(10,88,657)	40,070.02	27,533.70	28,787.33	
Dec-16	8.50%	25,84,95,000	28,787.33	33,338.76	10000	10000	10.00	(0.4974)	(12,85,816)	40,070.02	27,533.70	28,787.33	
Jan-17	8.50%	27,50,78,000	29,562.01	33,338.76	10000	10000	10.00	(0.4128)	(11,35,411)	40,527.12	28,343.67	29,562.01	
Feb-17	8.50%	24,96,77,700	29,562.01	33,338.76	10000	10000	10.00	(0.4128)	(10,30,569)	40,527.12	28,343.67	29,562.01	
Mar-17	8.50%	25,95,63,000	29,628.81	33,338.76	10000	10000	10.00	(0.4055)	(10,52,422)	40,566.53	28,413.51	29,628.81	
<b>TOTAL</b>		<b>2,89,11,12,510</b>						<b>Total</b>	<b>(1,70,06,895)</b>				

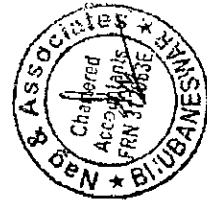
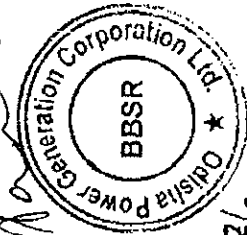
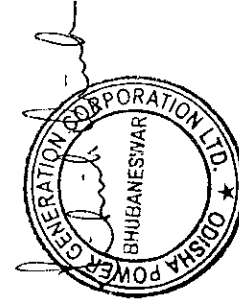


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CALCULATION OF WEIGHTED AVERAGE COST OF LDO-2016-17

OIL

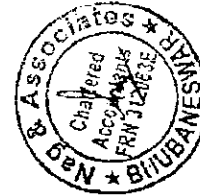
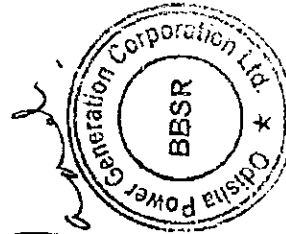
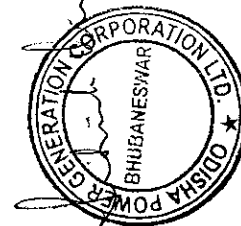
MONTH	OB		PURCHASE		CONSUMPTION Qty.(KL)	WTD.AVG COST (Rate Rs/(KL))
	Qty.(KL)	Value in Rs.	Qty.(KL)	Value in Rs.		
Apr-16	403.763	1,52,02,981.00	137.84	49,51,904.00	17.196	37,213.74
May-16	524.402	1,95,14,957.59	74.00	28,39,427.00	12.816	37,356.80
Jun-16	585.586	2,18,75,619.83	223.50	90,40,451.00	449.692	38,211.11
Jul-16	359.394	1,37,32,842.19	145.00	60,10,769.00	69.984	39,143.23
Aug-16	434.410	1,70,04,211.27	68.00	25,42,524.00	-	38,905.94
Sep-16	502.410	1,95,46,735.27	56.00	22,50,633.00	78.732	39,034.70
Oct-16	479.678	1,87,24,088.06	21.00	7,85,191.00	90.480	38,965.72
Nov-16	410.198	1,59,83,660.66	145.50	62,83,169.00	145.984	40,070.02
Dec-16	409.714	1,64,17,247.95	-	-	4.800	40,070.02
Jan-17	404.914	1,62,24,911.85	148.50	62,03,361.00	24.074	40,527.12
Feb-17	529.340	2,14,52,623.08	-	-	8.769	40,527.12
Mar-17	520.571	2,10,97,240.81	17.00	7,10,149.00	15.528	40,566.53
			1,036.335	4,16,17,578.00	918.055	39,456.04



CALCULATION OF WEIGHTED AVERAGE COST OF FO-2016-17

OIL-FO

MONTH	OB		PURCHASE		CONSUMPTION	WTD.AVG COST (Rate Rs/KL)
	Qty.(KL)	Value in Rs.	Qty.(KL)	Value in Rs.		
Apr-16	403.764	1,03,29,734.19	137.84	30,37,717.95	17.196	24,681.45
May-16	524.403	1,29,43,029.81	74.00	18,41,970.29	12.816	24,707.43
Jun-16	585.587	1,44,68,349.68	223.50	58,62,480.16	449.692	25,128.11
Jul-16	359.395	90,30,918.30	145.00	41,13,329.43	69.984	26,059.43
Aug-16	434.411	1,13,20,504.37	68.00	17,70,086.21	-	26,055.54
Sep-16	502.411	1,30,90,590.58	56.00	16,39,436.85	78.732	26,378.47
Oct-16	479.679	1,26,53,197.78	21.00	5,46,644.27	50.480	26,363.88
Nov-16	410.199	1,08,14,438.01	145.50	44,86,011.66	145.984	27,533.70
Dec-16	409.715	1,12,80,969.98	-	-	4.800	27,533.70
Jan-17	404.915	1,11,48,808.22	148.50	45,37,001.26	24.074	28,343.67
Feb-17	529.341	1,50,03,464.07	-	-	8.769	28,343.67
Mar-17	520.572	1,47,54,918.47	17.00	5,19,387.35	15.578	28,413.51
			1,036.335	2,83,54,065.42	918.105	26,861.90



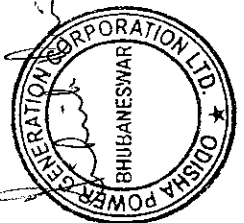
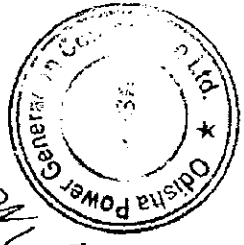
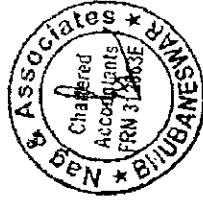
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STATEMENT OF LDO 2016-17

Sl No	Place	Bill No	Date	MTR No	Date	Qty in KL	Basic price	Freight	ET	CST/VAT	Landed cost	E.T.	Total Amount	MTR DOC	Date	Transporter's Name	Way Bill No.	Vehicle No
1	Visakhapatnam	685610820	12-04-2016	5000001705	25-04-2016	21	7,41,506.64			14,830.13	7,56,337.00	7,563.00	7,63,900.00	5105601803	30-04-2016	Graduate Transport Services	21W16087132783	AP31TF1355
2	Visakhapatnam	685610831	12-04-2016	5000001703	25-04-2016	20	7,06,198.80			14,123.94	7,20,322.74	7,203.00	7,27,526.00	5105601808	30-04-2016	V.N. road Lines	21W160869698011	MH04E1L768
3	Visakhapatnam	685610839	12-04-2016	5000001701	25-04-2016	20,835	7,39,680.52			14,723.84	7,54,404.36	7,544.00	7,61,948.00	5105601808	30-04-2016	Sri Krishna Lorry Service	21W160877298003	AP31TF1277
4	Visakhapatnam	685610838	12-04-2016	5000001702	25-04-2016	17	7,41,506.64			14,830.13	7,56,337.00	7,563.00	7,63,900.00	5105601814	30-04-2016	Vasudeva Logistic	21W160877298003	AP31TF1277
5	Visakhapatnam	685610838	25-04-2016	5000001702	25-04-2016	17	5,81,662.48			11,633.25	5,93,295.73	5,933.00	5,99,229.00	5105601813	30-04-2016	Graduate Transport Services	21W16086858162	AP31TF1128
6	Visakhapatnam	685610837	23-04-2016	5000001703	28-04-2016	17	5,81,662.48			11,633.25	5,93,295.73	5,933.00	5,99,229.00	5105601803	30-04-2016	Graduate Transport Services	21W16087587458	AP31TF15121
7	Visakhapatnam	685610832	23-04-2016	5000001719	28-04-2016	21	7,18,524.24			14,370.48	7,32,894.72	7,328.00	7,40,224.00	5105601804	30-04-2016	Rajya Laxmi Transport	21W16087598841	AP31TF17375
8	Visakhapatnam	687652921	31-05-2016	5000005068	01-07-2016	137,885	48,06,739.80			96,134.79	49,02,878.00	49,028.00	49,51,906.00	5105602803	23-08-2016	Sri Ganesh Transport	21W16130070415	AP31TU777
9	Visakhapatnam	687652919	31-05-2016	5000005068	01-07-2016	21	7,82,182.64			15,643.75	7,97,826.00	7,978.00	8,05,804.00	5105602802	23-08-2016	V.N. road Lines	21W16130622578	OR298144
10	Visakhapatnam	687652918	31-05-2016	5000005070	01-07-2016	16,5	6,14,558.36			12,281.13	6,26,847.00	6,268.00	6,33,115.00	5105602800	23-08-2016	V.N. road Lines	21W16130698816	OR298143
11	Visakhapatnam	687671068	31-05-2016	5000005072	01-07-2016	16,5	6,14,558.36			12,281.13	6,26,847.00	6,268.00	6,33,115.00	5105602800	23-08-2016	V.N. road Lines	21W16130698815	MH04E1454
12	Visakhapatnam	687901009	02-06-2016	5000005074	01-07-2016	74	27,56,192.16			55,123.85	28,11,316.00	28,112.00	28,39,427.00	5105602879	23-08-2016	Vasudeva Logistic	21W16130709329	AP31TF1223
13	Visakhapatnam	687901011	02-06-2016	5000005076	01-07-2016	21	8,24,537.70			16,490.75	8,41,028.00	8,410.00	8,49,438.00	5105602876	23-08-2016	Graduate Transport Services	21W16131962783	AP31TF1133
14	Visakhapatnam	687901012	02-06-2016	5000005078	01-07-2016	21	8,24,537.70			16,490.75	8,41,028.00	8,410.00	8,49,438.00	5105602877	23-08-2016	Graduate Transport Services	21W16131962783	HR55F5452
15	Visakhapatnam	688004418	06-06-2016	5000005083	02-07-2016	28	10,89,383.60			21,987.67	11,11,371.00	11,214.00	11,22,585.00	5105602887	23-08-2016	DASHMESH BULK CARRIERS	21W16131949719	AK31E-112
16	Visakhapatnam	687986244	06-06-2016	5000005085	02-07-2016	17	8,67,482.80			13,349.89	8,80,832.69	8,808.00	8,89,641.00	5105602887	23-08-2016	Graduate Transport Services	21W1613197078940	AK31E-112
17	Visakhapatnam	687986248	06-06-2016	5000005083	02-07-2016	20	7,85,274.00			15,765.48	8,01,039.00	8,010.00	8,09,049.00	5105602886	23-08-2016	AKASH ROADLINES	21W16135209315	AK31E-112
18	Visakhapatnam	688004566	08-06-2016	5000005081	02-07-2016	17	8,67,482.80			13,349.89	8,80,832.69	8,808.00	8,89,641.00	5105602885	23-08-2016	Sri Krishna Lorry Service	21W16135202980	AK31E-112
19	Visakhapatnam	688004568	08-06-2016	5000005089	10-06-2016	16,5	8,47,851.05			12,957.02	8,60,808.00	8,608.00	8,69,416.00	5105602884	23-08-2016	V.N. road Lines	21W161317089670	OR298143
20	Visakhapatnam	688186370	14-06-2016	5000005105	02-07-2016	21	8,24,537.70			16,490.75	8,41,028.00	8,410.00	8,49,438.00	5105602888	23-08-2016	Graduate Transport Services	21W161317089670	OR298143
21	Visakhapatnam	688186371	14-06-2016	5000005086	02-07-2016	20	7,65,274.00			15,705.48	7,81,079.00	7,810.00	7,88,889.00	5105602882	23-08-2016	AKASH ROADLINES	21W16145001395	AK31E-112
22	Visakhapatnam	688186372	14-06-2016	5000005083	02-07-2016	21	8,24,537.70			16,490.75	8,41,028.00	8,410.00	8,49,438.00	5105602881	23-08-2016	Graduate Transport Services	21W16144982361	AK31E-112
23	Visakhapatnam	688871868	16-07-2016	5000005226	30-07-2016	23.5	87,75,436.95			1,75,598.72	89,50,943.00	89,508.00	90,40,451.00	5105602890	23-08-2016	Vasudeva Logistic	21W16145001344	AP31TF-078
24	Visakhapatnam	688871869	16-07-2016	5000005226	30-07-2016	21	8,45,005.88			16,900.12	8,61,906.00	8,618.00	8,70,524.00	5105602872	24-08-2016	Sri rajalakshmi transport	21W-16169374396	AP31TF-154
25	Visakhapatnam	688871874	16-07-2016	5000005229	30-07-2016	21	8,45,005.88			16,900.12	8,61,906.00	8,618.00	8,70,524.00	5105602871	24-08-2016	Graduate Transport Services	21W16169419532	AP31TF-145
26	Visakhapatnam	689008376	18-07-2016	5000005243	30-07-2016	27	10,36,436.26			21,278.73	10,57,715.00	10,578.00	10,68,293.00	5105602903	24-08-2016	DASHMESH BULK CARRIERS	21W-16169391920	HR55F-7055
27	Visakhapatnam	689008378	18-07-2016	5000005243	30-07-2016	17	8,44,052.46			13,681.05	8,57,733.00	8,577.00	8,66,310.00	5105602910	24-08-2016	Royal transport	21W16170748759	MH04E1-R54
28	Visakhapatnam	689010247	18-07-2016	5000005238	30-07-2016	21	8,45,005.88			16,900.12	8,61,906.00	8,618.00	8,70,524.00	5105602906	24-08-2016	Vasudeva Logistic	21W16170748759	MH04E1-R54
29	Visakhapatnam	689008480	18-07-2016	5000005235	30-07-2016	21	8,45,005.88			16,900.12	8,61,906.00	8,618.00	8,70,524.00	5105602906	24-08-2016	Sri rajalakshmi transport	21W1617073633556	AP31TF-086
30	Visakhapatnam	689008555	27-08-2016	5000006348	30-09-2016	145	58,34,565.10			1,16,891.32	59,51,257.80	59,512.00	60,10,769.00	5105602907	24-08-2016	Sri Krishna Lorry Service	21W-161707102820	AP05V-87777
31	Visakhapatnam	689008557	28-08-2016	5000006352	30-09-2016	17	8,16,987.86			12,339.95	8,29,327.81	8,293.00	8,37,620.00	5105602907	24-08-2016	Graduate Transport Services	21W-16204015078	AP31TF-1139
32	Visakhapatnam	689008596	31-08-2016	5000006386	30-09-2016	17	8,16,987.86			12,339.95	8,29,327.81	8,293.00	8,37,620.00	5105602907	24-08-2016	Sri Krishna Lorry Service	21W-16204015078	AP31TF-1139
33	Visakhapatnam	689008596	31-08-2016	5000006386	30-09-2016	17	8,16,987.86			12,339.95	8,29,327.81	8,293.00	8,37,620.00	5105602907	24-08-2016	Graduate Transport Services	21W-16204015078	AP31TF-1139
34	Visakhapatnam	689008608	01-09-2016	5000006400	30-09-2016	68	24,67,990.64			49,359.80	25,17,350.44	25,172.00	25,42,522.00	5105602907	24-08-2016	DASHMESH BULK CARRIERS	21W-16207469001	HR55F-5452
35	Visakhapatnam	689044012	26-09-2016	5000006403	30-09-2016	28	10,89,283.28			21,987.67	11,11,270.00	11,214.00	11,22,484.00	5105602907	24-08-2016	DASHMESH BULK CARRIERS	21W-16207469001	HR55F-5452
36	Visakhapatnam	689044852	17-09-2016	5000006344	06-10-2016	56	21,84,656.32			43,683.13	22,28,339.00	22,283.00	22,50,622.00	5105602907	24-08-2016	Vasudeva Logistic	21W-1620383042	HR55F-5452
37	Visakhapatnam	691573188	02-11-2016	5000007286	25-11-2016	21	7,62,173.58			15,243.47	7,77,417.00	7,774.00	7,85,191.00	5105602907	24-08-2016	Vasudeva Logistic	21W-16204027251	AP31TF-1233
38	Visakhapatnam	691573189	02-11-2016	5000007286	25-11-2016	21	7,62,173.58			15,243.47	7,77,417.00	7,774.00	7,85,191.00	5105602907	24-08-2016	Vasudeva Logistic	21W-16204027251	AP31TF-1233
39	Visakhapatnam	692450740	02-11-2016	5000007284	25-11-2016	21	8,68,000.50			17,220.01	8,85,220.51	8,852.00	8,94,072.00	5105603098	24-08-2016	Vasudeva Logistic	21W-16203480531	AP31TF-0888
40	Visakhapatnam	692450741	02-11-2016	5000007284	25-11-2016	21	8,68,000.50			17,220.01	8,85,220.51	8,852.00	8,94,072.00	5105603098	24-08-2016	Vasudeva Logistic	21W-16203480531	AP31TF-0888
41	Visakhapatnam	692450742	02-11-2016	5000007281	25-11-2016	17	7,17,298.50			14,344.77	7,31,643.27	7,316.00	7,39,959.00	5105603098	24-08-2016	Sri rajalakshmi transport	21W-16203480531	AP31TF-0789
42	Visakhapatnam	692450743	02-11-2016	5000007279	25-11-2016	25	11,81,334.00			23,626.88	12,04,960.88	12,046.00	12,17,006.88	5105603097	24-08-2016	DASHMESH BULK CARRIERS	21W-16203808918	HR55C3999
43	Visakhapatnam	692450744	02-11-2016	5000007277	25-11-2016	16,5	8,96,143.25			18,522.87	7,10,666.12	7,106.00	7,17,772.12	5105603096	24-08-2016	INI MACH & EOP	21W-16203482115	OR299143
44	Visakhapatnam	692450745	28-10-2016	5000007275	25-11-2016	21	8,66,300.30			17,322.61	8,83,622.91	8,836.00	8,92,458.91	5105603095	24-08-2016	Sri rajalakshmi transport	21W-16203808918	OR299143
45	Visakhapatnam	692450746	28-10-2016	5000007273	25-11-2016	21	8,66,300.30			17,322.61	8,83,622.91	8,836.00	8,92,458.91	5105603095	24-08-2016	Sri rajalakshmi transport	21W-16203808918	OR299143
46	Visakhapatnam	692450747	06-12-2016	5000008289	24-01-2016	145.5	6,08,897.35			12,197.96	6,21,095.31	6,211.00	6,27,306.31	5105604529	21-10-			

STATEMENT OF FO 2016-17

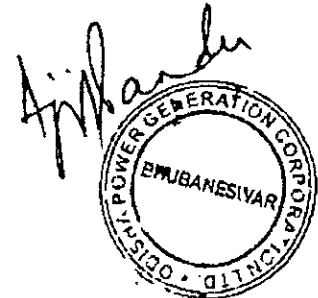
Sl No	Place	Bill No	Date	Meter No	Date	City in %	FO Rate	Amount	Errory Tax	FO Landed Cost
1	Vishakhapatnam	686610820	12-04-2016	5000001705	25-04-2016	21	21808.87	4,57,896.37	4,579.88	4,62,476.25
2	Vishakhapatnam	686610831	12-04-2016	5000001703	25-04-2016	21	21808.87	4,36,178.40	4,361.78	4,40,540.18
3	Vishakhapatnam	686610838	12-04-2016	5000001701	25-04-2016	20.635	21808.87	4,54,366.89	4,543.80	4,58,910.69
4	Vishakhapatnam	686610839	12-04-2016	5000001889	25-04-2016	21	21808.87	4,57,898.37	4,579.88	4,62,478.25
5	Vishakhapatnam	686843185	25-04-2016	5000001790	28-04-2016	17	21838.10	3,71,247.70	3,712.48	3,74,960.18
6	Vishakhapatnam	686802877	23-04-2016	5000001760	28-04-2016	21	21838.10	3,71,247.70	3,712.48	3,74,960.18
7	Vishakhapatnam	686903231	23-04-2016	5000001778	28-04-2016	21	21838.10	4,98,600.10	4,986.00	5,03,586.10
8	Vishakhapatnam	687862821	31-05-2016	5000005055	01-07-2016	137.435	24645.04	30,07,641.53	30,076.42	30,37,717.95
9	Vishakhapatnam	687862818	31-05-2016	5000005058	01-07-2016	21	24645.04	5,17,545.84	5,175.46	5,22,721.30
10	Vishakhapatnam	687862809	31-05-2016	5000005070	01-07-2016	78.5	24645.04	4,86,843.16	4,868.43	4,91,711.59
11	Vishakhapatnam	687871069	31-05-2016	5000005072	01-07-2016	18.8	24645.04	4,06,943.18	4,069.43	4,11,012.61
12	Vishakhapatnam	687901009	02-06-2016	5000005074	01-07-2016	20	24645.04	4,06,943.18	4,069.43	4,11,012.61
13	Vishakhapatnam	687901011	02-06-2016	5000005076	01-07-2016	74	24645.04	18,23,712.96	18,237.29	18,41,950.25
14	Vishakhapatnam	687901012	02-06-2016	5000005078	01-07-2016	21	25870.63	5,45,388.23	5,453.83	5,50,842.06
15	Vishakhapatnam	688034418	02-06-2016	5000005087	01-07-2016	28	25870.63	5,45,388.23	5,453.83	5,50,842.06
16	Vishakhapatnam	687966744	06-06-2016	5000005085	02-07-2016	21	25870.63	7,27,177.84	7,271.78	7,34,449.62
17	Vishakhapatnam	687966748	06-06-2016	5000005085	02-07-2016	17	25870.63	4,41,500.71	4,415.01	4,45,915.72
18	Vishakhapatnam	688034586	06-06-2016	5000005083	02-07-2016	17	25870.63	5,19,412.60	5,194.13	5,24,606.73
19	Vishakhapatnam	688034247	06-06-2016	5000005081	02-07-2016	18.5	25870.63	4,41,500.71	4,415.01	4,45,915.72
20	Vishakhapatnam	688186870	14-06-2016	5000005089	10-08-2016	21	25870.63	4,28,515.40	4,285.15	4,32,800.55
21	Vishakhapatnam	688186861	14-06-2016	5000005085	02-07-2016	20	25870.63	5,18,412.80	5,184.13	5,23,600.73
22	Vishakhapatnam	688186812	14-06-2016	5000005083	02-07-2016	21	25870.63	5,45,388.23	5,453.83	5,50,842.06
23	Vishakhapatnam	688971868	16-07-2016	5000005226	30-07-2016	21	28068.92	5,89,825.32	5,898.25	5,95,723.57
24	Vishakhapatnam	688971897	16-07-2016	5000005226	30-07-2016	21	28068.92	3,89,825.32	3,898.25	3,93,723.57
25	Vishakhapatnam	688971834	16-07-2016	5000005243	30-07-2016	21	28068.92	7,88,346.84	7,883.47	7,96,230.31
26	Vishakhapatnam	689009115	18-07-2016	5000005241	30-07-2016	17	28068.92	4,77,477.84	4,774.78	4,82,252.62
27	Vishakhapatnam	689010247	18-07-2016	5000005238	30-07-2016	21	28068.92	5,89,825.32	5,898.25	5,95,723.57
28	Vishakhapatnam	689009490	18-07-2016	5000005235	30-07-2016	17	28068.92	4,77,477.84	4,774.78	4,82,252.62
29	Vishakhapatnam	689009555	27-08-2016	5000005348	30-09-2016	14.5	25772.95	40,72,603.40	40,726.03	41,13,329.43
30	Vishakhapatnam	689044537	28-08-2016	5000005352	30-08-2016	17	25772.95	4,38,140.15	4,381.40	4,42,521.55
31	Vishakhapatnam	689052396	31-08-2016	5000005386	30-08-2016	17	25772.95	4,38,140.15	4,381.40	4,42,521.55
32	Vishakhapatnam	689052394	31-08-2016	5000005386	30-08-2016	17	25772.95	4,38,140.15	4,381.40	4,42,521.55
33	Vishakhapatnam	689052394	31-08-2016	5000005386	30-08-2016	17	25772.95	4,38,140.15	4,381.40	4,42,521.55
34	Vishakhapatnam	689061028	01-09-2016	5000006400	30-08-2016	68	29419.68	17,52,568.60	17,525.60	17,70,094.20
35	Vishakhapatnam	689064412	26-08-2016	5000006403	30-08-2016	28	29419.68	8,23,741.68	8,237.48	8,31,979.16
36	Vishakhapatnam	688846502	17-08-2016	5000006344	08-10-2016	56	29419.68	16,23,204.80	16,232.05	16,39,436.85
37	Vishakhapatnam	6891573168	02-11-2016	5000007280	25-11-2016	21	25772.95	5,41,231.95	5,412.32	5,46,644.27
38	Vishakhapatnam	6891582519	02-11-2016	5000007280	25-11-2016	21	30781.4	5,41,231.95	5,412.32	5,46,644.27
39	Vishakhapatnam	6891582228	02-11-2016	5000007284	25-11-2016	21	30781.4	6,45,985.40	6,459.88	6,52,445.28
40	Vishakhapatnam	6891582519	02-11-2016	5000007284	25-11-2016	21	30781.4	6,45,985.40	6,459.88	6,52,445.28
41	Vishakhapatnam	6891582519	02-11-2016	5000007284	25-11-2016	21	30781.4	5,22,943.80	5,229.44	5,28,173.24
42	Vishakhapatnam	6891582519	02-11-2016	5000007277	25-11-2016	28	30781.4	8,51,318.20	8,513.19	8,59,831.39
43	Vishakhapatnam	6891582519	02-11-2016	5000007277	25-11-2016	16.5	30781.4	5,07,593.10	5,075.93	5,12,669.03
44	Vishakhapatnam	6891582519	29-10-2016	5000007275	25-11-2016	21	29847.4	6,28,895.40	6,288.95	6,35,184.35
45	Vishakhapatnam	6891582519	29-10-2016	5000007273	25-11-2016	21	29847.4	6,28,895.40	6,288.95	6,35,184.35
46	Vishakhapatnam	6892450431	06-12-2016	5000008238	24-01-2017	145.5	30249.7	44,41,595.70	44,415.96	44,860,017.66
47	Vishakhapatnam	6892450431	06-12-2016	5000008234	24-01-2017	18.5	30249.7	4,98,120.05	4,981.20	5,03,101.25
48	Vishakhapatnam	6892450431	06-12-2016	5000008236	24-01-2017	27	30249.7	8,19,741.90	8,197.42	8,27,939.32
49	Vishakhapatnam	6892450887	06-12-2016	5000008290	24-01-2017	21	30249.7	6,35,243.78	6,352.44	6,41,596.22
50	Vishakhapatnam	6892450887	06-12-2016	5000008271	24-01-2017	21	30249.7	6,35,243.78	6,352.44	6,41,596.22
51	Vishakhapatnam	6892450887	06-12-2016	5000008271	24-01-2017	21	30249.7	8,35,243.70	8,352.44	8,43,596.14
52	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	21	30249.7	8,35,243.70	8,352.44	8,43,596.14
53	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	21	30249.7	6,35,243.70	6,352.44	6,41,596.14
54	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	21	30249.7	6,35,243.70	6,352.44	6,41,596.14
55	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	21	30249.7	44,92,080.45	44,920.85	45,37,001.30
56	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	17	30250	5,14,244.9	5,142.49	5,19,387.39
57	Vishakhapatnam	6892450887	06-12-2016	5000008287	24-01-2017	1636.335	30249.7	2,80,73,332.88	2,80,733.32	2,83,54,066.20



11/29

DETAILS OF INCOME TAX REIMBURSABLE BY GRIDCO DURING THE FY 2016-17			
			Amount in Rupees
Equity as per PPA			45000,00,000
Return on equity as per PPA			16%
Return on Equity			7200,00,000
Income tax on Equity			2160,00,000
surcharge on Income tax			259,20,000
Income tax along with surcharge			2419,20,000
Education cess			72,57,600
Total tax			2491,77,600
Grossed up tax			3810,52,116
Income tax reimbursable by Gridco			3810,52,116
Actual income tax paid OPGC in the form of advance tax			
	Date	Amount	
Advance tax(1st quarter)	15.06.2016	450,00,000	
Advance tax(2nd quarter)	15.09.2016	900,00,000	
Advance tax(3rd quarter)	15.12.2016	850,00,000	
Advance tax(4th quarter)	15.03.2017	1200,00,000	3400,00,000
TDS for 2016-17 from OPGC account *		338,61,732	
			338,61,732
Balance Reimbursable/ (Refund)			(71,90,384)

\* This is based on the actual TDS up to Dec 2016 and provisional number for Jan - Mar 2017. Final amount of TDS may vary and accordingly, supplementary adjustment bill ~~will~~ <sup>may</sup> be raised for Income Tax



12/29

**14261** Payment Successful. Your Payment Confirmation Number is 48983159

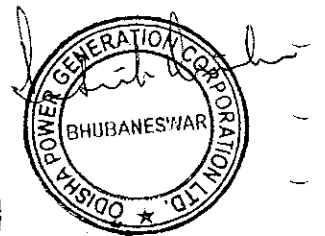
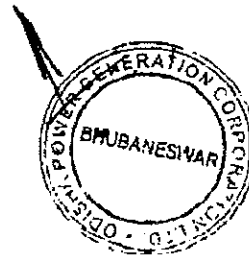
Direct Tax Challan Report

<b>CHALLAN NO. / ITNS</b> 280	<b>Tax Applicable</b> (0020) INCOME-TAX ON COMPANIES (CORPORATION TAX) <input checked="" type="checkbox"/>	(0021) INCOME-TAX OTHER THAN COMPANIES <input type="checkbox"/>	<b>ASSESSMENT YEAR</b> 2017-18
<b>Permanent Account Number</b>	AAACQ4759R		
<b>Full Name</b>	ODISHA POWER GENERATION CORPORATION LIMITED		
<b>Address</b>	7TH FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR, CHANDRASEKHARPUR, BHUBANESWAR, ORISSA, 751023		
<b>Type of Payment</b>			
<input type="checkbox"/> (100) Advance Tax		<input type="checkbox"/> (102) Surtax	
<input type="checkbox"/> (300) Self Assessment Tax		<input type="checkbox"/> (106) Tax on Distributed Profits	
<input type="checkbox"/> (400) Tax on Regular Assessment		<input type="checkbox"/> (107) Tax on Distributed Income	
<input type="checkbox"/> (800) TDS on Sale of Property (Form 26QB)			
<b>Details of Payment</b>			
	<b>Amount (in Rs. only)</b>	<b>Paid in Cash / Debit to A/c / Cheque No.</b>	<b>Internet Banking</b>
Income Tax	3,90,08,322.00		
Surcharge	46,80,999.00		
Education Cess	13,10,679.00	<b>Date</b>	13/06/2016
Interest	0.00	<b>Drawn on</b>	Union Bank Of India
Penalty	0.00		
Others	0.00	<b>BSR Code Tender Date Challan No.</b>	0290179 13062016 20931
<b>Total</b>	<b>4,50,00,000.00</b>	<b>CIN</b>	
<b>Total (In words)</b>	<b>Rupees Four crores Fifty lakh and Paise Zero only.</b>		
<b>Taxpayers Counterfoil</b>		<b>SPACE FOR BANK SEAL</b>	
<b>Permanent Account Number</b>	AAACD4759R	<b>Payment Status</b>	Successful
<b>Received From</b>	ODISHA POWER GENERATION CORPORATION LIMITED	<b>Bank Reference No.</b>	48983159
<b>Paid in Cash / Debit to A/c / Cheque No</b>	Internet	<b>CIN</b>	0290179 13062016 20931
<b>For Rs.</b>	4,50,00,000.00	<b>Bank Address</b>	2, 66/80, Mumbai Samachar Marg, Post Bag No. 253 & 518, Fort, Mumbai-400023
<b>Rs (In words)</b>	Rupees Four crores Fifty lakh and Paise Zero only.		
<b>Drawn on</b>	Internet Banking through Bank		
<b>On Account of</b>	CHALLAN NO / ITNS 280		
<b>For the Assessment Year :</b>	2017-18		

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[14261] Payment Successful. Your Payment Confirmation Number is 52378422

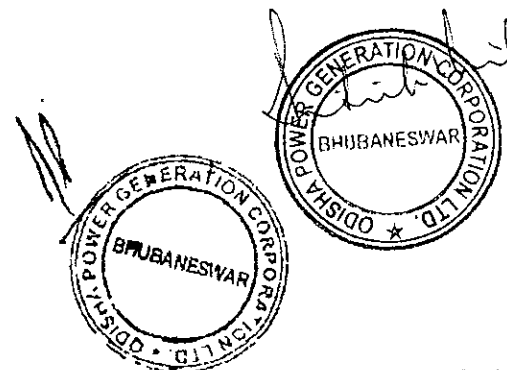
Direct Tax Challan Report

<b>CHALLAN NO. / ITNS</b> 280	<b>(0020) INCOME-TAX ON COMPANIES (CORPORATION TAX)</b> <input checked="" type="checkbox"/>	<b>Tax Applicable</b> <b>(0021) INCOME-TAX OTHER THAN COMPANIES</b> <input type="checkbox"/>	<b>ASSESSMENT YEAR</b> 2017-18
<b>Permanent Account Number</b>	AAACO4759R		
<b>Full Name</b>	ODISHA POWER GENERATION CORPORATION LIMITED		
<b>Address</b>	7TH FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR, CHANDRASEKHARPUR, BHUBANESWAR, ORISSA, 751023		
<b>Type of Payment</b>			
<input checked="" type="checkbox"/> (100) Advance Tax		<input type="checkbox"/> (102) Surtax	
<input type="checkbox"/> (300) Self Assessment Tax		<input type="checkbox"/> (106) Tax on Distributed Profits	
<input type="checkbox"/> (400) Tax on Regular Assessment		<input type="checkbox"/> (107) Tax on Distributed Income	
<input type="checkbox"/> (800) TDS on Sale of Property (Form 26QB)			
<b>Details of Payment</b>			
	<b>Amount (in Rs. only)</b>	<b>Paid in Cash / Debit to A/c / Cheque No.</b>	
Income Tax	7,80,16,644.00	Internet Banking	
Surcharge	93,61,997.00	<b>Date</b> 15/09/2016	
Education Cess	26,21,359.00	<b>Drawn on</b> Union Bank Of India	
Interest	0.00	<b>BSR Code Tender Date Challan No.</b>	
Penalty	0.00	0290179 15092016 24051	
Others	0.00	<b>CIN</b>	
<b>Total</b>	9,00,00,000.00		
<b>Total (in words)</b>	Rupees Nine crores and Paise Zero only.		
<b>Taxpayers Counterfoil</b>		<b>SPACE FOR BANK SEAL</b>	
<b>Permanent Account Number</b>	AAACO4759R	<b>Payment Status</b>	Successful
<b>Received From</b>	ODISHA POWER GENERATION CORPORATION LIMITED	<b>Bank Reference No.</b>	52378422
<b>Paid in Cash / Debit to A/c / Cheque No</b>	Internet	<b>BSR Code Tender Date Challan No.</b>	0290179 15092016 24051
<b>For Rs.</b>	9,00,00,000.00	<b>CIN</b>	
<b>Rs (in words)</b>	Rupees Nine crores and Paise Zero only.	<b>Bank Address</b>	2, 66/80, Mumbai Samachar Marg, Post Bag No. 253 & 518, Fort, Mumbai-400023
<b>Drawn on</b>	Internet Banking through Bank		
<b>On Account of</b>	CHALLAN NO / ITNS 280		
<b>For the Assessment Year :</b>	2017-18		

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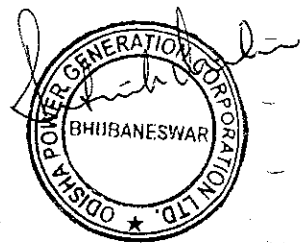
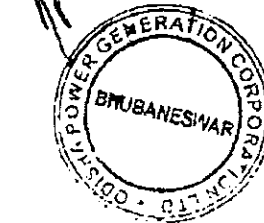
[14261] Payment Successful. Your Payment Confirmation Number is 59408687

## Direct Tax Challan Report

CHALLAN NO. / ITNS 280	Tax Applicable		ASSESSMENT YEAR 2017-18
	(0020) INCOME-TAX ON COMPANIES (CORPORATION TAX) [?]	(0021) INCOME-TAX OTHER THAN COMPANIES [?]	
Permanent Account Number	AAAG04758R		
Full Name	ODISHA POWER GENERATION CORPORATION LIMITED		
Address	7TH FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR, CHANDRASEKHARPUR, BHUBANESWAR, ORISSA, 751023		
Type of Payment			
<input type="checkbox"/> (100) Advance Tax <input type="checkbox"/> (300) Self Assessment Tax <input type="checkbox"/> (400) Tax on Regular Assessment <input type="checkbox"/> (800) TDS on Sale of Property (Form 26QB)		<input type="checkbox"/> (102) Surtax <input type="checkbox"/> (106) Tax on Distributed Profits <input type="checkbox"/> (107) Tax on Distributed Income	
Details of Payment			
	Amount (in Rs. only)	Paid in Cash / Debit to A/c / Cheque No.	Internet Banking
Income Tax	10,40,22,191.00	Date	15/03/2017
Surcharge	1,24,82,663.00	Drawn on	Union Bank Of India
Education Cess	34,95,145.00	BSR Code	0290179
Interest	0.00	Tender Date	15032017
Penalty	0.00	Challan No.	23972
Others	0.00	CIN	
Total	12,00,00,000.00		
Total (in words)	Rupees Twelve crores and Paise Zero only.		
Taxpayers Counterfoil		SPACE FOR BANK SEAL	
Permanent Account Number	AAAG04758R	Payment Status	Successful
Received From	ODISHA POWER GENERATION CORPORATION LIMITED	Bank Reference No.	59408687
Paid in Cash / Debit to A/c / Cheque No	Internet	BSR Code	0290179
For Rs.	12,00,00,000.00	Tender Date	15032017
Rs (in words)	Rupees Twelve crores and Paise Zero only.	Challan No.	23972
Drawn on	Internet Banking through Bank	CIN	
On Account of	CHALLAN NO / ITNS 280	Bank Address	2, 66/80, Mumbai Samachar Marg, Post Bag No. 253 & 518, Fort, Mumbai-400023
For the Assessment Year :	2017-18		

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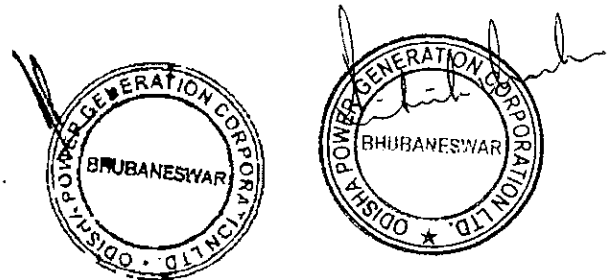
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Direct Tax Challan Report

CHALLAN NO. / ITNS 280	Tax Applicable		ASSESSMENT YEAR 2017-18
	(0020) INCOME-TAX ON COMPANIES (CORPORATION TAX) <input checked="" type="checkbox"/>	(0021) INCOME-TAX OTHER THAN COMPANIES <input type="checkbox"/>	
Permanent Account Number	AAACO4759R		
Full Name	ODISHA POWER GENERATION CORPORATION LIMITED		
Address	7TH FLOOR, FORTUNE TOWERS, CHANDRASEKHARPUR, CHANDRASEKHARPUR, BHUBANESWAR, ORISSA, 751023		
Type of Payment			
<input type="checkbox"/> (100) Advance Tax		<input type="checkbox"/> (102) Surtax	
<input type="checkbox"/> (300) Self Assessment Tax		<input type="checkbox"/> (106) Tax on Distributed Profits	
<input type="checkbox"/> (400) Tax on Regular Assessment		<input type="checkbox"/> (107) Tax on Distributed Income	
<input type="checkbox"/> (800) TDS on Sale of Property (Form 26QB)			
Details of Payment			
	Amount (In Rs. only)	Paid in Cash / Debit to A/c / Cheque No.	Internet Banking
Income Tax	7,36,82,386.00	Date	13/12/2016
Surcharge	88,41,866.00	Drawn on	Union Bank Of India
Education Cess	24,75,728.00	BSR Code	0290179
Interest	0.00	Tender Date	13122016
Penalty	0.00	Challan No.	21574
Others	0.00	CIN	0290179 13122016 21574
Total	8,50,00,000.00		
Total (in words)	Rupees Eight crores Fifty lakh and Paise Zero only.		
Taxpayers Counterfoil		SPACE FOR BANK SEAL	
Permanent Account Number	AAACO4759R	Payment Status	Successful
Received From	ODISHA POWER GENERATION CORPORATION LIMITED	Bank Reference No.	55669225
Paid In Cash / Debit to A/c / Cheque No	Internet	BSR Code	0290179
For Rs.	8,50,00,000.00	Tender Date	13122016
Rs (in words)	Rupees Eight crores Fifty lakh and Paise Zero only.	Challan No.	21574
Drawn on	Internet Banking through Bank	Bank Address	2, 66/80, Mumbai Sameer Marg, Post Bag No. 253 & 518, Fort, Mumbai-400023
On Account of	CHALLAN NO / ITNS 280		
For the Assessment Year :	2017-18		

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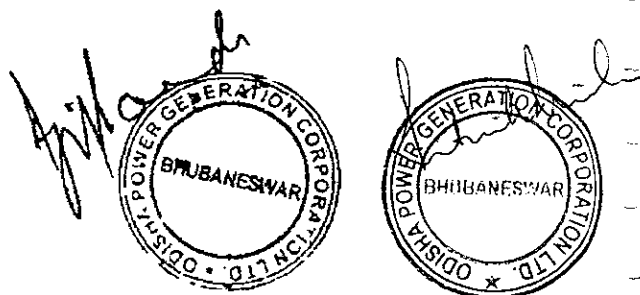


16/12

## INCENTIVE FOR 2016-17

Month	No of Days	Actual Export MU	Loss	Loss	Total available Capacity MU
			Claimed due to SLDC MU	Certified by SLDC MU	
Apr-16	30	255.892	-		255.892
May-16	31	175.499	0.015	0.017395	175.514
Jun-16	30	236.309	-		236.309
Jul-16	31	250.726	1.652		252.378
Aug-16	31	245.232	0.027		245.259
Sep-16	30	225.349	0.115		225.464
Oct-16	31	240.433	0.200	0.175495	240.633
Nov-16	30	218.859	1.468	1.327515	220.327
Dec-16	31	258.495	0.725	0.756065	259.220
Jan-17	31	275.078	2.377	2.269000	277.455
Feb-17	28	249.678	-		249.678
Mar-17	31	259.563	-		259.563
<b>Total</b>	<b>365</b>	<b>2,891.113</b>	<b>6.579</b>	<b>4.545470</b>	<b>2,897.692</b>

Unit Exported during 2016-17	2,891.1125 MU
Loss of units for SLDC restriction	4.5454700 MU
Total export during 2016-17	2,895.6580 MU
Salable Energy at 85% (Aux : 8.5%)	2,861.4978 MU
Energy for Incentive in terms of Regulation 6.9 Rate	34.1602 MU 0.5000 Rs/kW/hr
Incentive due in rupees	Rs. 170,80,090



17/29



# STATE LOAD DESPATCH CENTRE

OFFICE OF THE CHIEF LOAD DESPATCHER (SLDC)  
ODISHA POWER TRANSMISSION CORPORATION LIMITED  
GRIDCO Colony, P.O.- Mancheswar Rly. Colony, Bhubaneswar-17, FAX-0674- 2748309  
CIN - U40102OR2004SGC007553

No. SGM (PS)/MIS-6-194/  
From:

1036 (5)

Dated 28.03.2017

The Chief Load Despatcher (SLDC)  
OPTCL, Bhubaneswar-17.

To,

The CGM (PP)  
Gridco Limited, Bhubaneswar

Sub: Certification of deemed generation claim made by OPGC for till DEC-2016 of the FY-2016-17

Ref:

1. ITPS(E):277 dated 26.05.2016
2. ITPS(E):367 dated 16.07.2016
3. ITPS(E):436 dated 02.09.2016
4. ITPS(E):444 dated 07.09.2016
5. ITPS(E):531 dated 27.10.2016
6. ITPS(E):543 dated 04.11.2016
7. ITPS(E):548 dated 07.11.2016
8. ITPS(E):574 dated 19.11.2016
9. ITPS(E):581 dated 26.11.2016
10. ITPS(E):582 dated 26.11.2016
11. ITPS(E):583 dated 26.11.2016
12. ITPS(E):584 dated 26.11.2016
13. ITPS(E):594 dated 05.12.2016
14. ITPS(E):624 dated 14.12.2016
15. ITPS(E):632 dated 22.12.2016
16. ITPS(E):636 dated 24.12.2016
17. ITPS(E):637 dated 24.12.2016

Sir,

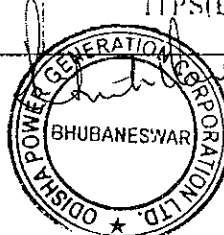
With reference to the above cited subject, this is to inform you that the deemed generation claimed by IbTPS vide letter under reference are as detailed in annexure-B.

As per PPA, the claims made under Reference 2, 3 & 4 are not considered for deemed generation.

The abstract of the deemed generation certified is given below

Sl No	Date	Deemed generation certified in MU	Reference of claim made through IbTPS letter No and date
1	25.05.2016	0.017	ITPS(E):277 dated 26.05.2016
2	26.10.2016	0.18	ITPS(E):531 dated 27.10.2016
3	03.11.2016	0.053	ITPS(E):543 dated 04.11.2016
4	06.11.2016	0.035	ITPS(E):548 dated 07.11.2016

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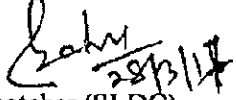


5	17.11.2016	0.274	ITPS(E):574 dated 19.11.2016
6	19.11.2016	0.085	ITPS(E):581 dated 26.11.2016
7	19.11.2016- 20.11.2016	0.595	ITPS(E):582 dated 26.11.2016
8	20.11.2016	0.155	ITPS(E):583 dated 26.11.2016
9	21.11.2016	0.091	ITPS(E):584 dated 26.11.2016
10	02.12.2016	0.072	ITPS(E):594 dated 05.12.2016
11	10.12.2016	0.18	ITPS(E):624 dated 14.12.2016
12	20.12.2016	0.082	ITPS(E):632 dated 22.12.2016
13	22.12.2016	0.188	ITPS(E):636 dated 24.12.2016
14	23.12.2016	0.237	ITPS(E):637 dated 24.12.2016

TOTAL: 2.276 MU

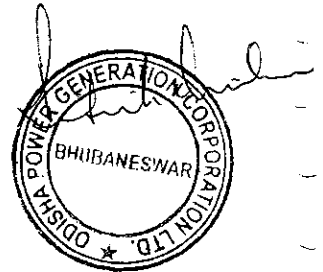
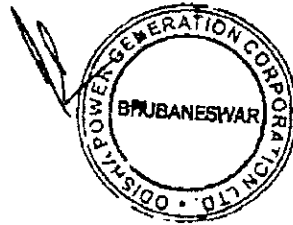
Encl : As above

Yours faithfully;

  
Chief Load Despatcher (SLDC)  
OPTCL, Bhubaneswar.

**C.C.:**

1. Director (Commercial), GRIDCO, Bhubaneswar.
2. Head (O&M), IB Thermal Power Station, Banharpali, Jharsuguda, Orissa-768234
3. Sr. Manager (Finance), Ib Thermal Power Station, Banharpali, Jharsuguda, Orissa-768234
4. GM (F), OPGC, Bhubaneswar

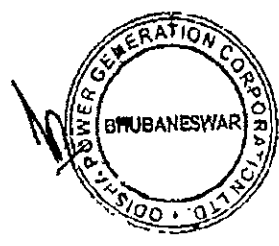
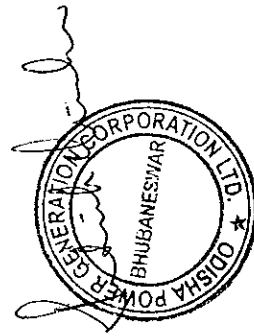


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Detail calculation of backing down of generation by IbTPS.

Date	Generation In MW prior to backing down Ref Annexure-A	Period of backing down		Scheduled generation MWH	Actual generation as per SLDC record Ref. Annexure-A	Total generation backed down	Backing down MU	Claim made by IBTPS.	Reference of claim made through IbTPS letter No and date	
		From	To							
(1)	(2)	(3)	(4)	(5)-(4)-(3)	(6)	(7)	(8)-(6)-(7)	(9)	(10)	(11)
25.05.2016	155.9	17:00	17:45	0:45	116.925	99.53	17.40	0.017395	0.015	IbTPS(E):277 dated 26.05.2016
26.10.2016	353.70	13:45	16:30	2:45	972.68	797.18	175.50	0.175495	0.200	IbTPS(E):531 dated 27.10.2016
03.11.2016	363.90	14:15	16:00	1:45	613.20	521.38	91.82	0.091820	0.108	IbTPS(E):543 dated 04.11.2016
06.11.2016	278.40	3:15	5:00	1:45	487.20	451.98	35.22	0.035220	0.048	IbTPS(E):548 dated 07.11.2016
17.11.2016	353.50	12:30	16:30	4:00	1414.00	1139.75	274.25	0.274250	0.352	IbTPS(E):574 dated 19.11.2016
19.11.2016	371.90	14:45	16:00	1:15	464.88	379.75	85.13	0.085125	0.074	IbTPS(E):581 dated 26.11.2016
20.11.2016 to 20.11.16			20.11.16							
20.11.2016	357.80	22:30	06:00	07:30	2683.50	2088.70	594.80	0.594800	0.614	IbTPS(E):582 dated 26.11.2016
20.11.2016	353.70	13:45	16:15	2:30	884.25	729.10	155.15	0.155150	0.191	IbTPS(E):583 dated 26.11.2016
21.11.2016	304.20	1:30	3:45	2:15	684.45	593.30	91.15	0.091150	0.081	IbTPS(E):584 dated 26.11.2016
02.12.2016	342.50	13:30	15:00	1:30	513.75	442.10	71.65	0.071650	0.061	IbTPS(E):594 dated 05.12.2016
10.12.2016	369.50	1:45	4:00	2:15	831.38	654.03	177.35	0.177345	0.221	IbTPS(E):624 dated 14.12.2016
20.12.2016	379.40	13:30	15:30	2:00	700.80	618.45	82.35	0.082350	0.135	IbTPS(E):632 dated 22.12.2016
22.12.2016	382.90	2:15	4:45	2:30	957.25	769.75	187.50	0.187500	0.073	IbTPS(E):636 dated 24.12.2016
23.12.2016	375.20	1:45	4:45	3:00	1125.60	888.38	237.22	0.237220	0.235	IbTPS(E):637 dated 24.12.2016
Total Generation Backed down in MU:							2376.70	2.408		



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Abstract of hourly generation made by ibTSPS due to backing down instruction by SLD

Generation as recorded

11.01.2017	
Time	MWH
Previous hour generation	377.80
13:15-14:00	262.80
14-15	303.30
15-16	294.40
16-17	293.50
Total	1154.00

13.01.2017	
Time	MWH
Previous hour generation	377.60
14:00-14:45	241.28
Total	241.28

14.01.2017	
Time	MWH
Previous hour generation	384.10
14-15	315.40
Total	315.40

15.01.2017	
Time	MWH
Previous hour generation	350.30
14-15	295.10
15-16	285.60
Total	580.70

16.01.2017	
Time	MWH
Previous hour generation	370.30
02-03	298.90
03-04	291.70
04:00-04:45	233.63
Total	824.23

17.01.2017	
Time	MWH
Previous hour generation	371.30
00:15-01:00	252.45
01-02	297.40
02-03	291.00
03-04	286.00
04:00-04:15	84.875
Total	1211.73

19.01.2017	
Time	MWH
Previous hour generation	356.80
13:30-14:00	167.50
14:00-15:00	285.20
Total	452.70

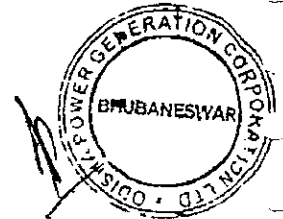
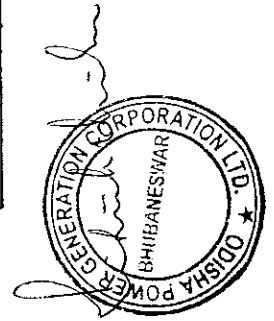
20.01.2017	
Time	MWH
Previous hour generation	360.10
1-2	282.80
2-3	281.60
3-4	283.90
Total	848.30

21.01.2017	
Time	MWH
Previous hour generation	331.60
14:15-15:00	225.53
15:00-15:45	222.30
Total	447.83

21.01.2017-22.01.2017	
DATE	MWH
21.01.2017	357.60
Previous hour generation	167.60
23:30-24:00	292.20
00-01	288.40
01-02	286.90
02-03	287.20
03-04	277.40
04-05	277.40
Total	1599.70

22.01.2017-23.01.2017	
DATE	MWH
22.01.2017	378.30
Previous hour generation	90.93
23:45-24:00	288.70
00-01	285.90
01-02	289.10
02-03	293.90
03-04	294.70
04-05	294.70
Total	1543.13

24.01.2017	
Time	MWH
Previous hour generation	365.90
02:15-03:00	246.38
03:00-04:00	294.30
04:00-04:45	239.85
Total	780.53



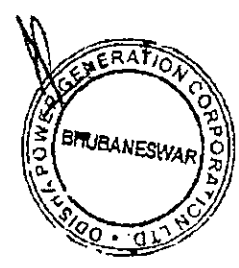
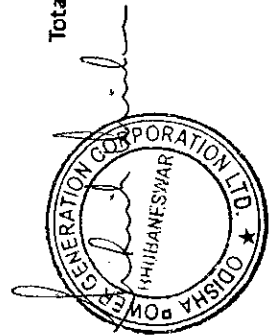
21/29

ANNEXURE - B

Backing down generation by IBTPS.

Date	Generation prior to backing down (2)	Period of backing down		Scheduled generation MWH Ref. Annexure A	Actual generation per SLDC record Ref. Annexure A	Total generation backed down (8)=(6)-(7)	Backing down MU (9)	Claim made by IBTPS. (10)	Reference of claim made through IBTPS letter No and date
		From (3)	To (4)						
11.01.2017	377.8	13:15	17:00	1416.75	1154.00	262.75	0.263	0.258	ITPS(E):25 dated 13.01.2017
13.01.2017	377.60	14:00	14:45	283.20	241.28	41.92	0.042	0.037	ITPS(E):27 dated 14.01.2017
14.01.2017	384.10	14:00	15:00	384.10	315.40	68.70	0.069	0.055	ITPS(E):31 dated 16.01.2017
15.01.2017	350.30	14:00	16:00	700.60	580.70	119.90	0.120	0.142	ITPS(E):32 dated 16.01.2017
16.01.2017	370.30	2:00	4:45	1018.33	824.23	194.10	0.194	0.206	ITPS(E):34 dated 17.01.2017
17.01.2017	371.30	0:15	4:15	1485.2	1211.73	273.47	0.273	0.251	ITPS(E):36 dated 18.01.2017
19.01.2017	356.80	13:30	15:00	535.20	452.70	82.50	0.083	0.227	ITPS(E):39 dated 20.01.2017
20.01.2017	360.10	1:00	4:00	1080.30	848.30	232.00	0.232	0.34	ITPS(E):41 dated 21.01.2017
21.01.2017	331.60	14:15	15:45	497.40	447.83	49.57	0.050	0.034	ITPS(E):44 dated 23.01.2017
TO			05:00						
22.01.2017	357.60	23:30	22.01.17	1966.80	1599.70	367.10	0.367	0.361	ITPS(E):45 dated 23.01.2017
22.01.2017			05:00						
23.01.2017	378.30	23:45	23.01.17	1986.08	1543.13	442.95	0.443	0.44	ITPS(E):48 dated 24.01.2017
24.01.2017	365.90	2:15	4:45	914.75	780.53	134.22	0.134	0.159	ITPS(E):48 dated 25.01.2017

Total generation backed down in MU 2.269



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# STATE LOAD DESPATCH CENTRE

OFFICE OF THE CHIEF LOAD DESPATCHER (SLDC)  
ODISHA POWER TRANSMISSION CORPORATION LIMITED  
GRIDCO Colony, P.O.- Manchewar Rly. Colony, Bhubaneswar-17, FAX-0674- 2748509  
CIN - U40102OR2004SCC007553

No. SGM (PS)/MIS-6-194/ 670<sup>(5)</sup>  
From:

Dated : 25.02.2017

The Chief Load Despatcher (SLDC)  
OPTCL, Bhubaneswar-17.

To,

The CGM (PP)  
Gridco Limited, Bhubaneswar

Sub: Certification of deemed generation claim made by OPGC for Jan-2017 of the FY-2016-17

Ref: Letter No-ITPS(E):25 dated 13.01.2017 of IbTPS  
Letter No-ITPS(E):27 dated 14.01.2017 of IbTPS  
Letter No-ITPS(E):31 dated 16.01.2017 of IbTPS  
Letter No-ITPS(E):32 dated 16.01.2017 of IbTPS  
Letter No-ITPS(E):34 dated 17.01.2017 of IbTPS  
Letter No-ITPS(E):36 dated 18.01.2017 of IbTPS  
Letter No-ITPS(E):39 dated 20.01.2017 of IbTPS  
Letter No-ITPS(E):41 dated 21.01.2017 of IbTPS  
Letter No-ITPS(E):44 dated 23.01.2017 of IbTPS  
Letter No-ITPS(E):45 dated 23.01.2017 of IbTPS  
Letter No-ITPS(E):48 dated 24.01.2017 of IbTPS  
Letter No-ITPS(E):51 dated 25.01.2017 of IbTPS

Sir,

With reference to the above cited subject, this is to inform you that the deemed generation claimed by IbTPS vide letter under reference are as detailed below.

11.01.2017

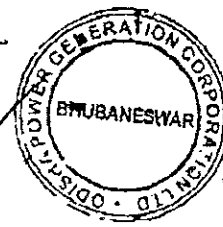
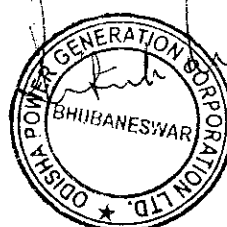
On 11.01.2017 IbTPS was asked through mail to reduce the generation from 13:15 hrs to technical minimum until 17:00 hrs. The average generation of IbTPS prior to backing down i.e. from 12:00 to 13:00 hrs was 377.8 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.263 MU due to backing down of generation.

13.01.2017

On 13.01.2017 IbTPS was asked to reduce the generation from 14:00 hrs by 100 MW to 14:45 hrs. The average generation of IbTPS prior to backing down i.e. from 13:00 hrs to 14:00 hrs was 377.6 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.042 MU due to backing down of generation.



14.01.2017

On 14.01.2017 IbTPS was asked to reduce the generation from 14:00 hrs by 100 MW to 15:00 hrs. The average generation of IbTPS prior to backing down i.e. from 13:00hrs to 14:00 hrs was 384.1 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.069 MU due to backing down of generation.

15.01.2017

On 15.01.2017 IbTPS was asked through mail to reduce the generation from 14:00 hrs to technical minimum until 16:00 hrs. The average generation of IbTPS prior to backing down i.e. from 13:00 hrs to 14:00 hrs was 350.3 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.120 MU due to backing down of generation.

16.01.2017

On 16.01.2017 IbTPS was asked through mail to reduce the generation from 02:00 hrs to technical minimum until 04:45 hrs. The average generation of IbTPS prior to backing down i.e. from 01:00 hrs to 02:00 hrs was 370.3 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.194 MU due to backing down of generation.

17.01.2017

On 17.01.2017 IbTPS was asked through mail to reduce the generation from 00:15 hrs to technical minimum until 04:15 hrs. The average generation of IbTPS prior to backing down i.e. from 23:00 hrs to 24:00 hrs of 16.01.17 was 371.3 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.273 MU due to backing down of generation.

19.01.2017

On 19.01.2017 IbTPS was asked through mail to reduce the generation from 13:30 hrs to technical minimum until 15:00 hrs. The average generation of IbTPS prior to backing down i.e. from 12:00 hrs to 13:00 hrs was 356.8 MW

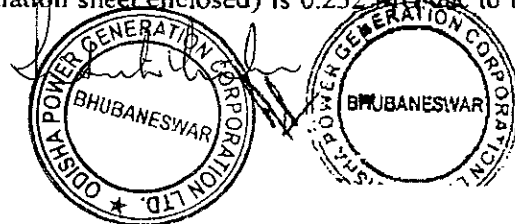
The loss of generation as calculated (calculation sheet enclosed) is 0.083 MU due to backing down of generation.

20.01.2017

On 20.01.2017 IbTPS was asked through mail to reduce the generation from 01:00 hrs by 100 MW until 04:00 hrs. The average generation of IbTPS prior to backing down i.e. from 00:00 hrs to 01:00 hrs was 360.10 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.232 MU due to backing down of generation.

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21.01.2017

On 21.01.2017 IbTPS was asked through mail to reduce the generation from 14:15 hrs to technical minimum until 15:45 hrs. The average generation of IbTPS prior to backing down i.e. from 13:00 hrs to 14:00 hrs was 331.6 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.050 MU due to backing down of generation.

21.01.2017

On 21.01.2017 IbTPS was asked through mail to reduce the generation from 23:30 hrs to technical minimum until 05:00 hrs of 22.01.2017. The average generation of IbTPS prior to backing down i.e. from 22:00 hrs to 23:00 hrs was 357.6 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.367 MU due to backing down of generation.

22.01.2017

On 22.01.2017 IbTPS was asked through mail to reduce the generation from 23:45 hrs to technical minimum until 05:00 hrs of 23.01.2017. The average generation of IbTPS prior to backing down i.e. from 22:00 hrs to 23:00 hrs was 378.3 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.443 MU due to backing down of generation

24.01.2017

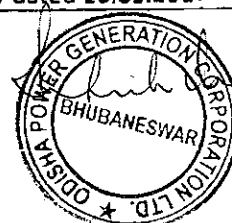
On 24.01.2017 IbTPS was asked through mail to reduce the generation from 02:15 hrs to technical minimum until 04:45 hrs. The average generation of IbTPS prior to backing down i.e. from 01:00 hrs to 02:00 hrs was 365.9 MW

The loss of generation as calculated (calculation sheet enclosed) is 0.134 MU due to backing down of generation

The abstract of the deemed generation certified is given below

Sl No	Date	Deemed generation certified in MU	Reference of claim made through IbTPS letter No and date
1	11.01.2017	0.263	ITPS(E):25 dated 13.01.2017
2	13.01.2017	0.042	ITPS(E):27 dated 14.01.2017
3	14.01.2017	0.069	ITPS(E):31 dated 16.01.2017
4	15.01.2017	0.120	ITPS(E):32 dated 16.01.2017
5	16.01.2017	0.194	ITPS(E):34 dated 17.01.2017
6	17.01.2017	0.273	ITPS(E):36 dated 18.01.2017
7	19.01.2017	0.083	ITPS(E):39 dated 20.01.2017

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8	20.01.2017		0.232	ITPS(E):41 dated 21.01.2017
9	21.01.2017		0.050	ITPS(E):44dated 23.01.2017
10	21.01.2017 to 22.01.2017		0.367	ITPS(E):45dated 23.01.2017
11	22.01.2017 to 23.01.2017		0.443	ITPS(E):48dated 24.01.2017
12	24.01.2017		0.134	ITPS(E):51dated 25.01.2017

TOTAL-2.269 MU

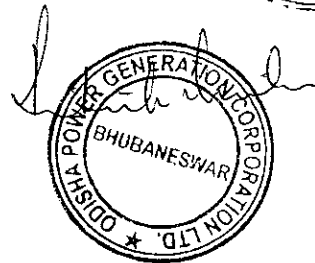
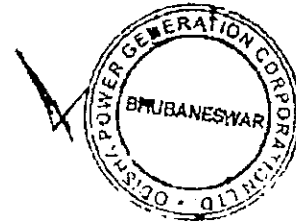
Encl : As above

Yours faithfully;

  
Chief Load Despatcher (SLDC)  
OPTCL, Bhubaneswar.

C.C.:

1. Director (Commercial), GRIDCO, Bhubaneswar.
2. Head (O&M), IB Thermal Power Station, Banharpali, Jharsuguda, Orissa-768234
3. Sr. Manager (Finance), Ib Thermal Power Station, Banharpali, Jharsuguda, Orissa-768234
4. GM (F), OPGC, Bhubaneswar

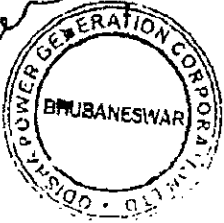


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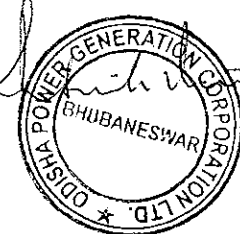
Calculation of Reimbursement of Electricity Duty paid by OPGC		As Per PPA	Difference
1	Units exported in the month of March-2016	2450,32,000	2450,32,000
2	Units generated by grossing it up	2677,94,536	2707,53,591
3	Auxiliary Consumption in Kwh considering it @ 8.5%	227,92,538	243,67,823
4	Electricity duty amount due @ Re 0.30 per Kwh on auxiliary consumption	68,28,761	73,10,347
5	Amount paid by OPGC towards electricity duty for the month of March-2016	68,60,370	
6	Amount claimed from Gridco is limited to	68,28,761	73,10,347
			4,81,586

Ref: Our letter no. 1759 dated 14.7.2016. Copy atched.

*[Handwritten Signature]*



*[Handwritten Signature]*



27/29

**ODISHA POWER GENERATION CORPORATION LTD.**  
(Government Company of the State of Odisha)  
CIN : U40104OR1984SGC001429



Regd. Off. : Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar - 751023, Odisha  
Ph. : 0674-2303765 - 66, Fax : 0674-2303755 / 56  
Web : www.opgc.co.in.

Ref: No. OPGC/1759/N.E.

Dt. 14.07.2016

To,

The Chief General Manager (PP)  
GRIDCO Limited  
Bhubaneswar

Sub: Differential ED reimbursement for March 2016 and difference in Import cost for June'16

Ref: Our letter no 1403 / WE dated 27.05.2016  
Our letter no 4567 / WE dated 01.07.2016  
Your letter No 63/2002 (Vol -XIV) / 5473 (5) dated 02.07.2016

Sir,

Please note that an amount of Rs 4, 81,586 has been wrongly deducted from our bill which is related to the differential ED for the month of March 2016. You may also note that ED reimbursement for the period April 2016 onwards to be computed in terms of OERC order which is not related to March 2016.

Further, kindly note that the provisional adjustment of cost of import of Power to be governed by the record note of discussion dated 13/08/1996 (Sl. No. 7) i.e @ 1.5 / Kwhr which shall be adjusted at your end at actual cost of Power (copy enclosed for ready reference).

As such, you are requested to kindly adjust the import cost @ 1.5 instead of @ 1.9026 / Kwhr and pay the differential amounting to Rs 87,767/-

Thanking You,

Yours faithfully,

A.G.M. (Finance)

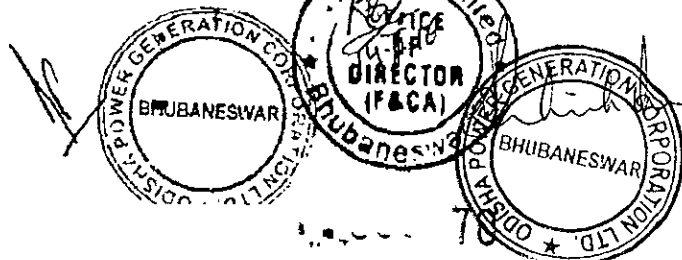
Encl: Record Note between OPGC & GRIDCO dtd 13.08.96

Copy to:-

1. Director (Commercial), GRIDCO Ltd., Bhubaneswar
2. Director (Finance), GRIDCO Ltd., Bhubaneswar
3. General Manager (Corporate Finance), GRIDCO Ltd., Bhubaneswar
4. Director (Finance), OPGC Ltd., Bhubaneswar

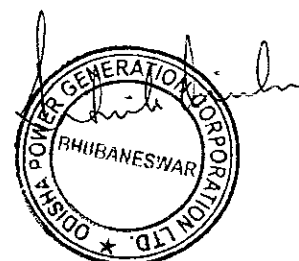
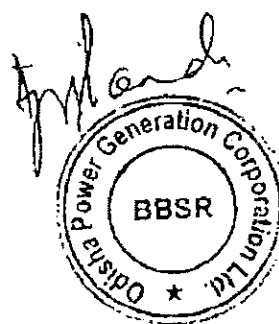
Handwritten signature and date: 14/7/16

Handwritten date: 28/29



DETAILS OF IMPORT MADE DURING THE YEAR 2016-17		Energy Charge
Month	Import In KWh	
Apr-16	-	30,74,54,931
May-16	-	21,08,62,524
Jun-16	2,18,000	28,38,07,481
Jul-16	1,23,000	30,11,21,326
Aug-16	2,000	29,45,23,632
Sep-16	-	27,06,44,149
Oct-16	-	28,87,60,033
Nov-16	4,000	26,28,49,659
Dec-16	-	31,04,52,495
Jan-17	-	33,03,68,678
Feb-17	2,000	29,98,62,918
Mar-17	-	31,17,35,163
<b>Total</b>	<b>3,49,000</b>	<b>3,47,24,42,989</b>

Fuel Price Adjustment		1,09,91,76,461
Total Energy Charge	Rs	4,57,16,19,450
Units exported	kWhr	2,89,56,57,980
Average Rate	Rs/kWhr	1.578784332
Cost of Power Imported	Rs	5,50,996
Import cost already adjusted by GRIDCO @ 1.9026 per kWhr in monthly billing *		6,64,007
Balance to be adjusted	Rs	-1,13,011



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Annexure - 2



**Nag & Associates**  
Chartered Accountants

Head Office: MPI-136, Khandagiri Enclave  
Near Sisugruh, Housing Board Colony  
Khandagiri, Bhubaneswar-751030  
Mob.:9937315551,  
Telefax :91-674-2384569  
E-mail : nagandassociates@gmail.com

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Odisha Power Generation Corporation Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Odisha Power Generation Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial statements").

### Management's Responsibility for the Standalone Financial statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, Implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

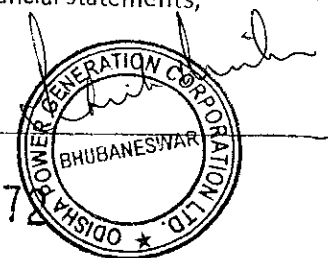
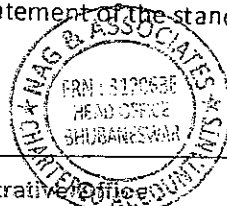
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements,

Administrative Office

C-52, HIG, Baramunda Housing Board Bhubaneswar  
Branches: New Delhi, Kolkata, Patna, Dhanbad



**Nag & Associates**  
**Chartered Accountants**

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone Ind AS financial statements subject to our observation given below give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

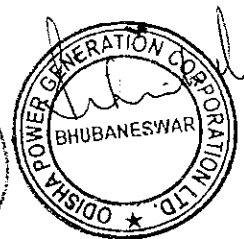
**Observation**

Attention is invited to note no. 12(i) of the Notes forming part of the financial statements regarding trade receivables, which include an amount of Rs.978.60 lakhs (Previous year Rs. Nil) not confirmed by the customer i.e. GRIDCO. This in our opinion should have been provided as doubtful and accordingly net profit before tax for the year and trade receivables have been overstated by Rs.978.60 lakhs each

**Report on Other Legal and Regulatory Requirements**

1. With respect to the other matters to be included in the Auditor's Report in terms of the directions of the Comptroller and Auditor-General of India (CAG) under Section 143 (5) of the Act, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the **Annexure "A"** and **Annexure "B"** statement on the matters specified in the directions and sector specific additional directions of CAG respectively.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in **Annexure "C"**, statement on the matters specified in the paragraph 3 and 4 of the order.
3. As required by Section 143(3) of the Act, we report that:
  - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

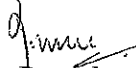
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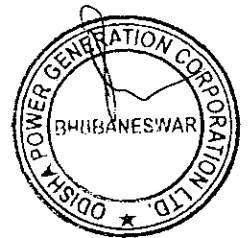


**Nag & Associates**  
**Chartered Accountants**

- (iii) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (iv) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as director in terms of Section 164(2) of the Act;
- (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "D"; and
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies ( Audit and Auditor's ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note- 39 to the standalone Ind AS financial statements;
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - d. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 13(iii) to the standalone Ind AS financial statements.
  - e. It is noted that the constitution of the Company's Audit Committee does not comply with the requirements of the provisions of section 177 of the Act. It is also noted that the Audit committee has no independent director and the role and effectiveness of such Audit Committee, in our opinion does not meet the requirements of corporate governance prescribed in the Act

**For Nag & Associates**  
Chartered Accountants  
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner  
M.No. 053292



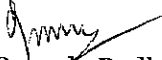
Place: Bhubaneswar  
Date: 04.11.2017

Nag & Associates  
Chartered Accountants

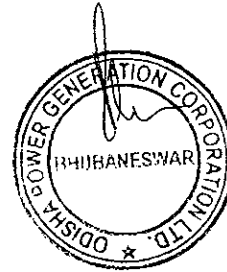
Annexure-A to the Auditors' Report of Odisha Power Generation Corporation Limited

No	Direction	Reply
1	Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of free hold and leasehold and for which title/ lease deeds are not available?	The company is having clear title/lease deeds for entire freehold and lease hold land except for 296.29 acres for which permissive possession for non forest use received on 04.03.1998.
2	Whether there are any cases of waiver/ write-off debts/loans/interest etc., if yes, the reasons there for and the amount involved.	Company waived an amount of Rs.30.10 lakhs of the disputed dues from GRIDCO as per approval of the Board of Directors of the company.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Proper records are maintained for inventories lying with third parties. During the financial year under audit, no assets received as gift from Government or other authorities.

For Nag & Associates  
Chartered Accountants  
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner  
M.No. 053292

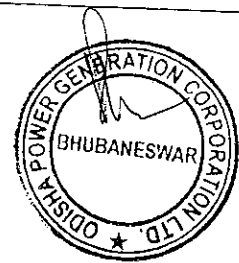
Place: Bhubaneswar  
Date: 06.11.2017



Annexure-B to the Auditors' Report of Odisha Power Generation Corporation Limited

No	Direction	Reply
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	According to information and explanations given to us, there is no case of land under litigation and there is no encroachment of the company owned land.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	The land acquired by the company is through the nodal organization of Government of Odisha, IDCO. The funds were placed with IDCO as per demand raised by them.
3	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The company has effective system for recovery of revenue backed by payment security mechanism of Letter of Credit (L.C) & Escrow. Revenue has been accounted for as per applicable Accounting Standards.
4	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	According to information and explanations given to us, no project is abandoned by the company.
5	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the Company in this regard, may be checked and commented upon.	According to information and explanations given to us, the company is granted Consent to Operate by the State Pollution Control Board, Odisha which is valid up to 31.03.2018 As per available information, the ash utilization target as stipulated for the company has not been complied with. It is explained to us, that the company is taking necessary steps to enhance ash utilization as per the State Pollution Control Board norms.
6	Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?	Not applicable
7	Does the Company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	The company is procuring coal from Mahanadi Coal Fields Ltd. (MCL) through a Fuel Supply agreement and there is a regular system of reconciliation of quantity/ quality of coal ordered and received and grade of coal moisture and demurrage etc. are properly recorded in the books of accounts.

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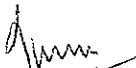


8	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable
9	In the case of hydroelectric projects the water discharge is as per policy / guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid / payable may be reported.	Not Applicable

**For Nag & Associates**

Chartered Accountants

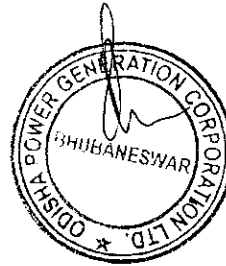
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner

M.No. 053292

Place: Bhubaneswar

Date: 06.11.2017



**Annexure - C to the Auditor's Report of Odisha Power Generation Corporation Limited**

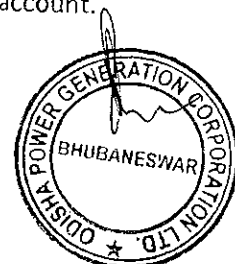
The Annexure referred to in Independent Auditor's report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its major portion of property, plant and equipments.
  - b) The Company has a regular programme of physical verification of its major portion of property, plant and equipments. In accordance with this programme, major portion of property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipments.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except as follows:

Mouza	Area( in Acres)	Year of acquisition	Remarks
Banahrapali	197.49	1997	Permissive possession for non forest use received on 04.03.1998
Banahrapali	31.38	1997	-do-
Baragada	32.24	1997	-do-
Telenpalli	10.27	1997	-do-
Telenpalli	7.99	1997	-do-
Kusuraloi	5.34	1997	-do-
Khadam	0.32	1997	-do-
Sahajbahal	11.26	1997	-do-

- ii.
  - a) The inventories have been physically verified by the management during the year end. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of business.
  - b) The Company has maintained proper records of inventories. As per the information and explanation given to us, the discrepancies between the physical inventories and book records arising out if physical verification, which were not material, have been dealt with in the books of account.

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Chartered Accountants

- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Hence, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or given any guarantee and security covered under section 185 and 186 of the Companies Act, 2013, except to its subsidiary. In respect of loans to and investment in subsidiary, the Company has complied with the provision of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and Rules framed there under.
- vi. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and in our opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records to determine whether they are accurate and complete.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees, state insurance and duty of excise.

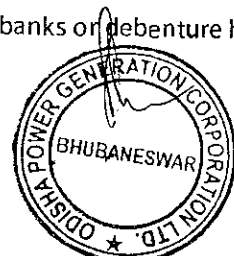
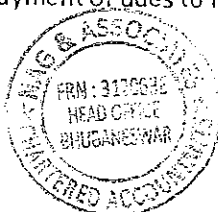
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of sales tax, services tax & duty of excise have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount Rs. in lakhs	Amount deposited Rs. in lakhs	Forum where dispute is pending
The Orissa Sales Tax Act	Sales Tax	15.90	14.72	Sales Tax Tribunal, Odisha
The Income Tax Act, 1961	Income Tax	150.26	Nil	High Court of Orissa
The Income Tax Act, 1961	Income Tax	1010.81	790.00	ITAT, Cuttack
The Income Tax Act, 1961	Income Tax	0.61	Nil	CIT(A-I), BBSR
	<b>TOTAL</b>	<b>1177.58</b>	<b>804.72</b>	

- viii. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

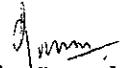
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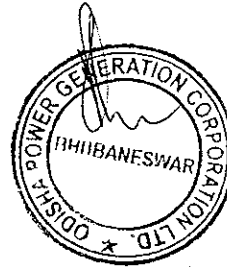
**Nag & Associates**  
**Chartered Accountants**

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the record of the Company, as per notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the section 197 of the Act is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Nag & Associates**  
Chartered Accountants  
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner

M.No. 053292  
Place: Bhubaneswar  
Date: 06.11.2017



**Annexure - D to the Auditor's Report of Odisha Power Generation Corporation Limited**

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

We have audited the internal financial controls over financial reporting of Odisha Power Generation Corporation Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

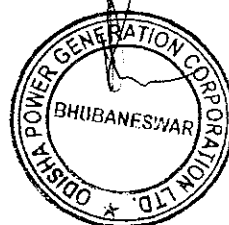
**Auditor's Responsibility**

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

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

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**Nag & Associates**  
**Chartered Accountants**

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal financial Controls over Financial Reporting**

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

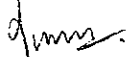
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Nag & Associates**

Chartered Accountants

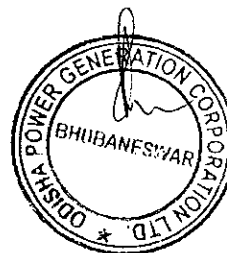
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner

M.No. 053292

Place: Bhubaneswar

Date: 04.11.2017



Odisha Power Generation Corporation Limited  
Balance Sheet as at March 31, 2017

(Rupees in Lakhs)


	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	5	23,277.48	19,732.10	19,802.38
	(b) Capital work-in-progress - Tangible	5	5,94,665.59	3,32,939.00	1,22,953.61
	(c) Other Intangible assets	6	804.48	73.83	78.94
	(d) Intangible assets under development	6	-	614.52	81.32
	(e) Financial Assets				
	(i) Investments	7	10,200.00	2.55	2.55
	(ii) Loans and Advances	8	556.06	387.84	344.51
	(iii) Others	9	-	-	60.58
	(f) Other non-current assets	10	87,083.49	60,253.84	79,323.64
	<b>Total non-current assets</b>		<b>7,16,587.10</b>	<b>4,14,003.68</b>	<b>2,22,647.53</b>
2	<b>Current assets</b>				
	(a) Inventories	11	4,268.55	4,877.57	5,960.26
	(b) Financial Assets				
	(i) Trade receivables	12	12,775.74	9,014.58	4,375.72
	(ii) Cash and cash equivalents	13	15,533.24	25,823.79	6,965.78
	(iii) Bank Balances other than (ii) above	13	14,407.31	24,323.83	77,930.83
	(iv) Loans	14	609.70	9,736.08	109.52
	(v) Others	15	25,420.02	27,741.75	1,190.80
	(c) Current Tax Assets (Net)	16	2,924.47	2,935.31	2,459.28
	(d) Other current assets	17	1,305.69	1,498.93	527.71
	<b>Total Current Assets</b>		<b>77,244.72</b>	<b>1,05,951.84</b>	<b>99,519.90</b>
	<b>TOTAL ASSETS</b>		<b>7,93,831.82</b>	<b>5,19,955.52</b>	<b>3,22,167.43</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	(a) Equity Share capital	18	97,521.74	49,021.74	49,021.74
	(b) Other Equity	19	1,14,765.83	1,11,513.91	1,04,499.42
	<b>Total equity</b>		<b>2,12,287.57</b>	<b>1,60,535.65</b>	<b>1,53,521.16</b>
	<b>LIABILITIES</b>				
1	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	20	3,78,681.12	1,62,141.26	83,239.22
	(ii) Other financial liabilities	21	511.76	725.87	388.33
	(b) Provisions	22	3,829.39	3,863.98	2,439.66
	(c) Deferred tax liabilities (Net)	23	1,342.41	1,131.28	1,864.23
	<b>Total non-current Liabilities</b>		<b>3,84,364.68</b>	<b>1,67,862.39</b>	<b>87,931.44</b>
2	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Trade and other payables	24	6,766.84	9,288.53	5,762.13
	(ii) Other financial liabilities	25	1,87,841.88	1,81,036.83	74,192.74
	(b) Other current liabilities	26	1,907.14	1,000.88	653.21
	(c) Provisions	27	173.16	231.24	106.75
	(d) Current Tax Liabilities (Net)	16	490.56	-	-
	<b>Total Current Liabilities</b>		<b>1,97,179.57</b>	<b>1,91,557.48</b>	<b>80,714.83</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,93,831.82</b>	<b>5,19,955.52</b>	<b>3,22,167.43</b>

Notes forming part of the financial statements

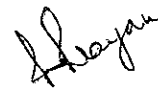
1-43

In terms of our report attached.

For Nag & Associates  
Chartered Accountants

  
(S. P. Padhi)  
Partner

  
(M. R. Mishra)  
Company Secretary

For and on behalf of the Board  
  
(H. P. Nayak)  
Director Finance

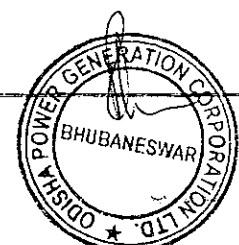
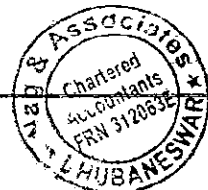
  
(Indranil Dutta)  
Managing Director

FRN : 310962E

Membership No: 053292

Place : Bhubaneswar

Date : 04-11-2017



Odisha Power Generation Corporation Limited  
Statement of Profit and Loss for the year ended March 31, 2017

(Rupees in Lakhs)

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations	28	72,178.28	62,753.49
II	Other Income	29	3,630.73	7,841.90
III	Total Income (I + II)		75,809.01	70,595.39
IV	Expenses			
	(a) Cost of materials consumed	30	47,103.35	35,225.15
	(b) Employee benefit expenses	31	5,799.02	5,642.00
	(c) Finance costs	32	977.19	465.42
	(d) Depreciation and amortization expenses	33	1,452.95	2,192.05
	(e) Impairment losses	34	1,106.57	-
	(f) Other expenses	35	8,133.67	8,762.06
	Total expenses (IV)		64,572.76	52,286.69
V	Profit before exceptional items and tax (III - IV)		11,236.25	18,308.70
VI	Exceptional Items		-	-
VII	Profit before tax (V-VI)		11,236.25	18,308.70
VIII	Tax Expenses:			
	(i) Current tax		4,220.89	6,973.72
	(ii) Tax of earlier years		10.85	22.12
	(iii) Deferred tax		211.61	(523.16)
	Total tax expenses		4,443.35	6,472.68
IX	Profit for the year (VII -VIII)		6,792.91	11,836.02
X	Other Comprehensive Income / (Losses)			
	(A) (i) Items that will not be reclassified to profit and loss			
	(a) Remeasurements of the defined benefit plans		(1.39)	(606.21)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		0.48	209.80
	(B) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses)		(0.91)	(396.41)
XI	Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)		6,792.00	11,439.61
XII	Earnings per equity share:- Basic and diluted (Rs)	37	130.44	241.44
XIII	Notes forming part of the financial statements	1-43		

In terms of our report attached.

For Nag & Associates  
Chartered Accountants



(S. P. Padhi)  
Partner

FRN : 310962E

Membership No: 053292

Place : Bhubaneswar

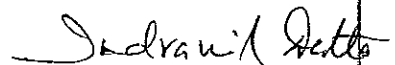
Date : 04-11-2017



(M. R. Mishra)  
Company Secretary

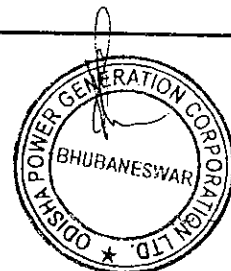
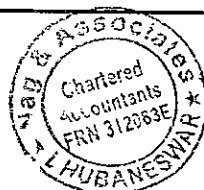


(H. P. Nayak)  
Director Finance



(Indranil Dutta)  
Managing Director

For and on behalf of the Board



02

83

Odisha Power Generation Corporation Limited  
Statement of Cash Flow for the year ended March 31, 2017

(Rupees in Lakhs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>(A) Cash flows from operating activities:</b>		
Profit before taxes	11,236.25	18,308.70
<b>Adjustments for:</b>		
Depreciation and amortization expense	1,452.95	2,192.05
Provision for impairment	1,106.57	-
Profit/loss on sale of Fixed Assets	15.15	(2.53)
Foreign currency fluctuation gain/(loss)	(0.20)	(0.95)
Interest and finance charges	977.19	465.42
Interest income from investment & deposits	(3,291.05)	(7,479.57)
CSR expenditure	324.33	268.34
<b>Operating profit before working capital changes</b>	<b>11,821.19</b>	<b>13,751.46</b>
<b>Adjustments for:</b>		
Trade receivable	(3,785.20)	(4,644.92)
Inventory	637.47	1,052.94
Other financial assets	9,981.05	52,640.58
Trade and other payables	(2,560.23)	3,284.86
Other financial and non financial liabilities	5,214.87	1,07,464.49
<b>Cash generated from operations</b>	<b>21,309.15</b>	<b>1,73,549.41</b>
Taxes Paid	(3,730.34)	(7,471.86)
CSR expenditure	(324.33)	(268.34)
<b>Net cash flow from operating activities</b>	<b>17,254.48</b>	<b>1,65,809.21</b>
<b>(B) Cash flows from investing activities:</b>		
Payments for purchase of fixed assets	(2,41,485.61)	(2,00,529.94)
Sale of property, plant and equipment	89.61	541.34
Interest received	3,517.60	7,878.11
Repayment of loan and other receivable*	1,109.27	(36,474.63)
Loans and advances provided	(168.22)	(43.33)
Dividend including Dividend Distribution Tax	(3,540.08)	(4,425.11)
Payment towards capital and other advances	(25,785.77)	2,595.89
Advance payments against leasehold land	(1,101.27)	16,282.84
<b>Net cash used in Investing Activities</b>	<b>(2,67,364.48)</b>	<b>(2,14,174.83)</b>
<b>(C) Cash flows from financing activities:</b>		
Issue of shares	48,500.00	-
Proceeds from borrowings	2,16,515.69	78,877.86
Interest paid	(24,982.12)	(11,991.78)
Repayment of other financial liabilities	(214.11)	337.54
<b>Net cash flow from financing activities</b>	<b>2,39,819.46</b>	<b>67,223.62</b>
<b>Net Increase/(decrease) in cash or cash equivalents</b>	<b>(10,290.55)</b>	<b>18,858.01</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25,823.79</b>	<b>6,965.78</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15,533.24</b>	<b>25,823.79</b>

Notes forming part of the financial statement

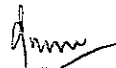
Note No. 1-43

- (i) Repayment of loan includes conversion of loan of Rs 10,197.45 lakhs in to equity during the year ended March 31, 2017 (FY 2015-16: Nil)
- (ii) Figures in brackets are cash outflows / incomes as the case may be.
- (iii) Previous years figures have been rearranged / regrouped wherever necessary to confirm to current year classification.
- (iv) The company has undrawn borrowings of Rs 3,83,300.97 lakhs (Previous year: Rs 5,99,828.00 lakhs) for expansion project from PFC and REC.

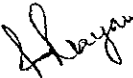
In terms of our report attached.

For Nag & Associates  
Chartered Accountants

For and on behalf of the Board

  
(S. P. Padhi)  
Partner

  
(M. R. Mishra)  
Company Secretary

  
(H. P. Nayak)  
Director Finance

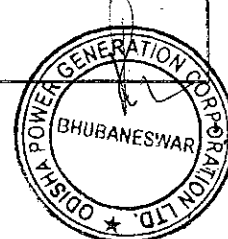
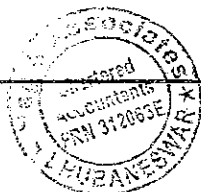
  
(Indranil Dutta)  
Managing Director

FRN: 310962E

Membership No: 053292

Place: Bhubaneswar

Date: 04-11-2017



**Odisha Power Generation Corporation Limited**  
**Statement of Changes in Equity for the years ended March 31, 2017**

**A. Equity Share Capital**

(Rupees in Lakhs)		
Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
49,021.74	-	49,021.74

(Rupees in Lakhs)		
Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
49,021.74	48,500.00	97,521.74

**B. Other Equity**

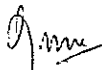
Particulars	(Rupees in Lakhs)		
	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2015	5,888.43	8,960.23	89,650.76
Profit for the year			11,836.02
Other Comprehensive Income			(396.41)
<b>Total Comprehensive Income</b>			<b>11,439.61</b>
Dividend (including tax on dividend)			(4,425.11)
Transfer of profits of the year to General Reserve			-
<b>Balance as at March 31, 2016</b>	<b>5,888.43</b>	<b>8,960.23</b>	<b>96,665.25</b>
Profit for the year			6,792.91
Other Comprehensive Income			(0.91)
<b>Total Comprehensive Income</b>			<b>6,792.00</b>
Dividends			(3,540.08)
Transfer of profits of the year to General Reserve			-
<b>Balance as at March 31, 2017</b>	<b>5,888.43</b>	<b>8,960.23</b>	<b>99,917.17</b>

Notes forming part of the financial statement

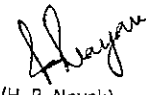
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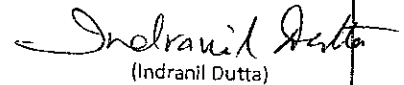
In terms of our report attached.  
 For Nag & Associates  
 Chartered Accountants

For and on behalf of the Board

  
 (S. P. Padhi)

  
 (M. R. Mishra)

  
 (H. P. Nayak)

  
 (Indranil Dutta)

Partner  
 FRN : 310962E

Company Secretary

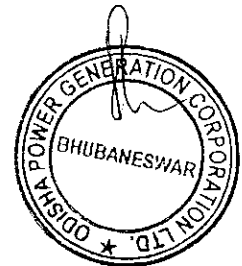
Director Finance

Managing Director

Membership No: 053292

Place : Bhubaneswar

Date: 04-11-2017



## Notes to Financial Statements

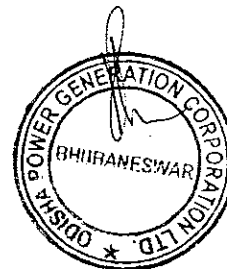
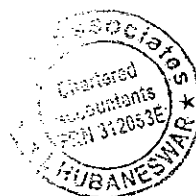
### Note 1. General Corporate Information:

Odisha Power Generation Corporation Limited ("the Company") incorporated in India with its registered office at Bhubaneswar, Odisha, India. The main objective of Company is of establishing, operating & maintaining large thermal power generating stations.

The vision of the Company is to be a world-class power utility committed to generate clean, safe and reliable power, enhancing value for all stake holders and contributing to national growth.

The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The Accounting Policy to form part of the financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on September 15, 2017.



**Note 2. First time adoption consideration**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ( "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2016. , with a transition date of 1 April 2015

These financial statements for the year ended 31 March 2017 are the Company's first financial statements prepared in accordance with Ind AS. Prior to adoption of Ind AS, the Company had been preparing its financial statements in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ("together referred to as "Indian GAAP") for all periods up to and including the year ended 31 March 2016. During the first-time adoption, the following optional exemptions are availed by the Company apart from the mandatory exemption:

**(i) Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(ii) Determining whether an arrangement contains a Lease**

The Company has elected to apply paragraphs 6-9 of the Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement contains a lease prospectively and not for the arrangement existing as an transition date.

**(iii) Investments in joint ventures**

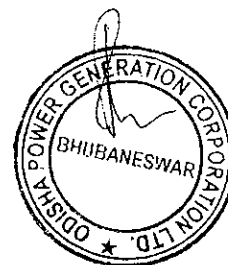
The Company has elected to continue with the carrying value of all of its investment in Joint Venture recognized as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(iv) Fair value measurement of financial assets or financial liabilities at initial recognition:**

The Company has elected to apply the requirements paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the transition date.

**(v) Changes in Existing Decommissioning, Restoration and Similar Liabilities**

The Company has elected to apply the exemption provided in Appendix D.D21 to D21A of Ind-As 101 in determination of decommissioning, restoration and similar liabilities



**Note 3. Significant Accounting Policies**

The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and preparing the opening Ind AS financial statement as at April 1, 2015 for purpose of transitions to Ind AS, unless otherwise indicated.

**3.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013 (to the extent notified and applicable).

The Company has adopted all the applicable Ind AS and such adoption was carried out in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from Indian GAAP which is its previous GAAP, as defined in Ind AS 101 with necessary disclosures relating to reconciliation of Shareholders' equity and the comprehensive net income as per Previous GAAP to Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.

The financial statements of the Company have been approved by the Board of Directors on their 198<sup>th</sup> meeting held on dated 25.09.2017.

**3.2 Adoption of New and Revised Standards**

Standards issued but not yet effective : In March 2017, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

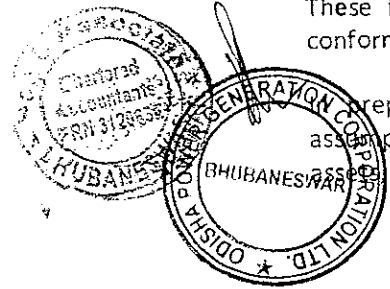
Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**3.3 Use of estimates and critical accounting judgments.**

These financial statements have been prepared based on estimates and assumptions in conformity with the recognition and measurement principles of Ind AS.

In preparation of financial statements, the company makes judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as



well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on historical experience and other factors considered reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. Significant judgements and estimates relating to the carrying amount of assets and liabilities, while evaluating/ assessing useful lives of property, plant and equipment, impairment of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies..

Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in at para below.

**3.4 Cash and cash equivalent.**

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and unrestricted for withdrawal and usage.

**3.5 Cash Flow Statement**

Cash flow is reported using the indirect method, where by profit / (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**3.6 Investments in subsidiaries, associates and joint ventures**

**SUBSIDIARY** - A subsidiary is an entity that is controlled by another entity. Control is achieved when the Company, has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

**ASSOCIATE** - An associate is an entity over which the Company has significant influence. Where as significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

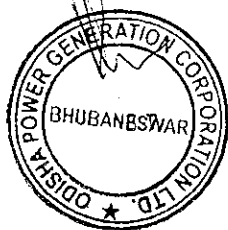
**INTERESTS IN JOINT VENTURES** - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions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

Investment in subsidiaries, associates and joint ventures are measured at cost in accordance with Ind AS 27 – Separate Financial Statements, less any impairment in net recoverable value that has been recognised in profit or loss.

**Property, Plant and Equipment and Intangible Assets (Other than goodwill)**

**Tangible Assets:**

Property, plant and equipment held for use in the production or/ and supply of goods or



services, or for administrative purposes, are measured at cost, less any subsequent accumulated depreciation and impairment loss, if any. Such cost comprises purchase price (net of recoverable taxes, trade discount and rebate etc.), borrowing cost, and any cost directly attributable to bringing the assets to its location and condition for intended use.

Expenditure incurred on development of freehold land is capitalized as part of the cost of the land. Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, borrowing costs if any attributable to such construction.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors and verified & accepted by the company.

Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Spare parts having unit value of more than ₹.1 lakh that meets the criteria for recognition as Property, plant and equipment are recognized as Property, plant and equipment.

#### **Intangible Assets:**

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite useful lives are amortized over their estimated useful lives, whereas intangible assets having indefinite useful lives are not amortized. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### **Subsequent expenditure:**

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

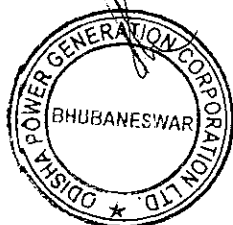
Expenditure on major maintenance or repairs including cost of replacing the parts of assets and overhaul costs where it is probable that future economic benefits associated with the item will be available to the Company, are capitalized and the carrying amount of the item so replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized.

The costs of the day-to-day servicing of property, plant and equipment is recognized in the statement of profit and loss as incurred.

#### **Capital work-in-progress**

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any) under Capital Work-in progress. The cost includes purchase cost of materials / equipment's duties and nonrefundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of assets.

Capital expenditure on assets not owned by the company related to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion



and ready for the intended use and, thereafter, under Property, plant and equipment. However, similar expenditure for CSR / community development is charged off to revenue

Expenses for assessment of new potential projects incurred till and for the purpose of making investment decision are charged to revenue.

Expenses incurred relating to project, net of income earned during project development stage prior to its intended use are considered as expenditure during construction / trial run and disclosed under Capital-work-in-Progress.

**Depreciation & Amortization:**

Freehold Land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expense are amortized over 30 years by taking its useful life.

Capital expenditure on assets laid on land not owned by the company as mentioned above is amortized over a period of its useful life.

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act, 2013 or based upon technical estimate made by the Company.

Depreciation on the following assets are provided over estimated useful life as ascertained based on internal assessment and independent technical evaluation that the useful lives as best represent the period over which Company expects to use these assets. Hence the useful lives for these assets are different from the useful life as prescribed under part C of Schedule II of the Companies Act 2013.

**Tangible Assets:**

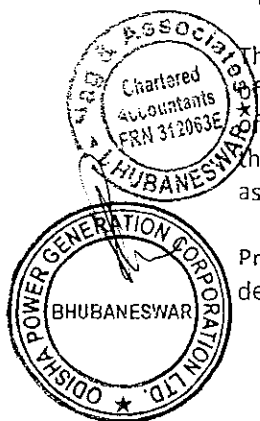
Particulars	Depreciation / amortization
Leasehold Land	Over the lease period or 30 years whichever is less. In absence of finalization of lease period, amortization made over a period of 30 years.
Ash Ponds	Over remaining period of useful life, evaluated on the basis of technical estimate made annually which includes the estimates of generation, utilization and increase of capacity in future years.
Porta Cabin	Over a period of five years
Tools and Tackles	Over a period of five years
CMT Colony Buildings	Over a period of 30 Years

**Intangible Assets**

Particulars	Depreciation / amortization
Computer software / licenses	Over a period of legal right to use subject to maximum ten years.

The estimated useful lives and residual values are reviewed at each year end, with the effect any changes in estimate, accounted for on a prospective basis. Each component of an item property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Property, plant and equipment including tools and tackles costing up to ₹,5,000/- are fully depreciated in the year in which it is for put to use.



Physical verification of Fixed Assets are undertaken in a phased manner by the management over a period of three years. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

#### **Disposal and derecognition of assets**

An item of property, plant and equipment and intangible asset is derecognized 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 sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### **3.8 Impairment of tangible and intangible assets**

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

Where an asset does not generate cash flows that are largely independent of those from other assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. Thermal Power Plant and each Mini Hydel Project are separately considered as cash generating units for determination of impairment of assets.

Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the assets may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessments of time value of money and the risks specific to the asset for which the estimation of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if there had no impairment loss been recognized for the asset (or a cash generating unit) in prior year. A reversal of an impairment loss is recognized in the statement of profit and loss immediately.

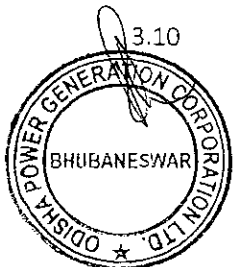
### **3.9 Foreign Currency Transactions**

Transactions in foreign currencies are initially recorded in reporting currency i.e. Indian Rupees, using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary items are measured at historical cost.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.

### **3.10 Provisions and Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated.



The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When appropriate, provisions are measured on a discounted basis. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to that liability.

#### Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

#### Restoration, rehabilitation and decommissioning

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of power and other manufacturing facilities.

If recognized, such costs are discounted to net present value and are provided for and a corresponding amount is capitalized at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

#### Environmental liabilities

Environment liabilities are recognized when the company becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

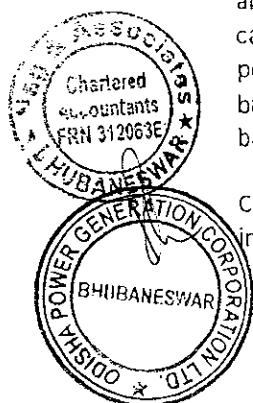
#### Litigation

Provision is recognized once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalized.

#### Contingent Liabilities and Assets:

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

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.



### 3.11 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly.

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as lessee.

##### Operating lease:

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

##### Finance lease:

Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

#### The Company as lessor

**Operating lease** – Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

**Finance lease** – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as an unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

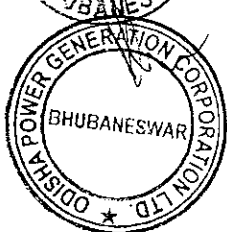
### 3.12 Inventories

Cost of Inventories includes purchase price, nonrefundable taxes & duties and other directly attributable costs incurred in bringing the same to their present location and condition.

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

The diminution in the value of unserviceable, obsolete and surplus stores and spares is ascertained on the basis of annual review and provided for in the statement of profit and loss.

Transit and handling losses /gain arises on physical verification including carpeting of coal are included in the cost of coal. Carpeting of coal during pre-commissioning period is treated as inventory and charged off to cost in the first year of operation.



Handling losses including sludge of oil as per company norms are included in the cost of oil.

**3.13 Trade receivable**

Trade receivables are amounts due from customers for sale of electrical energy in the ordinary course of business.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract. Loss allowance for expected life time credit loss is recognized on initial recognition.

**3.14 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.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized costs 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

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.

**Financial assets at Fair value through Profit or loss (FVTPL)**

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.

**Financial liabilities and equity instruments issued by the Company**

**Financial Liabilities**

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

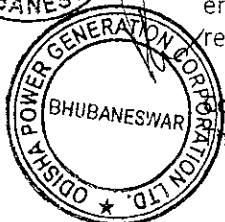
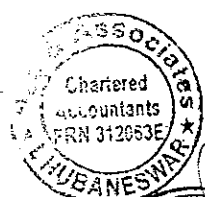
Other financial liabilities are measured at amortized cost using the effective interest method.

**Equity instruments**

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

**Compound instruments**

The component parts of compound instruments (convertible instruments) issued by the



Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

#### **Financial guarantee contract liabilities**

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

#### **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### **Impairment of financial assets**

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.

#### **Derecognition of financial liability**

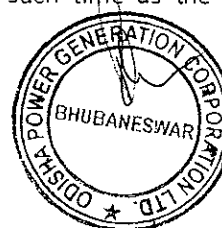
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### **Offsetting financial instruments**

Financial assets and liabilities 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.

#### **3.15 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.



A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for their intended use. The Company considers a period of twelve months or more as a substantial period of time.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### 3.16 **Accounting for Government grants / Grants in Aid**

Government grants are recognized when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with n future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

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.

### 3.17 **Employee Benefits**

#### **Short-term employee benefits**

Liability in respect of short term employee benefit is recognized at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employee in an accounting period.

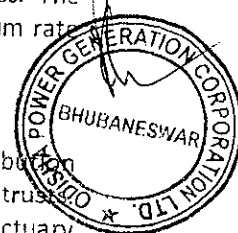
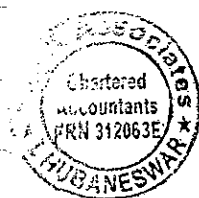
#### **Post-employment benefits**

##### **i. Defined contribution plans**

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by independent trust. Contributions are paid in return for services rendered by employees during the year. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

##### **ii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The gratuity schemes are funded by the Company and are managed by separate trust. The present value of these defined benefit plans are ascertained by an independent Actuary on each balance sheet date using the Projected Unit Credit Method as per requirement of Ind



AS 19 – Employee Benefits. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

#### **long-term employee benefits ( unfunded)**

These benefits includes liabilities towards leave benefits (including compensated absence which are not expected to occur within twelve months after the end of the period in which the employee renders the related service). The present value of obligation against long term employee benefits is ascertained on each balance sheet date by an independent Actuary using Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. All actuarial gains and losses and past service cost are recognized in the statement of profit and loss in the period in which they arise.

Expenses on leave travel concession, leave salary including pension contribution (employees on deputation) and travel assistance given to the employees on retirement are accounted for on cash basis following materiality concept.

### **3.18 Tax Expenses**

Tax expense for the year comprises current and deferred tax.

#### **Current tax :**

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

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which 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.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

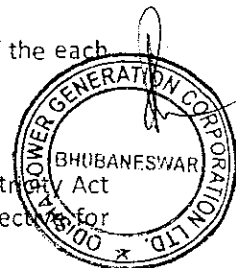
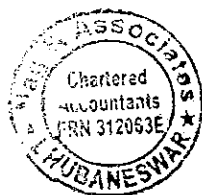
The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the each reporting period.

### **3.19**

#### **Revenue Recognition**

The Company's operations in India are regulated under the Electricity Act, 2003. Electricity Act has given powers to Odisha Electricity Regulatory Commission ("OERC") with an objective for making regulations for tariff for the power plants.

Revenue to be earned from the sale of electrical energy which is regulated based on certain formulae and parameters set out in tariff regulations issued from time to time. Tariff is based



on the cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, cost of capital, cost of working capital, operation & maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

#### **Sales of Electrical Energy**

The Company derives revenue principally from sale of energy. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing management involvement, and the amount of revenue can be measured reliably. Revenue from the sale of electrical energy is measured at the fair value of the consideration received or receivable.

Revenue from sale of electrical energy is accounted for based on tariff rates approved by the OERC and any modification by the orders of Appellate Tribunal if any to the extent applicable.

Delayed payment surcharge for late payment/ overdue trade receivables against sale of electrical energy is recognized when there is no significant uncertainty as to measurability or collectability exists.

#### **Other Incomes:**

Rent, Interest / surcharge recoverable on advances to suppliers as well as warranty claims / liquidated damages is recognized when there is no significant uncertainty about collectability exists or accepted by other party.

#### **Income from dividend**

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

#### **Interest Income**

Interest income from a financial asset is recognized 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 proportion basis, by reference to the principal outstanding and the effective interest rate applicable. 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.

#### **3.20 Exceptional items**

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

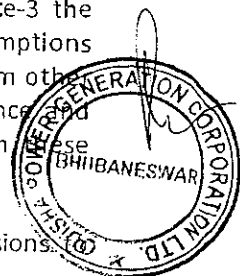
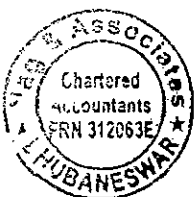
#### **3.21 Restatement of material error / omissions**

Incomes / expenditure relating to prior period of non-material nature i.e. below ₹.50,000 is not considered for restatement.

#### **3.22 Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note-3 the management of the Company is required to make judgments, 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 estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.



### Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point ii 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 has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹.69,302.07 lakhs (March 31, 2016: ₹.97,027.87 lakhs). Details of these assets are set out in note – 41.

#### ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### a. Impairment of investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

##### b. Provisions

Provisions (excluding retirement benefits and compensated absences) 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.

##### c. Contingent liabilities

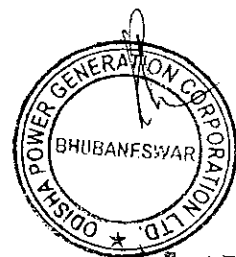
Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that 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.

##### d. 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 inputs that are not based on observable market data (unobservable inputs).

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**Odisha Power Generation Corporation Limited**  
**Reconciliation between previous GAAP and Ind AS**

The transition as at April 1, 2015 to Ind AS was carried out from previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101- First time adoption of Indian Accounting Standards (Refer Note:-2). The reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

**4 (i) Equity reconciliation**

Particulars	Note	(Rupees in Lakhs)	
		As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP		1,08,335.05	1,00,392.48
Tax Adjustment	(a)	130.08	59.74
Proposed Dividend	(b)	3,540.07	4,425.11
Government Grant reclassification	(c)	(185.58)	(185.58)
Prior Period Adjustment	(d)	(35.45)	(151.27)
Employee benefit (Leave & Gratuity)	(e)	(270.26)	(41.06)
Equity under Ind AS		1,11,513.91	1,04,499.42

**4 (ii) Total comprehensive income reconciliation**

Particulars	Note	(Rupees in Lakhs)	
		Year ended March 31, 2016	
Net income under Previous GAAP		11,482.65	
Prior Period adjustments	(d)	115.82	
Tax Adjustment	(a)	70.34	
Employee benefit (Leave & Gratuity)	(e)	(229.20)	
Profit for the year under Ind AS		11,439.61	
Other comprehensive income		396.41	
Total comprehensive income under Ind AS		11,836.02	

**4 (iii) Reconciliation of statement of cash flow**

There are no material adjustments to the statement of cash flows as reported under Previous GAAP

**Notes to reconciliations between Previous GAAP and Ind AS**

**(a) Tax adjustments**

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. These adjustments have resulted in an increase in equity under Ind AS by Rs 130.08 lakhs and Rs 59.74 lakhs as at March 31, 2016 and April 1, 2015 respectively and increase in net profit by Rs 70.34 lakhs for the year ended March 31, 2016.

**(b) Proposed Dividend**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the year in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the year in which it relates. This has resulted in an increase in equity by Rs 3,540.08 lakhs and Rs 4,425.11 lakhs as at March 31, 2016 and April 1, 2015 respectively.

**(c) Government Grant**

Under Ind AS, government grant received for mini hydel projects has been reclassified as liability. Under previous GAAP the same was accounted for under capital reserve. This has resulted in an decrease in equity by Rs 185.58 lakhs as at March 31, 2016 and April 1, 2015 respectively.

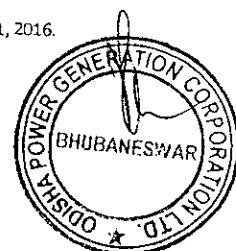
**(d) Prior Period Expenses**

All the prior period expenses has been adjusted in the respective periods in which such expenses pertains to. These adjustments have resulted in an decrease in equity under Ind AS by Rs 35.45 lakhs and Rs 151.27 lakhs as at March 31, 2016 and April 1, 2015 respectively and increase in net profit by Rs 115.82 lakhs for the year ended March 31, 2016.

**(e) Employee benefit (Leave & Gratuity)**

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP. Further interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

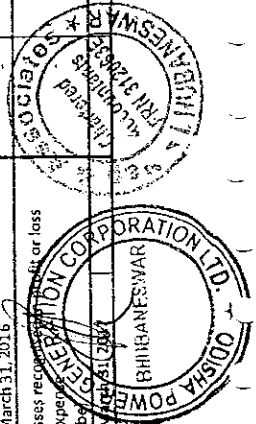
These adjustments have resulted in an decrease in equity and net profit under Ind AS by Rs 270.26 lakhs as at March 31, 2016.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

5. Property, Plant and Equipment and capital work-in-progress.

Particulars	[Rupees in Lakhs]																		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015								Total								
<b>Carrying amounts of:</b>																			
Freehold Land	15.75	15.75	25.49								15.75	15.75	25.49						
Building	4,452.54	2,316.76	2,521.18								4,452.54	2,316.76	2,521.18						
Plant & Equipments	15,239.74	14,932.31	15,055.12								15,239.74	14,932.31	15,055.12						
Furniture & Fixture	566.59	182.20	46.78								566.59	182.20	46.78						
Vehicles	1,129.48	107.26	9.57								1,129.48	107.26	9.57						
Office Equipment	1,045.64	838.76	(1.88)								1,045.64	838.76	(1.88)						
Road Bridge & Culvert	266.25	149.45	735.51								266.25	149.45	735.51						
Water Supply Drainage & Sewerage	443.92	165.04	138.88								443.92	165.04	138.88						
Power Supply Distribution & Lighting	21.82	24.10	31.85								21.82	24.10	31.85						
Heavy Mobile Equipment	23,277.48	19,732.10	19,802.38								23,277.48	19,732.10	19,802.38						
<b>Sub-total</b>	<b>5,94,665.59</b>	<b>3,32,939.00</b>	<b>1,22,953.61</b>								<b>5,94,665.59</b>	<b>3,32,939.00</b>	<b>1,22,953.61</b>						
<b>Capital work-in-progress</b>	<b>6,17,943.07</b>	<b>3,52,671.10</b>	<b>1,42,755.99</b>								<b>6,17,943.07</b>	<b>3,52,671.10</b>	<b>1,42,755.99</b>						
<b>Total</b>																			
<b>Particulars</b>	<b>Heavy Mobile Equipment</b>	<b>Library and Books</b>	<b>Total</b>																
5(i) Deemed cost																			
Balance as at April 1, 2015	31.85	-	31.85								31.85	-	31.85						
Additions	-	0.16	0.16								-	0.16	0.16						
Disposals	-	(0.01)	(0.01)								-	(0.01)	(0.01)						
Balance as at March 31, 2016	31.85	0.15	32.00								31.85	0.15	32.00						
Additions	-	-	-								-	-	-						
Disposals	-	-	-								-	-	-						
Balance as at March 31, 2017	31.85	0.15	32.00								31.85	0.15	32.00						
<b>Particulars</b>	<b>Water Supply Drainage &amp; Sewerage</b>	<b>Roads Bridges &amp; Culvert</b>	<b>Office Equipment</b>	<b>Vehicles</b>	<b>Furniture &amp; Fixture</b>	<b>Plant &amp; Equipments</b>	<b>Building</b>	<b>Freehold Land</b>	<b>Building</b>	<b>Plant &amp; Equipments</b>	<b>Furniture &amp; Fixture</b>	<b>Vehicles</b>	<b>Office Equipment</b>	<b>Roads Bridges &amp; Culvert</b>	<b>Water Supply Drainage &amp; Sewerage</b>	<b>Power Supply Distribution &amp; Lighting</b>	<b>Heavy Mobile Equipment</b>	<b>Library and Books</b>	<b>Total</b>
5(ii) Impairment losses recognised in profit or loss																			
Depreciation expense																			
Balance as at March 31, 2016	31.85	0.15	32.00								31.85	0.15	32.00						
Impairment losses recognised in profit or loss																			
Depreciation expense																			
Balance as at March 31, 2017	31.85	0.15	32.00								31.85	0.15	32.00						



**Odisha Power Generation Corporation Limited**  
Notes forming part of the financial statement

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
5(iii) Deemed Cost as at April 1, 2015	25.49	2,521.18	15,065.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.38
Balance as at March 31, 2016	15.75	2,316.76	14,932.31	188.20	107.26	838.76	994.47	149.45	165.04	24.10	-	19,732.10
Balance as at March 31, 2017	15.75	4,452.54	15,239.74	566.59	95.76	1,129.48	1,045.64	266.25	443.92	21.82	-	23,277.48

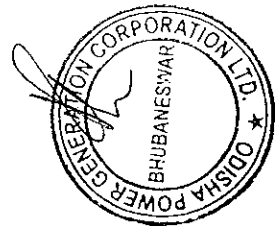
(i) Gross Block of Road, Bridge and Culvert includes assets laid on land not belonging to the Company of Rs642.25 lakhs.

(ii) Details of component of assets of operational units, expansion of power plant are as follows:

Descriptions	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Addition	Deduction / Adjustment	Up to 31.03.2017	For the Year	Arrear Depreciation	Deduction/ Written Back	As at 31.03.2017	As at 31.03.2016	
Operational Units	1,25,934.31	1,512.76	(89.61)	1,27,357.46	(1,279.73)	-	74.10	18,942.73	18,725.22	
Power Plant - 3 & 4	1,305.79	3,806.77	-	5,112.56	(478.91)	-	-	4,334.73	1,006.88	
Total	1,27,240.10	5,319.53	(89.61)	1,32,470.02	(1,758.64)	-	74.10	23,277.48	19,732.10	

(iii) Gross block, Accumulated Depreciation and Net block as on April 01, 2015 under previous GAAP are as follows:

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
Gross block as on April 1, 2015	25.49	7,638.90	1,11,292.81	419.62	252.65	2,800.72	1,624.03	471.26	552.22	305.84	14.09	1,25,397.73
Accumulated depreciation as on April 1, 2015	-	5,117.73	96,237.69	249.99	124.59	1,968.10	888.52	307.22	413.34	274.09	14.09	1,05,595.36
Net block as on April 1, 2015	25.49	2,521.17	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.37



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

(iv) Details of CWIP

(Rupees in Lakhs)

A CAPITAL WORK IN PROGRESS	As at 31st	As at 31st March, 2016	As at 1st April, 2015
	March, 2017		
Tangible Assets			
For Operational Power Plants	7,257.48	6,534.33	4,587.43
For Mini Micro Hydel Projects	1,314.76	1,314.76	1,314.76
Less: Accumulated Impairment losses	(1,106.57)	-	-
For Development of Coal Mines			7,277.31
For Expansion Power Plants	5,87,199.92	3,25,089.91	1,09,774.11
<b>Total</b>	<b>5,94,665.59</b>	<b>3,32,939.01</b>	<b>1,22,953.61</b>
Intangible Assets under Development			
Software	-	614.52	81.32
Coal Mines Development	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>614.52</b>	<b>81.32</b>

B Details of expenditure for expansion power plant included under Capital Work in Progress are as (Rupees in Lakhs)

Particulars	As at	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2017
	01.04.2016				
Ash Pond	10.97	34.26	-	-	45.23
Building	4,391.55	3,359.59	-	(335.21)	7,415.92
CMT- Building	2,594.65	-	-	(2,594.65)	-
Consultancy Charges- Power plant	1,789.13	1,360.04	-	-	3,149.16
Inspection Charges - Others	-	2.58	-	-	2.58
MGR	563.71	28,707.24	-	-	29,270.95
Plant & Machinery	2,38,302.19	1,91,579.23	-	-	4,29,881.42
Power Supply Distribution lighting	83.40	16.31	-	-	99.71
Road Bridge & Culvert	3.47	45.71	-	-	49.18
Statutory Clearance Fees & Expenses	129.36	4.63	-	-	133.99
Survey and Soil Investigation	5.47	-	-	-	5.47
Water Supply & Arrangements	15.31	-	-	-	15.31
Stock in Transit & Pending Inspection	46,686.68	53,692.18	(46,686.68)	-	53,692.18
Expenses During Construction Period	30,060.75	32,924.78	-	-	62,985.53
<b>Total</b>	<b>3,24,636.63</b>	<b>3,11,726.55</b>	<b>(46,686.68)</b>	<b>(2,929.86)</b>	<b>5,86,746.64</b>

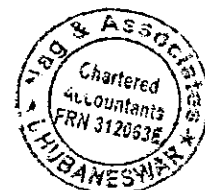
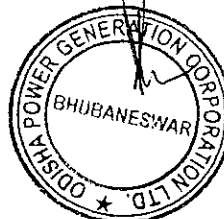
(Rupees in Lakhs)

Particulars	As at	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2016
	01.04.2015				
Ash Pond	-	10.97	-	-	10.97
Building	1,360.03	3,031.52	-	-	4,391.55
CMT- Building	-	2,594.65	-	-	2,594.65
Consultancy Charges	1,789.13	-	-	-	1,789.13
Inspection Charges - Others	-	-	-	-	-
MGR	-	563.71	-	-	563.71
Plant & Machinery	53,136.05	1,85,166.14	-	-	2,38,302.19
Power Supply Distribution lighting	6.88	76.52	-	-	83.40
Road Bridge & Culvert	121.14	-	-	(117.67)	3.47
Statutory Clearance Fees & Expenses	55.13	74.23	-	-	129.36
Survey and Soil Investigation	5.47	-	-	-	5.47
Water Supply & Arrangements	15.31	-	-	-	15.31
Stock in Transit & Pending Inspection	40,671.08	46,686.68	(40,671.08)	-	46,686.68
Expenses During Construction Period	12,613.89	17,446.86	-	-	30,060.75
<b>Total</b>	<b>1,09,774.11</b>	<b>2,55,651.28</b>	<b>(40,671.08)</b>	<b>(117.67)</b>	<b>3,24,636.63</b>

(v) Loan from PFC & REC is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (660 X 2MW). For details, Refer Note 2D.

(vi) Rs 26,345.53 Lakh (March 31, 2016: Rs 12,631.67 Lakh) of borrowing costs has been capitalised during the year on qualifying assets (property, plant and equipments) using a capitalisation rate of 10.55 % (March 31, 2016: 10.55%).

(vii) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. An amount of Rs. 1,314.76 lakhs was incurred for four Mini Hydel Projects (Harabhangi, Badanala, Banpur and Barbooria) which could not be completed since 1996 (schedule date of completion). Out of the above amount, Rs. 1,106.57 lakhs (P.Y. Rs. Nil) has been charged to statement of profit and loss as an impairment.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

6. Intangible Assets

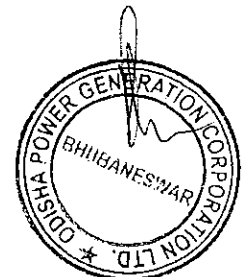
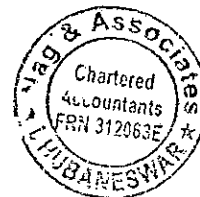
Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of :			
Software & SAP licence	804.48	73.83	78.94
Intangible assets under development	-	614.52	81.32
<b>Total</b>	<b>804.48</b>	<b>688.35</b>	<b>160.26</b>

Particulars	(Rupees in Lakhs)		
	Software & SAP licence	Intangible assets under development	Total
Cost or deemed cost			
Balance as at April 1, 2015			
Additions	78.94	81.32	160.26
Disposals/ Adjustments	72.00	533.20	605.20
Balance as at March 31, 2016	(81.67)	-	(81.67)
Additions	69.27	614.52	683.79
Disposals/ Adjustments	854.60	-	854.60
Balance as at March 31, 2017	-	(614.52)	(614.52)
	<b>923.87</b>	<b>-</b>	<b>923.87</b>

Particulars	(Rupees in Lakhs)		
	Software & SAP licence	Intangible assets under development	Total
Accumulated amortisation			
Amortisation for the year (FY 2015-16)			
Accumulated amortisation as at March 31, 2016	(4.56)	-	(4.56)
Amortisation for the year	(4.56)	-	(4.56)
Accumulated amortisation as at March 31, 2017	123.95	-	123.95
	<b>119.39</b>	<b>-</b>	<b>119.39</b>

Particulars	(Rupees in Lakhs)		
	Software & SAP licence	Intangible assets under development	Total
Deemed Cost			
Balance as at March 31, 2016	78.94	81.32	160.26
Balance as at March 31, 2017	73.83	614.52	688.35
	<b>804.48</b>	<b>-</b>	<b>804.48</b>

(i) Expenses incurred on maintenance of software system payable annually are charged to revenue.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

7 - Investments - Non-current

(Rupees in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amounts	No. of shares	Amounts	No. of shares	Amounts
<b>UNQUOTED INVESTMENTS CARRIED AT COST</b>						
Equity investment in joint ventures (jointly controlled entities)						
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	1020,00,000	10,200.00	25,500	2.55	25,500	2.55
<b>Total</b>		<b>10,200.00</b>		<b>2.55</b>		<b>2.55</b>

(i) The carrying amount and market value of unquoted investments is as follows:

(Rupees in Lakhs)

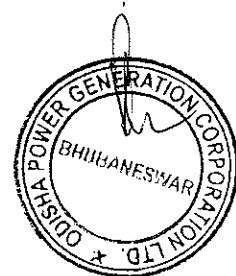
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Unquoted			
Aggregate carrying amount of unquoted investments #	10,200.00	2.55	2.55
<b>Total carrying amount</b>	<b>10,200.00</b>	<b>2.55</b>	<b>2.55</b>

# Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(ii) Details of % of holding and place of business :-

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
% of Holding	51%	51%	51%
Place of Business	Manoharpur and Dip-side Manhorpaur	Manoharpur and Dip-side Manhorpaur	Manoharpur and Dip-side Manhorpaur

(iii) Equity instrument for 102,000,000 no. of Shares of Face Value per Share Rs.10 each fully paid up (Previous year 25,500 No. of Shares of Face Value per Share Rs.10 each fully paid up). Odisha Coal and Power Ltd. (OCPL) is incorporated under the Companies Act, 2013 as wholly owned subsidiary company of OPGC on 20th January 2015. Subsequently Govt. of Odisha vide notification No.1578 dated 21st February 2015 has approved OCPL as joint venture company between the reporting company and Odisha Hydro Power Corporation Ltd (DHPC) by acquisition of 49% equity shares in OCPL from the reporting company. Shareholder's Agreement among reporting company, DHPC and OCPL is signed on 21st April 2016.



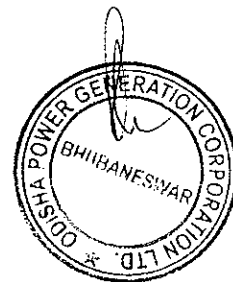
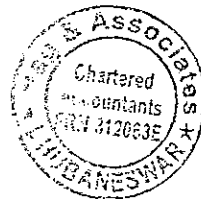
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Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

8 - Loans & Advances

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>a) Loans to employees</b>			
- Secured, considered good	210.38	146.72	127.17
- Unsecured, considered good	226.19	199.93	176.75
- Doubtful	-	-	-
Less : Allowance for credit Loss	-	-	-
<b>b) Security Deposits</b>	119.49	41.19	40.59
<b>Total</b>	<b>556.06</b>	<b>387.84</b>	<b>344.51</b>

- (i) Loan to employees includes Rs. 436.57 lakhs (March 31, 2016 : Rs. 346.65 lakhs & April 1, 2015 : Rs. 303.92 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans has been given at a rate varying between 6%-8% on simple interest basis.  
Secured loan represents vehicle loan of Rs 210.38 lakhs (March 31, 2016 : Rs. 146.72 lakhs & April 1, 2015 : Rs 127.17 lakhs), which has been hypothecated in the favour of the company.
- (ii) There are no outstanding debts from directors or other officers of the Company.

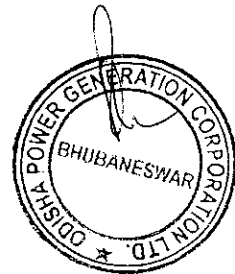
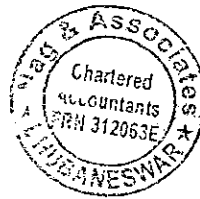


Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

9 - Other Financial Assets

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Other Receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	-	-	60.58
- Doubtful	-	-	-
Less : Allowance for credit Loss	-	-	-
<b>Total</b>	-	-	<b>60.58</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**10 - Other non-current assets**

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
- Advance for Land Acquisition	11,616.38	10,515.10	26,797.94
- Other Capital Advance	74,173.07	48,326.98	50,886.79
Advances related to Indirect Taxes	14.77	14.73	14.73
Prepayments (Leasehold Land)	1,279.27	1,336.70	1,388.20
Prepaid Expenses	-	60.33	107.22
Advance to suppliers & Contractors	-	-	128.76
<b>Total</b>	<b>87,083.49</b>	<b>60,253.84</b>	<b>79,323.64</b>

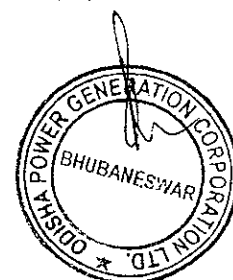
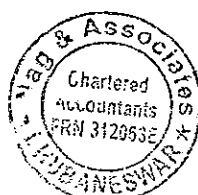
**Notes:**

- (i) Payment was made to Odisha Industrial Infrastructure Development Corporation (IDCO), Govt. of Odisha and CAMPA towards acquisition of land for Merry-Go-Round (MGR) Railway system and Ash Pond. As per the land acquisition policy of IDCO / Govt. of Odisha, the company shall deposit with IDCO / Govt. of Odisha (District Collector) the cost of land and service charges after complying the procedures laid down under applicable act and rules. On deposit of such cost and service charges, the land shall first be transferred in favour of IDCO and subsequently in favour of the company through "Lease Agreement". Pending execution of lease agreement and subsequent physical possession of land in favour of the company by IDCO, amount paid towards acquisition of land are disclosed as "Advance Against Land Acquisition".
- (ii) Capital advances mainly comprises of advance given to BHEL & BGR for expansion work of Unit 3 & 4 (660MW X 2)
- (iii) Prepayments (Lease hold land) and the amount shown in Note No-17 includes advance payments for AC.452.00 of Hirakud Reservoir land, AC.226.46 Village Forest land & AC.60.80 patta land which are in the possession of the company, lease deed of which are yet to be completed.
- (iv) Prepayments (Lease hold land) and the amount shown in Note No-17 includes AC.69.38 of Govt. land and AC.104.47 of private land valuing Rs 222.35 lakh which were surrendered in favour of Govt. of Odisha for eventual transfer to AES IB Valley Corporation for construction of Unit 5 & 6 of IB Thermal Power Station. The company requested Govt. of Odisha for restoration of title / right of land for expansion of unit 3 & 4 which is yet to be completed. However the Company is in possession of the above lands and used for the furtherance of its business.
- (v) The Company has taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company.

**Operating Leases**

Particulars	(Rupees in Lakhs)		
	Minimum Lease Payments		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than 1 year	100.97	144.52	98.88
Later than one year but not later than five years	403.90	578.08	395.52
Later than five years	875.38	758.62	992.68
<b>Total minimum lease commitments</b>	<b>1,380.25</b>	<b>1,481.22</b>	<b>1,487.08</b>

- (vi) During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was Rs 100.97 lakhs (2015-16: Rs 144.56 lakhs).
- (vii) Lease hold land are amortised over the lease period or 30 years which ever is less. Refer policy Note 3.7.
- (viii) Prepaid expenses includes payment made for various insurance coverages.



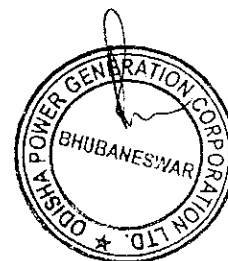
**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**11. - Inventories (At lower of cost or Net Realisable value)**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Raw Materials*			
(1) Cost	929.13	1472.37	2,344.25
(2) Less: Provision	-	-	-
(b) Components, Chemicals, Stores & Spares*			
(1) Cost	3,420.25	3476.31	3,444.73
(2) Less: Provision	91.58	91.58	91.58
(c) Tools & Tackles			
(1) Cost	10.75	11.11	12.25
(2) Less: Provision	-	-	-
(d) Stock in Transit			
(1) Cost	-	9.36	250.61
(2) Less: Provision	-	-	-
<b>Total Inventories</b>	<b>4268.55</b>	<b>4,877.57</b>	<b>5,960.26</b>

\* Physical verification of inventories except oil have been carried out by third party and valued as per significant accounting policy Note No. 3.12



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

12 - Trade receivables

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
(a) Secured, considered good			-
(b) Unsecured, considered good	12,775.74	9,014.58	4,375.72
(c) Doubtful			25.23
Allowance for doubtful debts			25.23
Total	12,775.74	9,014.58	4,375.72

- (i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. This included an amount of Rs 978.60 lakhs (FY 2015-16: Rs Nil, As at April 01, 2015: Rs 25.23 lakhs) has not been confirmed by the customer.
- (ii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.
- (iii) Trade receivables are further analysed as :

As at March 31, 2017	(Rupees in Lakhs)		
	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	11,792.33	-	11,792.33
One month overdue	977.20	-	977.20
Two months overdue	-	-	-
Three months overdue	0.02	-	0.02
Between three to six months overdue	-	-	-
Greater than six months overdue	6.20	-	6.20
TOTAL	12,775.74	-	12,775.74

As at March 31, 2016	(Rupees in Lakhs)		
	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	9,014.58	-	9,014.58
One month overdue	-	-	-
Two months overdue	-	-	-
Three months overdue	-	-	-
Between three to six months overdue	-	-	-
Greater than six months overdue	-	-	-
TOTAL	9,014.58	-	9,014.58

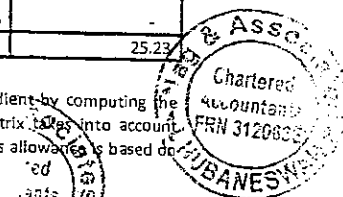
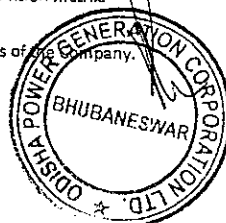
As at April 1, 2015	(Rupees in Lakhs)		
	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	4,400.95	25.23	4,375.72
One month overdue	-	-	-
Two months overdue	-	-	-
Three months overdue	-	-	-
Between three to six months overdue	-	-	-
Greater than six months overdue	-	-	-
TOTAL	4,400.95	25.23	4,375.72

- (iv) Movement in allowance for credit losses in respect of trade receivables:

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the period	-	25.23	25.23
Additions during the period	-	-	-
Utilised during the period	-	25.23	-
Balance at the end of the period	-	-	25.23

In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

- (v) There are no outstanding debts due from directors or other officers of the company.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

13 - Cash and Cash Equivalents

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) in Current Account	609.98	1,107.95	957.60
(ii) in Cash Credit Account	-	-	805.39
(b) Cash in hand	1.71	3.21	2.79
(c) Term Deposit with original maturity up to three months	14,921.55	24,712.63	5,200.00
<b>Total</b>	<b>15,533.24</b>	<b>25,823.79</b>	<b>6,965.78</b>
(d) Deposits with original maturity of more than three months but not more than twelve months	9,060.00	11,400.00	68,100.00
(e) Earmarked Balances with Bank			
Deposits with banks held as security against guarantees	5,163.34	12,745.84	9,645.84
Fixed Deposits with bank pledged as security or margin money	183.97	177.99	184.99
<b>Total</b>	<b>14,407.31</b>	<b>24,394.83</b>	<b>77,930.83</b>
<b>Total Cash and Bank Balances</b>	<b>29,940.55</b>	<b>50,147.62</b>	<b>84,896.61</b>

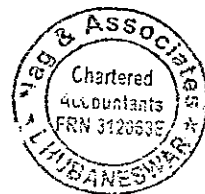
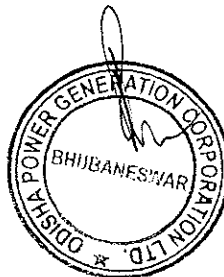
(i) The cash and bank balances are denominated and held in Indian rupees.

(ii) Earmarked cash and bank balances primarily represents margin and security provided for obtaining bank guarantees as detailed below:

- The Company had provided security to Yes Bank in terms of fixed deposits of Rs 1,539.20 (March 31, 2016: Rs 3,100.00 lakhs, April 01, 2015: 6,000.00 lakhs) for issuance of performance bank guarantees on behalf of OCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".
- The Company had provided security to Yes Bank in terms of fixed deposits of Rs 3,090.00 lakhs (March 31, 2016: Rs 3,090.00 lakhs, April 01, 2015: 3,090.00 lakhs) for issuance of bank guarantees in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line
- Fixed deposits of Rs 533.34 lakhs (March 31, 2016: Rs 533.34 lakhs, April 01, 2015: Rs 533.34 lakhs) has been pledged as security deposits in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir
- Fixed deposits of Rs 177.99 lakhs (March 31, 2016: Rs 177.99 lakhs, April 01, 2015: 177.99 lakhs) has been pledged as security deposit in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.

(iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	(Rupees in Lakhs)		
	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016	1.56	0.24	1.80
(+) Unpermitted receipts	-	-	-
(+) Permitted receipts	-	4.57	4.57
(-) Unpermitted payments	-	-	-
(-) Permitted payments	-	3.45	3.4
(-) Amounts deposited in Banks	1.56	-	1.56
Closing cash in hand as on 30.12.2016	-	1.36	1.36



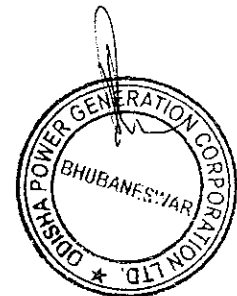
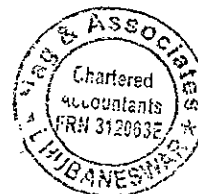
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

14 - Loans

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>a) Loans to employees</b>			
- Secured, considered good	49.79	38.63	38.20
- Unsecured, considered good	97.86	84.52	70.97
- Doubtful	-	-	-
Less : Allowance for credit Loss	-	-	-
<b>b) Loans to OCPL</b>			
- Secured, considered good	-	-	-
- Unsecured, considered good	461.96	9,612.65	-
- Doubtful	-	-	-
Less : Allowance for credit Loss	-	-	-
<b>c) Security Deposits</b>	0.09	0.28	0.35
<b>TOTAL</b>	<b>609.70</b>	<b>9,736.08</b>	<b>109.52</b>

- (i) Loan to employees includes Rs. 147.65 lakhs (March 31, 2016 : Rs. 123.15 lakhs & April 1, 2015 : Rs. 109.17 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans have been given at a rate varying between 6% - 8% on simple interest basis.  
Secured loan represents vehicle loan of Rs 49.79 lakhs (March 31, 2016 : Rs. 38.63 lakhs & April 1, 2015 : Rs 38.20 lakhs), which has been hypothecated in the favour of the company.
- (ii) There are no outstanding debts due from directors or other officers of the Company.
- (iii) Inter Company loan given to Odisha Coal and Power Ltd. (OCPL), a joint venture company through loan agreement dated 25th April 2015 for Rs 5,600 lakhs and 13th July 2015 for Rs. 4,000 lakhs. The loan has been given for the purpose of fund requirement of OCPL for payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses of OCPL. Board of Directors approve the loan of Rs 5,600 lakhs and Rs. 4,000 lakhs to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively.  
The Company has agreed to provide an amount of Rs 5,600 lakhs and Rs 4,000 lakhs as inter company loan on request of the OCPL. The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit.  
Term of Loan: The loan shall be for a period of 365 days from the date of the agreement and may be extended after approval of Board of Directors of the Company on the basis of request from OCPL.  
Interest: Interest shall accrue on each loan disbursement at the rate charged by Power Finance Corporation Ltd. (PFC) to State sector borrower (Category A+) applicable on the date of disbursement. The interest shall accrue and compounded on quarterly basis.  
Total inter company loan provided to OCPL during the year is Rs 406.59 lakhs (during FY 2015-16 is Rs 8892.18 lakhs). Interest accrued and compounded during 2015-16 and 2016-17 are Rs.720.47 lakhs and Rs 640.17 lakhs respectively. Out of total inter company loan including interest accrued an amount of Rs 10,197.45 lakhs has been converted to equity shares in OCPL during the year 2016-17 as per Board approval dated July 30, 2015 and March 09, 2017.
- (iv) The above loans and inter-corporate loans to OCPL have been given for business purpose.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

15 - Other Financial Asset

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to others		33.39	21.71
Interest accrued on loans and deposits	394.53	621.08	1,019.62
Other Receivables	292.51	173.96	144.80
Receivable from related parties	24,732.98	26,913.32	4.67
<b>Total</b>	<b>25,420.02</b>	<b>27,741.75</b>	<b>1,190.80</b>

- (i) Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of Accordingly an amount of Rs 177,54.75 lakhs (net off liabilities for security deposit & retention money from contractor Rs 78.09 lakh, accumulated depreciation Rs 44.51 lakh and borrowings Rs 7966.33 lakh) incurred by the company up to 31st March 2015 as a prior allottee has been certified by the Statutory Auditors of the Company and approved by Govt. of Odisha vide Memo No. 9598 dated 28.12.2016. The same has been accounted as receivable from OCPL. Details of amount receivable as prior allottee and other receivable from OCPL as shown above on the reporting date are given below:

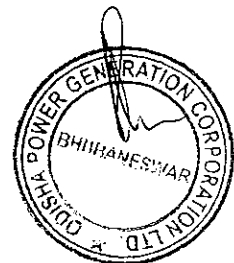
(Rupees in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Expenditures :</b>				
Tangible & Intangible Assets	118.62		118.62	
Development Expenses and Capital works in progress	6,915.23		6,915.23	
Advance against land acquisition	14,800.08		18,239.46	
Other Capital Advances	570.37	22,404.29	570.37	25,843.67
<b>Liabilities</b>				
Security deposit & Retention money	78.09		78.09	
Borrowings [Refer Note-4(i)]	7,966.33		7,966.33	
Accumulated Depreciation	44.51	8,088.92	44.51	8,088.92
<b>Net Expenditure Recoverable</b>		<b>14,315.37</b>		<b>17,754.76</b>

(Rupees in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>Other Expenses:</b>				
Interest on borrowed capital utilised for development of coal mine *	2,141.67		1,023.55	
Land Advance	51.69		-	
Contract Payment	64.00		64.00	
Salary of Deputed Employees	142.21		87.39	
Other Admin Expenses	19.00	2,418.57	17.30	1,192.24
<b>Total</b>		<b>2,418.57</b>		<b>1,192.24</b>

- (ii) Referring to Note- 20 (i), interest accrued on loan utilised for development of coal mine w.e.f. April D1, 2015 is accounted as receivable from OCPL.



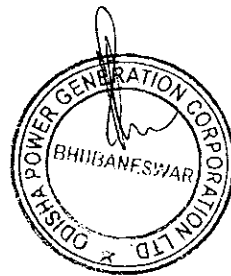
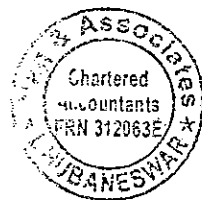
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

16 - Current tax assets and liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current tax assets</b>			
Tax refund receivables/Advance Tax Advance Tax and TDS for 2016-17	50,436.60 3,730.34	50,436.59	42,964.73
<b>Total</b>	<b>54,166.93</b>	<b>50,436.59</b>	<b>42,964.73</b>
<b>Current tax liabilities</b>			
Income Tax payable Provision for taxation for 2016-17	47,512.13 4,220.89	47,501.28	40,505.45
<b>Total</b>	<b>51,733.02</b>	<b>47,501.28</b>	<b>40,505.45</b>

<b>Current Tax Assets(Net)</b>	<b>2,924.47</b>	<b>2,935.31</b>	<b>2,459.28</b>
<b>Current Tax Liabilities (Net)</b>	<b>490.56</b>		

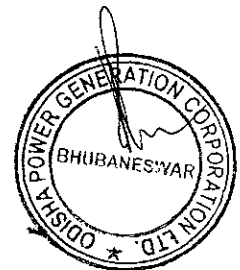


**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**17 - Other current assets**

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other assets	473.94	481.65	318.00
Advances to suppliers	730.78	872.76	110.83
Less: Allowance for doubtful	-	-	-
Prepayments (Leasehold Land)	100.97	144.52	98.88
<b>Total</b>	<b>1,305.69</b>	<b>1,498.93</b>	<b>527.71</b>

- (i) Other assets includes payment made for various insurance coverage and annual maintenance contracts etc.  
(ii) Advance to suppliers is unsecured and considered good.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**18 - Equity Share Capital**

Particulars	(Rupees in Lakhs)			
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at April 1, 2015
Equity Share Capital	97,521.74	49,021.74	49,021.74	49,021.74
<b>Total</b>	<b>97,521.74</b>	<b>49,021.74</b>	<b>49,021.74</b>	<b>49,021.74</b>
<b>Authorised Share Capital</b>				
100,00,000 nos. of equity shares of Rs 1000/- each (Previous year)		1,00,000.00	1,00,000.00	1,00,000.00
100,00,000 nos. of equity shares of Rs 1000/- each				
<b>Issued and Subscribed capital comprises :</b>				
9,752,174 nos. of equity shares of Rs 1000/- each	97,521.74	49,021.74	49,021.74	49,021.74
<b>Total</b>	<b>97,521.74</b>	<b>49,021.74</b>	<b>49,021.74</b>	<b>49,021.74</b>

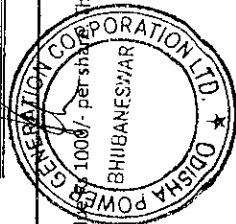
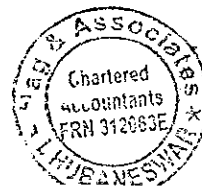
(i) The movement in subscribed and paid up share capital is set out below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.1000 each						
At beginning of the year	49,02,174	49,021.74	49,02,174.00	49,021.74	49,02,174.00	49,021.74
Shares allotted during the year	48,50,000	48,500.00				
	<b>97,52,174</b>	<b>97,521.74</b>	<b>49,02,174</b>	<b>49,021.74</b>	<b>49,02,174</b>	<b>49,021.74</b>

Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares
Governor of Odisha	49,73,609	51.00%	25,00,109	51.00%	25,00,109	51.00%
AES India Pvt Ltd	7,96,178	8.16%	7,96,178	16.24%	7,96,178	16.24%
AES OPGC holding (Incorporated in Mauritius)	39,82,387	40.84%	16,05,887	32.76%	16,05,887	32.76%
	<b>97,52,174</b>	<b>100%</b>	<b>49,02,174</b>	<b>100%</b>	<b>49,02,174</b>	<b>100%</b>

(ii) The Company has only one class of equity shares having a par value of Rs. 1000/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

19. Other equity

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General Reserve	8,960.23	8,960.23	8,960.23
Retained earnings	99,917.17	96,665.25	89,650.76
Security Premium reserve	5,888.43	5,888.43	5,888.43
<b>Total</b>	<b>1,14,765.83</b>	<b>1,11,513.91</b>	<b>1,04,499.42</b>

(i) General Reserve

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	8,960.23	8,960.23
Movements	-	-
<b>Balance at the end of the year</b>	<b>8,960.23</b>	<b>8,960.23</b>

(ii) Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	96,665.25	89,650.76
Profit attributable to owners of the Company	6,792.91	11,836.02
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.91)	(396.41)
Payment of dividends on equity shares	2,941.30	3,676.63
Related income tax on dividend	598.78	748.48
<b>Balance at the end of the year/period</b>	<b>99,917.17</b>	<b>96,665.25</b>

(iii) Security Premium Reserve

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year/period	5,888.43	5,888.43
Movement during the year	-	-
<b>Balance at the end of the year/period</b>	<b>5,888.43</b>	<b>5,888.43</b>

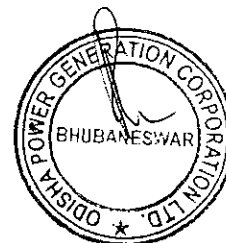
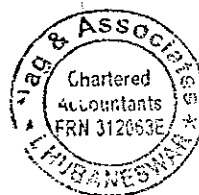
The nature of reserves are follows:

(a) General Reserve :- Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(b) Securities Premium Reserves: Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(iv) Proposed Dividend:

In respect of the year ended March 31, 2017, the directors propose that a dividend of Rs 17.41 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Total estimated equity dividend including dividend distribution tax to be paid is Rs 2,043.95 lakhs.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

20. Borrowings

Particulars	(Rupees In Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured - at amortised cost			
From PFC	2,09,752.24	94,651.70	43,591.11
From REC	1,68,928.88	67,489.56	39,648.12
<b>Total</b>	<b>3,78,681.12</b>	<b>1,62,141.26</b>	<b>83,239.22</b>

(i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the company as prior allottee amounting to Rs 10,145.19 lakh (Previous Year Rs 9,024.91 lakh). In line with clause 5.7 of Shareholders Agreement signed by the company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the company and approval by Govt. of Odisha. On request of the company and OCPL, PFC sanctioned loan in favour of OCPL by off loading from sanctioned limit of the company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment /transfer of the loan outstanding up to date of off loading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of off load), against sanctioned loan made by PFC. Further, on request of OCPL, the Company has requested PFC for prepayment of loan and interest utilised for development of coal mine. Pending with such off loading and / or acceptance of PFC for prepayment, Rs 10,145.19 lakhs shown under Term loan as above.

(ii) Term loan of Rs 4,33,000 lakh each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2x660 MW Coal based Thermal Power Plant, Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC have off loaded proportionate sanctioned limit related to development of coal mine as the coal mine was cancelled and allotted in favour of Odisha Coal and Power Limited, a joint venture company of OPGC & OHPC. Accordingly the sanctioned limit is reduced to Rs 3,81,187 lakh and Rs 3,81,200 lakh by PFC and REC respectively.

(iii) Security:-

(a) The term loans including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of the project ( 2 X 660 MW power plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts.

(b) If the security provided becomes inadequate to cover the balance of each of the loan outstanding, the company has undertaken to provide additional security as may be acceptable to lender.

(c) Repayment of the principal, interest and other charges due on term loan from PFC has been secured by opening of "Escrow Account" with Union Bank of India and also Union Bank of India has been appointed as Escrow Agent for this purpose.

(d) Repayment of the principal, interest and other charges due on term loan from REC has been secured by opening of "Trust and Retention Account" with Union Bank of India.

(iv) Repayment:-

(a) Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2018 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.

(b) The term loan from REC shall be repaid in 60 equal quarterly instalments and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires i.e. 31st December 2018 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full. Moratorium period shall be Commercial Date of Operation (COO) plus six months subject to maximum of five years from the date of 1st disbursement.

(v) Interest:-

(a) Interest on term loan shall be paid at the prevailing rate applicable to A+ category of state sector borrower with discount / rebate allowed from time to time on the date of each disbursement as per the terms and conditions of sanction of loan and policy of PFC and REC.

(b) PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.15) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.55% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate subject to interest rate not falling below 10.55% per annum. In case notified/ circular interest rate falls below 10.55% per annum, the same shall be applicable.

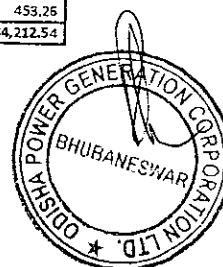
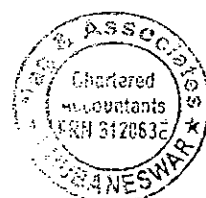
(c) Interest on PFC loan to be serviced on quarterly basis and due date for payment of interest is 15th day of April, 15th day of July, 15th day of October and 15th day of January every year.

(d) Interest on REC loan to be serviced on quarterly basis and due date for payment of interest is last day of the last month of the calendar quarter for every year.

(e) The Company has availed the option of interest reset in three years from the date of disbursement and paid upfront fee @ 0.05% on term loan sanctioned instead of commitment charges on undrawn amount for each of the quarter.

(vi) The maturity profile of borrowings (including interest accrued-Refer-Note 25) is as follows:

Contractual maturities	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In one year or less or on demand	4,370.86	1,054.44	973.31
Between one & two years	25,595.35		
Between two & three years	22,264.51	6,705.66	
Between three & four years	22,264.51	9,731.05	3,527.43
Between four & five years	22,264.51	9,731.05	5,068.21
More than five years	2,86,697.15	1,36,402.57	75,096.84
Total contractual cash flows	3,83,456.89	1,64,624.77	84,665.80
Less: Capitalisation of transaction costs	404.90	429.08	453.25
<b>Total Borrowings</b>	<b>3,83,051.99</b>	<b>1,64,195.69</b>	<b>84,212.54</b>



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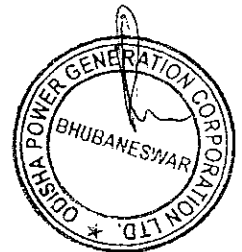
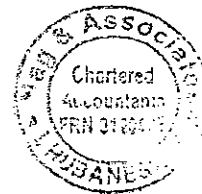
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Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

21. Other Financial Liabilities

(Rupees in Lakhs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Capital Creditors	-	12.13	16.88
b) Security Deposits	134.55	395.38	133.73
c) EMD and Retention Money	191.63	132.78	52.14
d) Payable to Government	185.58	185.58	185.58
<b>Total</b>	<b>511.76</b>	<b>725.87</b>	<b>388.33</b>

- (i) Government Grant of Rs 185.58 lakhs were received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects. The Company has impaired four Hydel projects during the year which were continued under Capital Work-in progress. Henceforth, grant has been reclassified as payable to government during the year ended March 31, 2017. Any unfulfilled conditions and other contingencies attaching to government assistance has not been reviewed and recognized.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement  
22. Provisions

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee Benefits			
- Gratuity	521.47	715.43	41.06
- Leave benefits	3,307.92	3,148.55	2,398.60
<b>Total</b>	<b>3,829.39</b>	<b>3,863.98</b>	<b>2,439.66</b>

- (i) Provision for employee benefits include Gratuity, Leave Benefits & Sick Leave  
(ii) Movement in provision balances are analysed below:

As at March 31, 2017		(Rupees in Lakhs)	
Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits
Present Value of the obligation at end	3,990.99	864.19	2,573.64
Fair Value of plan assets	3,469.52	-	-
Unfunded Liability/ provision in Balance Sheet	521.47	864.19	2,573.64
Unfunded Liability recognised in Balance Sheet	521.47	864.19	2,573.64

As at March 31, 2016		(Rupees in Lakhs)	
Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits
Present Value of the obligation at end	3,566.73	786.38	2,428.95
Fair Value of plan assets	2,717.81	-	-
Unfunded Liability/ provision in Balance Sheet	848.92	786.38	2,428.95
Unfunded Liability recognised in Balance Sheet	848.92	786.38	2,428.95

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 months 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 during the year on account of defined contribution plans amounted to Rs 495.70 lakhs (2016: Rs 982.91). The major defined contribution plans operated by the Company are as below:

a. Provident fund

In accordance with Indian law, eligible employees of the Company 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.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company

2. Defined benefit plans

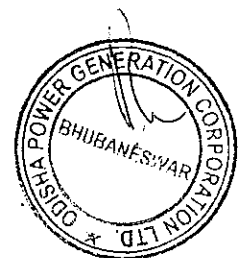
a. Retiring gratuity

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 in OPGC Ltd as per Rules of the Group Gratuity Scheme of the company. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India towards the gratuity contribution. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

- (iii) The following table sets out the amounts recognized in the financial statements for retiring gratuity plans in respect of the Company.

(Rupees in Lakhs)		
Change in defined benefit obligations:	Year ended March 31, 2017	Year ended March 31, 2016
(a) Obligation as at the beginning of the year	3,566.73	2,646.13
(b) Current service cost	183.18	170.46
(c) Interest cost	279.99	209.04
(d) Remeasurement (gains)/losses	2.60	613.77
(e) Benefits paid	(41.51)	(72.67)
Obligation as at the end of the year	3,950.99	3,566.73

(Rupees in Lakhs)		
Change in plan assets:	Year ended March 31, 2017	Year ended March 31, 2016
(a) Fair value of plan assets as at beginning of the year	2,717.81	2,566.52
(b) Interest income	214.56	210.32
(c) Remeasurement gains/(losses)	-	-
(d) Employers' Contributions	578.66	13.64
(e) Benefits paid	(41.51)	(72.67)
Fair value of plan assets as at end of the year	3,469.52	2,717.81



**Odisha Power Generation Corporation Limited**  
Notes forming part of the financial statement

(Rupees in Lakhs)

Amount recognised in the balance sheet consists of:	Year ended March 31,2017	Year ended March 31,2016
(a) Fair value of plan assets as at end of the year	3,469.52	2,717.81
(b) Present value of obligation as at the end of the year	3,990.99	3,566.73
(c) Amount recognised in the balance sheet	521.47	848.92
(f) Retirement benefit liability - Non current		

(Rupees in Lakhs)

	Year ended March 31,2017	Year ended March 31,2016
Costs recognised in the statement of profit and loss consist of:		
(a) Current service cost	183.18	170.46
(b) Net interest expense/(income)	66.64	6.29
Costs recognised in the statement of profit and loss:	249.82	176.75
Costs recognised in the statement of other comprehensive income consist of:		
(c) The Return on plan assets (excluding amounts included in net interest expense)	1.21	7.56
(d) Actuarial gains and (losses) arising from changes in demographic assumption	17.35	(19.43)
(d) Actuarial gains and (losses) arising from changes in financial assumption	(3.78)	(570.45)
(e) Actuarial gains and (losses) arising from changes in experience adjustments	(16.17)	(23.90)
Costs recognised in the statement of other comprehensive income	(1.39)	(606.21)

(iv) The fair value of company's retiring gratuity plan assets as of March 31, 2017 and March 31, 2016 by category are as follows:

Assets category [%]	Year ended March 31,2017	Year ended March 31,2016
(a) Equity instruments	-	-
(b) Debt instruments	-	-
(c) Funds Managed by Insurer	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

(v) The assumptions used in accounting for retiring gratuity are set out below:

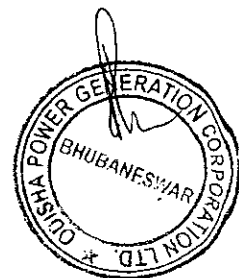
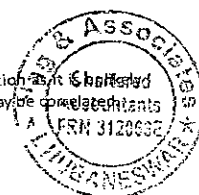
	As at March 31,2017	As at March 31, 2016
(a) Discount rate	7.44	7.85
(b) Rate of escalation in salary	8.40	8.80

(vi) The Company expects to contribute Rs. 240.12 lakhs to the plan in fiscal year 2018.

(vii) The table below outlines the effect on defined benefit obligation in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.50%	(127.71)
	Decrease by 0.50%	134.36
Salary escalation	Increase by 0.50%	132.51
	Decrease by 0.50%	(127.17)

The above sensitivities may not be representative of the actual change in the defined benefit obligation as the change in assumptions would occur in isolation of one another as some of the assumptions may be inter-related.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

23. Deferred tax balances

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Tax Liabilities			
Less: Deferred Tax Asset	2,798.42	2,622.54	2,799.91
	1,456	1,491.26	935.68
<b>Net Deferred Tax (Asset)/ Liability</b>	<b>1,342.41</b>	<b>1,131.28</b>	<b>1,864.23</b>

Income Tax

The reconciliation of estimated income taxes to income tax expenses is as follows:

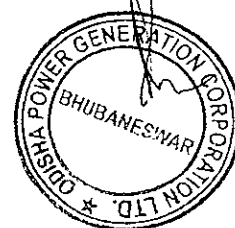
Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Income before income taxes	11,236.25	18,308.70
Tax Calculated based on normal tax rate	3,888.64	6,336.27
Items not deductible for tax/not liable to tax		
Donation & CSR Expenses	144.64	138.76
Non deduction of tax at source	7.38	1.00
Impairment loss	382.96	-
Others	19.72	(3.35)
<b>Income tax expense reported</b>	<b>4,443.35</b>	<b>6,472.68</b>

Significant component of deferred tax assets and liabilities for the year ended March 31, 2017 is as follows:

	(Rupees in Lakhs)				
	Opening balance as at April 1, 2016	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in DCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2017
<b>Deferred tax assets</b>					
Provisions	1,449.05	(32.55)	0.48	-	1,416.98
Others	42.21	(3.17)	-	-	39.03
<b>Total</b>	<b>1,491.26</b>	<b>(35.73)</b>	<b>0.48</b>	<b>-</b>	<b>1,456.01</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	2,622.54	175.88	-	-	2,798.42
<b>Total</b>	<b>2,622.54</b>	<b>175.88</b>	<b>-</b>	<b>-</b>	<b>2,798.42</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>1,131.28</b>	<b>211.60</b>	<b>(0.48)</b>	<b>-</b>	<b>1,342.41</b>

Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows:

	(Rupees in Lakhs)				
	Opening balance as at April 1, 2015	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in DCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2016
<b>Deferred tax assets</b>					
Provisions	921.74	317.51	209.80	-	1,449.05
Others	12.40	29.80	-	-	42.21
<b>Total</b>	<b>934.14</b>	<b>347.32</b>	<b>209.80</b>	<b>-</b>	<b>1,491.26</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	2,798.38	(175.83)	-	-	2,622.54
<b>Total</b>	<b>2,798.38</b>	<b>(175.83)</b>	<b>-</b>	<b>-</b>	<b>2,622.54</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>1,864.23</b>	<b>(523.15)</b>	<b>(209.80)</b>	<b>-</b>	<b>1,131.28</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**24. Trade and other Payables**

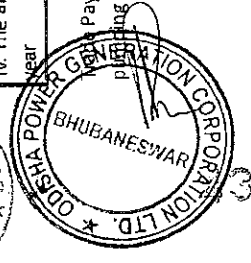
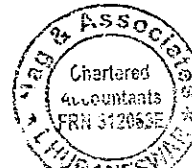
Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises	3.66	23.25	3.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	913.30	2,183.27	974.50
<b>Other Payables</b>			
Liabilities for Expenses Payable to employees	4,553.79	5,672.31	3,862.99
	1,296.09	1,409.72	921.19
<b>Total</b>	<b>6,766.84</b>	<b>9,288.53</b>	<b>5,762.13</b>

(i) payable to employees includes Rs 513.75 lakhs for 7th pay revision (March 31, 2016: Nil)

(ii) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

Description	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i. The principal amount remaining unpaid to supplier as at the end of the year	3.66	23.25	3.45
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-

Trade Payables includes Rs 211.64 lakh (Previous year Rs 28.28 lakh) (net) in MCL account which is due to non adjustment of differential entry tax, quantity difference, piloting charges of water supplied and credit allowed in un-graded coal etc at their end.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

25. Other Financial Liabilities

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Interest accrued on borrowings	4,370.86	2,054.44	973.31
b) Others:			
Deposits & Retention Money	2,473.23	2,689.14	2,087.02
Capital Creditors	1,80,997.79	1,76,293.25	71,132.41
<b>Total</b>	<b>1,87,841.88</b>	<b>1,81,036.83</b>	<b>74,192.74</b>

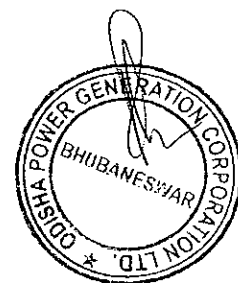
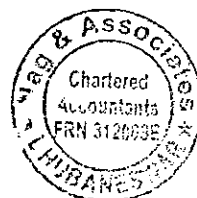
26. Other Current Liabilities

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Advances from Customers & others	139.18	71.00	25.20
b) Statutory Dues Payables	1767.96	929.88	628.01
<b>Total</b>	<b>1,907.14</b>	<b>1,000.88</b>	<b>653.21</b>

(i) Statutory dues includes payables in respect of excise duties, service tax, sales tax, VAT, tax deducted at source among others.

27. Provisions

Particulars	(Rupees in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee Benefits			
- Gratuity	-	133.49	38.54
- Leave benefits	173.16	97.75	68.21
<b>Total</b>	<b>173.16</b>	<b>231.24</b>	<b>106.75</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**28. Revenue from Operations**

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Sale of Power	72,178.28	62,753.49
<b>Total</b>	<b>72,178.28</b>	<b>62,753.49</b>

(i) Sale has been accounted for in accordance with the tariff approval by OERC for FY 2016-17.

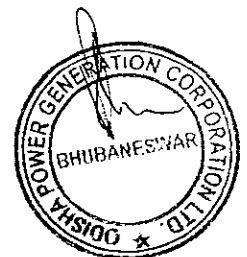
(ii) Sale does not include internal consumption of 349.211 MU including transformer loss of 11.994 MU for the reporting year (previous year 344.496 MU including transformer loss of 16.218 MU), the cost of which has been determined at Rs 6910.87 lakh (previous year Rs 5835 lakh) approximately.

(iii) In absence of power purchase agreement, 0.293 MU net (previous year 0.342 MU net) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.

(iv) Particulars of Generation, Auxiliary Consumption and Sale of power

(Rupees in Lakhs)

Particulars	2016-17	2015-16
Generation (MU)	3,234.88	3,117.32
Sale (MU)	2,885.67	2,772.82
Internal consumption (MU)	349.21	344.50
Sale (Net) (Rs in lakh)	72,178.28	62,753.49
Internal consumption (Rs in lakh)	6,910.87	5,835.00



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

29. Other Income

(Rupees in Lakhs)

	Particulars	Year ended	Year ended
		March 31, 2017	March 31, 2016
a)	Interest Income		
	Interest income from Bank Deposits at amortised Cost	2,552.63	6,653.21
	Interest income from loans to related parties at amortised cost	711.28	805.85
	Others	27.14	20.51
		<b>3,291.05</b>	<b>7,479.57</b>
b)	Other non-operating income (net of expenses directly attributable to such income)		
	Sale of Scrap / residual materials	120.53	37.69
	Miscellaneous Incomes	206.15	269.82
	Exchange Gain	0.20	0.95
	Liability/Provision written back	12.80	51.34
		<b>339.68</b>	<b>359.80</b>
c)	Other gains and losses		
	Gain/(loss) on disposal of PPE	-	2.53
		-	2.53
	<b>Total</b>	<b>3,630.73</b>	<b>7,841.90</b>

(i) Miscellaneous income includes

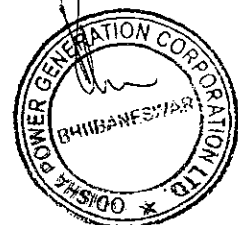
(a) Township recoveries of Rs 20.73 lakhs (previous year RS 71.67 lakhs)

(b) Rs 29.77 lakh (previous year Rs 68.77 lakh) liquidated damage and penalty recovered from contractors and others.

(c) Rs 8.18 lakh (previous year [Rs 28.90 lakh]) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

(ii) Excess Provision written back related to

Provision for Debtor	-	25.23
Obsolete stores/spares	-	-
Employee benefits and expense	10.74	0.39
Generation and other expenses	1.67	13.26
Administrative expenses	0.39	12.46



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

30. Cost of raw material consumed

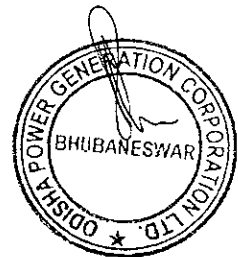
(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Imported	-	-
Indigenous	47,103.35	35,225.15
Total	47,103.35	35,225.15

Particulars of raw materials consumed (Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Coal	46,747.02	34,626.33
FO / LDO	356.33	598.82
Total	47,103.35	35,225.15

- (i) Shortage of coal of 1,287.35 MT amounting to Rs 24.10 lakh (Previous year shortage of 10,505.81 MT amounting to Rs 163.31 lakh) found during physical verification has been charged to cost of raw material consumed as per the policy Note No-3.12.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

31. Employee Benefit Expenses

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	8,176.86	8,038.84
Contribution to provident and other funds	664.33	605.90
Staff Welfare expenses	667.73	625.21
<b>Total (A)</b>	<b>9,508.92</b>	<b>9,269.95</b>
Less :		
Allocated to fuel cost	489.52	559.33
Amount included in the cost of qualifying assets	3,220.38	3,068.62
<b>Total (B)</b>	<b>3,709.90</b>	<b>3,627.95</b>
<b>Net (A-B)</b>	<b>5,799.02</b>	<b>5,642.00</b>

- (i) The Company has recognised in the statement of profit and loss, an amount of Rs 37.89 lakhs (2015-16: Rs 31.39 lakhs) as expenses with respect to key managerial personnel. The details of such expenses are as below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Short term employee benefits	37.89	31.39
(b) Post employment benefits	-	-
(c) Other long term employee benefits	-	-

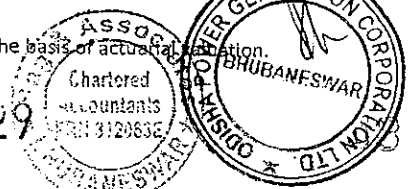
- (ii) It includes an amount of Rs 729.36 lakh (previous year Rs 706.43 lakh) towards provision for Variable Pay of the employees under approved performance management system of the company.
- (iii) Disclosure as per IND A5-19 in respect of provision made towards various employee benefits are given as follows.

**A. Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Govt. of India. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary.

**B. Gratuity:** The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance) for each completed year of service subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme.

**C. Leave:** The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the cadre employees of the Company which accrue annually at 30 days and 10 days respectively. Similarly the company also provides benefit to Market Based Salary structure employees (MBS) which accrued annually at 24 days. Earned leave and half pay leave is not encashable during service. However total earned leave that can be encashed on superannuation / separation shall be restricted to 300 days in case of cadre employees and 60 days in case of MBS employees. Commutation of half-pay leave shall be permissible. These schemes are unfunded and the liability for the same is recognised on the basis of actuarial valuation.

- (iv) The above mentioned schemes (A and C) are unfunded and are recognised on the basis of actuarial valuation.



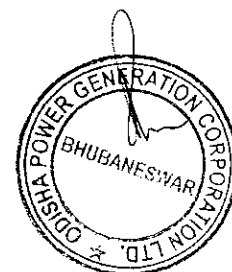
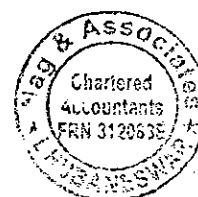
**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**32. Finance Costs**

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest Expense		
Interest on term loan	26,345.53	12,631.67
Interest on short term loans from scheduled bank	-	465.42
(b) Other Borrowing Cost		
Guarantee Commission	977.19	-
<b>Total Finance Cost</b>	<b>27,322.72</b>	<b>13,097.09</b>
Less : amount included in the cost of qualifying assets	26,345.53	12,631.67
<b>Total</b>	<b>977.19</b>	<b>465.42</b>

- (i) Other borrowing cost represents Rs 977.19 lakhs paid during the year to Govt of Odisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

33. Depreciation & amortisation expenses

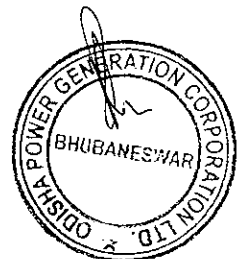
(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation & amortisations	1,983.57	2,433.62
Less:		
Allocated to fuel cost	21.31	20.65
Amount included in the cost of qualifying assets	509.31	220.92
<b>Total</b>	<b>1,452.95</b>	<b>2,192.05</b>

34. Impairment losses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment of CWIP (Mini Micro Hydel Projects)	1,106.57	-
<b>Total</b>	<b>1,106.57</b>	<b>-</b>



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement  
35. Other Expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Generation Expenses:</b>		
Consumption of Stores, spares & chemicals	1,240.24	1,672.93
Electric Power, Electricity Duty and Water	1,761.37	1,562.98
Contract Job outsourcing expenses	1,154.20	1,691.11
Insurance	73.24	70.14
Other generation expenses	360.15	443.16
Repairs to buildings	284.29	419.87
Repairs to Machinery	46.74	62.28
	4,920.23	5,922.47
<b>Selling and Distribution Expenses:</b>		
Rebate in the nature of cash discount to customer	1,096.77	1,151.81
<b>Administrative Expenses:</b>		
Rent	269.06	266.98
Professional Fees and expenses	48.70	12.55
General expenses	3,324.96	2,169.25
Management Service Charges	29.84	27.65
Rate, Taxes & Cess	48.84	220.76
Other Repairs	61.73	65.22
Travelling expenses	271.33	252.23
Watch and Ward expenses	494.08	431.77
Township development expenses	353.66	140.80
	4,902.20	3,587.21
<b>Other Expenses</b>		
Payment to Auditors	11.59	10.14
Peripheral development expenses	2.51	12.17
Donation	93.60	132.60
Trade Receivables Written Off (Net)	30.10	6.06
Loss on Sale of Fixed Assets	15.15	-
Inventories / assets written off / written back(net)	1.30	29.75
	154.25	190.72
<b>Corporate Social Responsibility</b>	324.33	268.34
<b>Less: Allocated to Fuel Cost</b>	695.61	581.19
Amount included in the cost of qualifying assets	2,568.50	1,777.29
	3,264.11	2,358.48
<b>Total</b>	<b>8,133.67</b>	<b>8,762.06</b>

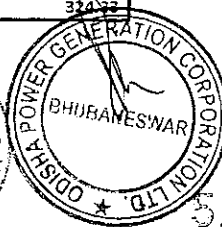
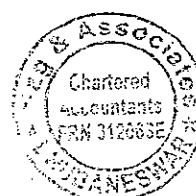
(i) Payment to Auditors As:

	2016-17	2015-16
<b>(a) As Auditors</b>		
Statutory Audit Fees	6.33	6.33
Statutory Audit expenses	1.13	1.01
<b>(b) Tax Audit Fees</b>	1.06	0.75
<b>(b) Certification fee</b>	1.52	0.74
<b>(c) As Cost Auditors</b>		
Cost Audit Fees	1.21	1.03
Cost Audit expenses	0.35	0.29
<b>TOTAL</b>	<b>11.59</b>	<b>10.14</b>

(ii) In terms of section 135 of the companies act 2013, the company is required to make an expenditure on Corporate Social Responsibility for an amount of Rs 394.85 lakh during the reporting year.

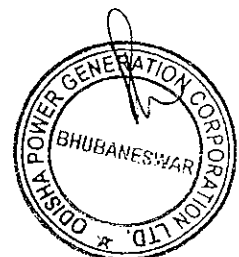
(iii) Out of Rs 394.85 lakh, the company spent as follows during the year

PARTICULARS	Yet to be paid in		Total
	In Cash	Cash	
Construction / acquisition of any asset	-	-	-
On purpose other than (i) above	296.87	27.46	324.33
<b>Total</b>	<b>296.87</b>	<b>27.46</b>	<b>324.33</b>



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

Cost of Qualifying Assets( Unit 3 & 4)		2016-17		2015-16	
<b>A.</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>				
	Salaries & Wages	3,077.96		2,933.63	
	Contribution to				
	Provident fund	87.15		115.80	
	Gratuity fund	-		-	
	Staff Welfare Expenses	55.27	3,220.39	19.20	3,068.62
<b>B.</b>	<b>FINANCE COST</b>				
	Interest Expenses	26,345.53		12,631.67	
	Other borrowing Cost	-	26,345.53	-	12,631.67
<b>C.</b>	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>				
	Depreciation	509.31	509.31	220.92	220.92
<b>D.</b>	<b>ADMINISTRATIVE AND OTHER EXPENSES</b>				
	Administrative Expenses	-		-	
	Rent	109.88		141.55	
	Professional Fees and expenses	-		-	
	General expenses	2,255.56		1,443.42	
	Rate, Taxes & Cess	17.04		8.74	
	Travelling expenses	77.86		81.94	
	Watch and Ward expenses	89.65		85.49	
	Community development and welfare expenses	15.99		4.96	
	Peripheral development expenses	2.50		11.19	
	Donation	-	2,568.50	-	1,777.29
	CSR expenditure in compliance to Environmental Clearance	327.53	327.53	201.62	201.62
	<b>Total</b>	-	<b>32,971.25</b>	-	<b>17,900.12</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statements**

**36. Related party transactions**

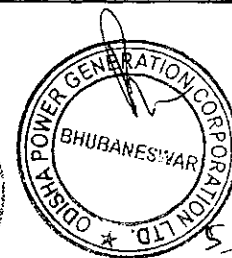
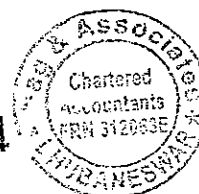
Odisha Power Generation Corporation Ltd (the Company) controlled by the Government of Odisha (GoO) . GoO holds 51% ownership interest in the Company and balance 49% ownership interest is jointly held by AES India Pvt Ltd and AES OPGC Holding (Incorporated in Mauritius) as on March 31, 2017. The Company's related parties principally consist of GoO, OPGC Ltd Provident Fund Trust, AES India Pvt Ltd , AES OPGC Holding and OCPL as its Joint venture. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(Rupees in Lakhs)

Transactions	OCPL	AES India Pvt. Ltd	AES OPGC holding	Key Management Personnel	Relatives of Key Management Personnel	PF Trust	Government of Odisha
<b>Finance provided</b>							
FY 2016-17	10,659.41						
FY 2015-16	9,615.20						
<b>Interest on loan given</b>							
FY 2016-17*	2,891.77						
FY 2015-16	1,829.41						
<b>PF Contribution</b>							
FY 2016-17						921.86	
FY 2015-16						750.14	
<b>Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources</b>							
FY 2016-17		946.52					
FY 2015-16		825.80					
<b>Management Services Charges</b>							
FY 2016-17		29.84					
FY 2015-16		27.65					
<b>Remuneration</b>							
FY 2016-17				37.89			
FY 2015-16				31.39			
<b>Dividend paid</b>							
FY 2016-17		963.53	477.71				1,500.07
FY 2015-16		1,204.21	597.03				1,874.76
<b>Guarantee commission paid</b>							
FY 2016-17							977.19
FY 2015-16							-
<b>Equity share capital received</b>							
FY 2016-17			23,765.00				24,735.00
FY 2015-16							-
<b>Guarantee outstanding</b>							
FY 2016-17	12,229.00						
FY 2015-16	12,229.00						
<b>Outstanding receivable</b>							
FY 2016-17	24,732.98						
FY 2015-16	26,913.32						
<b>Outstanding payables</b>							
FY 2016-17						93.34	
FY 2015-16						56.50	

\* It includes interest on PFC loan availed by OPGC for the FY 2016-17 and 2015-16 . For details refer Note-15.

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**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**37. Earning per share (EPS)**

The following table reflects the income and shares data used in the basic and diluted earnings per share computations.

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	6,792.91	11,836.02
Less: Amount to be paid for diluted portion (net of tax)	-	-
<b>Profit attributable to ordinary shareholders - for Basic &amp; Diluted EPS</b>	<b>6,792.91</b>	<b>11,836.02</b>
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	52,07,790	49,02,174
Nominal value of Ordinary Shares (Rs)	1,000.00	1,000.00
<b>Basic &amp; Diluted Earnings per Ordinary Share (Rs)</b>	<b>130.44</b>	<b>241.44</b>

**38. Segment Reporting**

The company has more than one business segment but not reportable segment since generation from Mini Hydel Projects has not been recognized in absence of power purchase agreement. In view of above fact, segment information required as per Ind AS 108 is not provided.

**39. Commitments and Contingencies (To the extent not provided for)**

**(i) Commitments**

Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) Rs 3,25,000.16 lakhs (March 31, 2016: Rs 5,56,671.55 lakhs).

**(ii) Contingencies**

Particulars	Opening balance as on April 01, 2016	During the year 2016-17		Balance as on March 31, 2017
		Additions	Reversal	
<b>a) Claims against the Company not acknowledged as debt</b>				
(i) Income tax demands	1,161.68	-	(80.47)	1,081.21
(ii) Indirect tax demands	15.90	-	-	15.90
(iii) Claims of contractors & others	1,018.70	17.51	-	1,036.21
<b>(b) Outstanding letter of credit and guarantees</b>	<b>9,823.62</b>	<b>-</b>	<b>(4,483.30)</b>	<b>5,340.32</b>
<b>(c) Other money for which the Company is contingently liable</b>	<b>12,229.00</b>	<b>-</b>	<b>-</b>	<b>12,229.00</b>
<b>Total</b>	<b>24,248.90</b>	<b>17.51</b>	<b>(4,563.77)</b>	<b>19,702.64</b>

(i) Interest on above demands wherever applicable is not ascertained and hence not included in the above.

(ii) A demand of Rs 722 lakh was raised by OHPC Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.6140 dtd July 31, 2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.

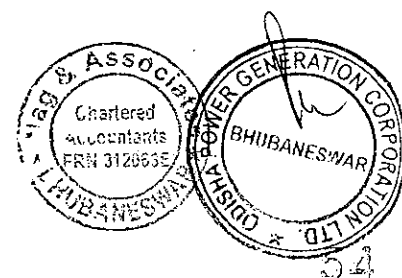
(iii) Other money for which the company is contingently liability includes corporate guarantee of Rs 12,229.00 lakhs and outstanding letter of credit and guarantees includes pledge of fixed deposit of Rs 1,539.20 lakhs given to Yes Bank as security for issue of bank guarantee for Rs 15,392.00 lakhs in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary company i.e. Odisha Coal and Power Ltd.

**40. Capital Management :-**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity and other long term and short term borrowings. The Company's policy is aimed at combination of short term and long term borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

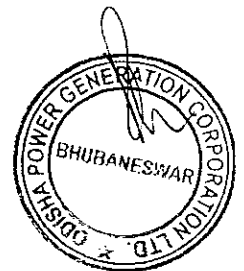
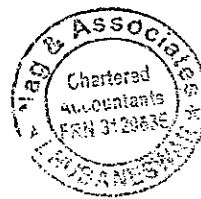
**41. Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.  
 The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 17 to the financial statements.

**(a) Financial assets and liabilities**

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2017

As at March 31, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					29,940.55	29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74	12,775.74
Loans					1,165.76	1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02	25,420.02
<b>Total</b>					<b>69,302.07</b>	<b>69,302.07</b>	<b>69,302.07</b>
<b>Financial liabilities</b>							
Trade and other payables					6,766.84	6,766.84	6,766.84
Borrowings					3,78,681.12	3,78,681.12	3,78,681.12
Other financial liabilities					1,88,353.64	1,88,353.64	1,88,353.64
<b>Total</b>					<b>5,73,801.60</b>	<b>5,73,801.60</b>	<b>5,73,801.60</b>



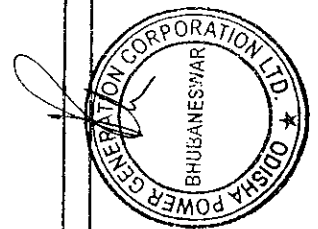
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

(Rupees in Lakhs)

	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
As at March 31, 2016							
Financial assets							
Cash and bank balances					50,147.62	50,147.62	50,147.62
Trade receivables					9,014.58	9,014.58	9,014.58
Loans					10,123.92	10,123.92	10,123.92
Other financial assets					27,741.75	27,741.75	27,741.75
<b>Total</b>					<b>97,027.87</b>	<b>97,027.87</b>	<b>97,027.87</b>
Financial liabilities							
Trade and other payables					9,288.53	9,288.53	9,288.53
Borrowings					1,62,141.26	1,62,141.26	1,62,141.26
Other financial liabilities					1,81,762.70	1,81,762.70	1,81,762.70
<b>Total</b>					<b>3,53,192.49</b>	<b>3,53,192.49</b>	<b>3,53,192.49</b>

(Rupees in Lakhs)

	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
As at April 1, 2015							
Financial assets							
Cash and bank balances					84,896.61	84,896.61	84,896.61
Trade receivables					4,375.72	4,375.72	4,375.72
Investment					454.03	454.03	454.03
Loans					1,251.38	1,251.38	1,251.38
Other financial assets					90,977.74	90,977.74	90,977.74
<b>Total</b>					<b>1,63,582.42</b>	<b>1,63,582.42</b>	<b>1,63,582.42</b>
Financial liabilities							
Trade and other payables					5,762.13	5,762.13	5,762.13
Borrowings					83,239.22	83,239.22	83,239.22
Other financial liabilities					74,581.07	74,581.07	74,581.07
<b>Total</b>					<b>1,63,582.42</b>	<b>1,63,582.42</b>	<b>1,63,582.42</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statements**

(b) The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3:  
 Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

- (i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.
- (iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

(iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017, 2016 and April 1, 2015

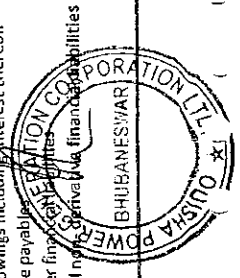
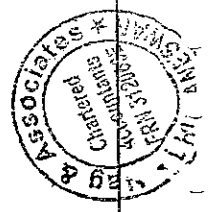
**(c) Financial risk management**  
 In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

- (i) By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) By achieving greater predictability to earnings and determining the financial value of the expected earnings in advance.
- (i) Market Risk :- Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.
- (ii) Credit Risk :- Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
- (iii) Liquidity Risk: Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

(d) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis.

	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities	3,83,051.98	3,83,051.98	3,955.96	92,388.88	2,86,697.15
Borrowings including interest thereon	6,766.84	6,766.84	6,766.84	-	-
Trade payables	1,88,353.64	1,88,353.64	1,87,841.88	511.76	-
Other financial liabilities	5,78,172.46	5,78,172.46	1,98,574.68	92,900.64	2,86,697.15
Total non-derivative financial liabilities					

(Rupees in Lakhs)



**Odisha Power Generation Corporation Limited**  
Notes forming part of the financial statement

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities	1,64,195.70	1,64,195.70	1,625.36	26,167.76	1,36,402.57
Borrowings including interest thereon	9,288.53	9,288.53	9,288.53	-	-
Trade payables	1,81,762.70	1,81,762.70	1,81,036.83	725.87	-
Other financial liabilities	3,55,246.93	3,55,246.93	1,91,950.72	26,893.63	1,36,402.57
Total non- derivative financial liabilities					

	As at April 1, 2015				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities	84,212.53	84,212.53	520.05	8,595.64	75,096.84
Borrowings including interest thereon	5,762.13	5,762.13	5,762.13	-	-
Trade payables	74,581.07	74,581.07	74,192.74	388.33	-
Other financial liabilities	1,64,555.73	1,64,555.73	80,474.92	8,983.97	75,096.84
Total non- derivative financial liabilities					


The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

42. Previous year figures has been reclassified/ regrouped wherever necessary.

43. Events after reporting period

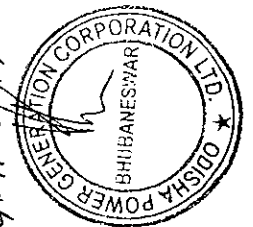
The authorised share capital of the company has been increased from existing Rs 100,000 lakhs to Rs. 300,000 lakhs consisting of 30,000,000 no. of equity shares of Rs.1000/- each w.e.f August 28, 2017.

For Nag & Associates  
Chartered Accountants


  
(S. P. Padihi)  
Partner


FRN : 310962E  
Membership No: 053292

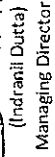
Place : Bhubaneswar  
Date : 04-11-2017



For and on behalf of the Board

  
(M. R. Mishra)  
Company Secretary

  
(H. P. Nayak)  
Director Finance

  
(Indranil Dutta)  
Managing Director



**Nag & Associates**  
Chartered Accountants

Head Office: MPI-136, Khandagiri Enclave  
Near Sisugruh, Housing Board Colony  
Khandagiri, Bhubaneswar-751030  
Mob.:9937315551,  
Telefax :91-674-2384569  
E-mail : nagandassociates@gmail.com

## INDEPENDENT AUDITOR'S REPORT

TO

**THE MEMBERS OF ODISHA POWER GENERATION CORPORATION LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Odisha Power Generation Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

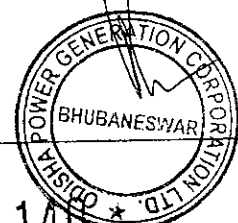
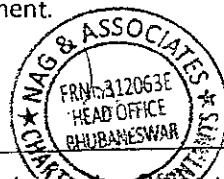
### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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



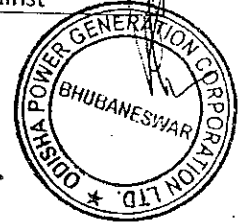
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (i) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Basis for Qualified Opinion

- (A) As per the Para 1 of observation of the Independent Auditor's Report of the other auditor who audited the financial statements / financial information of the subsidiary company has reported that:
- i. By virtue of clause no S.7 of the shareholding agreement, the Govt of Odisha vide letter no 9597 dated 28<sup>th</sup> December 2016 directed to the subsidiary company to make an approved payment of Rs 258.44 Crores only to OPGC for development of Monoharpur and Dip-side Monoharpur coal blocks. Over and above the approved sum, the subsidiary company has provided the interest on PFC loan utilized for development of the above mines amounting to Rs 10.24 Cr. for the FY 2015-16, Rs 11.18 Cr. for FY 2016-17 claimed by the holding company as expenses incurred for the project. For this additional sum of interest on PFC loan claimed by the holding company although approved by the Board of Directors of the subsidiary company, the same is yet to be approved by the Govt. of Odisha. In view of the aforesaid clause of Share Holders Agreement, pending approval of the interest claimed, the other liabilities has been overstated by Rs 21.42 Crs(Rs.10.24Crs in the P.Y.) and the Expenditure during construction period has been over stated by the same amount in respective years.
  - ii. The Holding company has claimed Rs 51.69 lacs from the Subsidiary Company towards cost of land which the Subsidiary Company has exhibited in the contingent liabilities under note no.27(ii)(b) of the Notes forming part of the financial statements of the Subsidiary Company but the same is yet to be approved by the Govt of Odisha
- (B) The other auditor who audited the financial statements / financial information of the subsidiary company has reported that the subsidiary company has allotted following equity shares against conversion of inter corporate loans.

Date of issue	No of shares issued	Total value of shares(Rs)	Issued to	Remarks
2.7.2016	5, 09, 74,500 of Rs 10 each.	50,97,45,000	Holding Company	Shares allotted against conversion of Inter corporate loan.
2.07.2016	4, 89, 75, 500 of Rs 10 each.	48, 97, 55, 000	OHPC LTD	Shares allotted against



				conversion of Inter corporate loan.
30.03.2017	5, 10, 00,000 of Rs 10 each.	51,00,00,000/-	Holding Company	Shares allotted against conversion of Inter corporate loan.
30.03.2017	49,00,0000 of Rs 10 each	49,00,00,000/-	OHPC Ltd	Shares allotted against conversion of Inter corporate loan.

The other auditor reported that the above allotment of shares against inter corporate loans are not in accordance to the provisions of sec 62(3) of the Companies Act 2013.

Provisions of sec 62 (3) states that "Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting".

Whereas in the case of the subsidiary company no such prior special resolution were passed in a general meeting for lending such loan against which equity shares were issued.

### Emphasis of Matters

The other auditor of the subsidiary company has reported that:

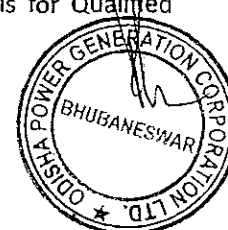
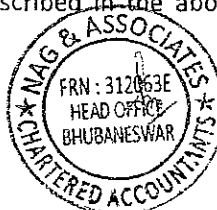
- i. Pending finalization of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the subsidiary company. Refer to note no.8(ii) of the financial statements of the subsidiary
- ii. CWIP of the subsidiary company includes an amount of Rs 61.66 Cr. towards construction of R and R colony, shifting and other incidental expenses which shall be capitalized, as already completed and handed over which are occupied by the displaced people and this should have been capitalized being completed and utilized.

### Observation

Attention is invited to note no. 12(i) of the Notes forming part of the financial statements of the Holding Company regarding trade receivables which include an amount of Rs.978.60 lakhs (Previous year Rs. Nil) not confirmed by the customer i.e. GRIDCO. This in our opinion should have been provided as doubtful and accordingly net profit before tax for the year and trade receivables have been overstated by Rs.978.60 lakhs each

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the above paragraphs for Basis for Qualified



Opinion and Emphasis of Matters, observation the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2017, and their consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

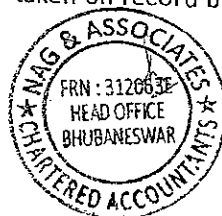
#### Other Matters

- i. We did not audit the financial statements / financial information of the subsidiary, whose financial statements / financial information reflect total assets of Rs.53, 070.54 lakhs as at 31st March, 2017, total revenues of Rs.18.79 lakhs, net cash inflows amounting to Rs.173.81 lakhs for the year ended on that date. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- ii. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

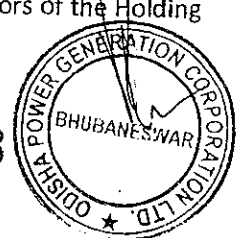
#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- iv. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- v. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- vi. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding



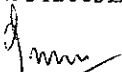
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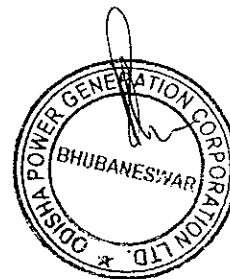


Company and the reports of the other statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act.

- vii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- viii. With respect to 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:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the financial position of the Group-Refer note 39(ii) to the consolidated Ind AS financial statements
  - Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India; and
  - The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.
  - It is noted that the constitution of the Company's Audit Committee does not comply with the requirements of the provisions of section 177 of the Act. It is also noted that the Audit committee has no independent director and the role and effectiveness of such Audit Committee, in our opinion does not meet the requirements of corporate governance prescribed in the Act.

**For Nag & Associates**  
Chartered Accountants  
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner  
M.No. 053292  
Place: Bhubaneswar  
Date 04.11.2017





**Nag & Associates**  
Chartered Accountants

Head Office: MPI-136, Khandagiri Enclave  
Near Sisugruh, Housing Board Colony  
Khandagiri, Bhubaneswar-751030  
Mob.:9937315551,  
Telefax :91-674-2384569  
E-mail : nagandassociates@gmail.com

**Annexure – A to the Auditors' Report of even date on the Consolidated Ind AS financial statements of Odisha Power Generation Corporation Limited**

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

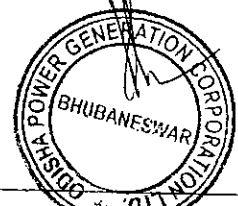
In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Odisha Power Generation Corporation Limited (herein after referred to as "the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

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

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

**Auditor's Responsibility**

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



Administrative Office :  
C-52, HIG, Baramunda Housing Board Bhubaneswar  
Branches: New Delhi, Kolkata, Patna, Dhanbad

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

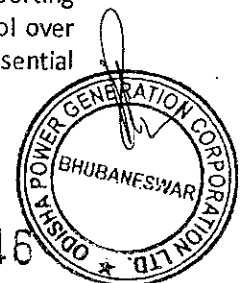
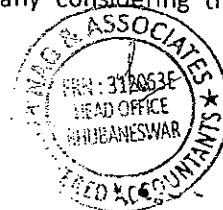
A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Holding Company and its Subsidiary Company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential



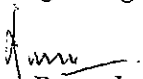
Nag & Associates  
Chartered Accountants

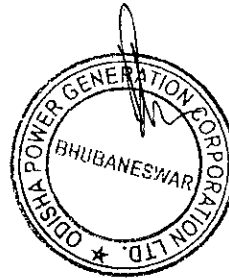
components of internal control stated in the Guidance Note on Audit on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary which is incorporated in India is based on the corresponding reports of the auditors of such company incorporated in India.

For Nag & Associates  
Chartered Accountants  
FRN: 312063E

  
(Siva Prasada Padhi)  
Partner  
M.No. 053292  
Place: Bhubaneswar  
Date: 04.11.2017



Odisha Power Generation Corporation Limited  
Consolidated Balance Sheet as at March 31, 2017

(Rupees in Lakhs)

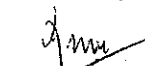
	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	5	23,277.48	19,732.10
	(b) Capital work-in-progress - Tangible	5	594,665.59	332,939.00
	(c) Other Intangible assets	6	804.48	73.83
	(d) Intangible assets under development	6	-	614.52
	(e) Financial Assets			
	(i) Investments	7	10,041.88	-
	(ii) Loans and Advances	8	556.06	387.84
	(iii) Others	9	-	-
	(f) Other non-current assets	10	87,083.49	60,253.84
	<b>Total non-current assets</b>		<b>716,428.98</b>	<b>414,001.13</b>
2	<b>Current assets</b>			
	(a) Inventories	11	4,268.55	4,877.57
	(b) Financial Assets			
	(i) Trade receivables	12	12,775.74	9,014.58
	(ii) Cash and cash equivalents	13	15,533.24	25,823.79
	(iii) Bank Balances other than (ii) above	13	14,407.31	24,323.83
	(iv) Loans	14	609.70	9,736.08
	(v) Others	15	25,420.02	27,741.75
	(c) Current Tax Assets (Net)	16	2,924.47	2,935.31
	(d) Other current assets	17	1,305.69	1,498.93
	<b>Total Current Assets</b>		<b>77,244.72</b>	<b>105,951.84</b>
	<b>TOTAL ASSETS</b>		<b>793,673.70</b>	<b>519,952.97</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	18	97,521.74	49,021.74
	(b) Other Equity	19	114,607.70	111,511.36
	<b>Total equity</b>		<b>212,129.44</b>	<b>160,533.10</b>
	<b>LIABILITIES</b>			
1	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	20	378,681.12	162,141.26
	(ii) Other financial liabilities	21	511.76	725.87
	(b) Provisions	22	3,829.39	3,863.97
	(c) Deferred tax liabilities (Net)	23	1,342.41	1,131.29
	<b>Total non-current Liabilities</b>		<b>384,364.68</b>	<b>167,862.38</b>
2	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade and other payables	24	6,766.84	9,288.54
	(ii) Other financial liabilities	25	187,841.88	181,036.83
	(b) Other current liabilities	26	1,907.14	1,000.88
	(c) Provisions	27	173.16	231.27
	(d) Current Tax Liabilities (Net)	16	490.56	-
	<b>Total Current Liabilities</b>		<b>197,179.57</b>	<b>191,557.49</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>793,673.70</b>	<b>519,952.97</b>

Notes forming part of the financial statements

1-44

In terms of our report attached.

For Nag & Associates  
Chartered Accountants



(S. P. Padhi)  
Partner

FRN : 310962E

Membership No: 053292


Place : Bhubaneswar

Date: 04-11-2017

For and on behalf of the Board



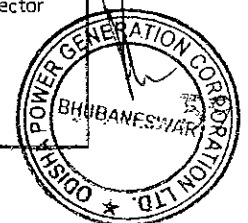
(M. R. Mishra)  
Company Secretary



(H. P. Nayak)  
Director Finance



(Indranil Dutta)  
Managing Director

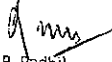


**Odisha Power Generation Corporation Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**

		(Rupees in Lakhs)		
	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations			
II	Other Income	28	72,178.28	62,753.49
III	Total Income (I + II)	29	3,630.73	7,841.90
IV	Expenses		75,809.01	70,595.39
	(a) Cost of materials consumed			
	(b) Employee benefit expenses	30	47,103.35	35,225.15
	(c) Finance costs	31	5,799.02	5,642.00
	(d) Depreciation and amortization expenses	32	977.19	465.42
	(e) Impairment losses	33	1,452.95	2,192.05
	(f) Other expenses	34	1,106.57	
	Total expenses (IV)	35	8,133.67	8,762.06
V	Profit before exceptional items and tax (III - IV)		64,572.75	52,286.69
VI	Exceptional Items		11,236.26	18,308.70
VII	Profit after exceptional items (V - VI)		11,236.26	18,308.70
IX	Share of Profit of Associates			
X	Share of loss of Joint Ventures			
XI	Profit before tax (VII+(IX+X))		(155.57)	(2.55)
XII	Tax Expenses:		11,080.68	18,306.15
	(i) Current tax			
	(ii) Tax of earlier years		4,220.89	6,973.72
	(iii) Deferred tax		10.85	22.12
	Total tax expenses		211.61	(523.16)
XIII	Profit for the year (XI - XII)		4,443.35	6,472.68
XIV	Other Comprehensive Income / (Losses)		6,637.34	11,833.46
	(A) (i) Items that will not be reclassified to profit and loss			
	(a) Remeasurements of the defined benefit plans			
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(1.39)	(606.21)
	(B) (i) Items that will be reclassified to profit and loss		0.48	209.80
	(ii) Income tax relating to items that will be reclassified to profit and loss			
	Total Comprehensive Income / (Losses)			
XV	Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)		(0.91)	(396.41)
XVI	Earnings per equity share:- Basic and diluted (Rs)		6,636.43	11,437.05
XVII	Notes forming part of the financial statements	37	127.45	241.39
		1-44		

In terms of our report attached.

For Nag & Associates  
Chartered Accountants

  
(S. P. Padhi)  
Partner

FRN : 310952E

Membership No: OS3292

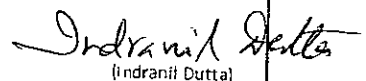
Place : Bhubaneswar

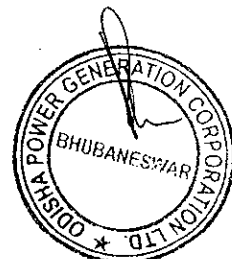
Date : 04-11-2017

  
(M. R. Mishra)  
Company Secretary

For and on behalf of the Board

  
(H. P. Nayak)  
Director Finance

  
(Indranil Dutta)  
Managing Director



Odisha Power Generation Corporation Limited  
Consolidated statement of Cash Flow for the year ended March 31, 2017

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>(A) Cash flows from operating activities:</b>		
Profit before taxes	11,080.68	18,306.15
<b>Adjustments for:</b>		
Depreciation and amortization expense	1,452.95	2,192.05
Provision for impairment	1,106.57	-
Share of loss in joint venture	155.57	2.55
Profit/loss on sale of Fixed Assets	15.15	(2.53)
Foreign currency fluctuation gain/(loss)	(0.20)	(0.95)
Interest and finance charges	977.19	465.42
Interest Income from investment & deposits	(3,291.05)	(7,479.57)
CSR expenditure	324.33	268.34
<b>Operating profit before working capital changes</b>	<b>11,821.19</b>	<b>13,751.46</b>
<b>Adjustments for:</b>		
Trade receivable	(3,785.20)	(4,644.92)
Inventory	637.47	1,052.94
Other financial assets	9,981.05	52,640.58
Trade and other payables	(2,560.24)	3,284.87
Other financial and non financial liabilities	5,214.89	107,464.48
<b>Cash generated from operations</b>	<b>21,309.16</b>	<b>173,549.41</b>
Taxes Paid	(3,730.34)	(7,471.86)
CSR expenditure	(324.33)	(268.34)
<b>Net cash flow from operating activities</b>	<b>17,254.49</b>	<b>165,809.21</b>
<b>(B) Cash flows from Investing activities:</b>		
Payments for purchase of fixed assets	(241,485.61)	(200,529.94)
Sale of property, plant and equipment	89.61	541.34
Interest received	3,517.60	7,878.11
Repayment of loan and other receivable	1,109.27	(36,474.63)
Loans and advances provided	(168.22)	(43.33)
Dividend including Dividend Distribution Tax	(3,540.08)	(4,425.11)
Payment towards capital and other advances	(25,785.77)	2,595.89
Advance payments against leasehold land	(1,101.27)	16,282.84
<b>Net cash used in Investing Activities</b>	<b>(267,364.48)</b>	<b>(214,174.83)</b>
<b>(C) Cash flows from financing activities:</b>		
Issue of shares	48,500.00	-
Proceeds from borrowings	216,515.69	78,877.86
Interest paid	(24,982.12)	(11,991.78)
Repayment of other financial liabilities	(214.11)	337.54
<b>Net cash flow from financing activities</b>	<b>239,819.46</b>	<b>67,223.62</b>
<b>Net increase/(decrease) in cash or cash equivalents</b>	<b>(10,290.55)</b>	<b>18,858.01</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>25,823.79</b>	<b>6,965.78</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15,533.24</b>	<b>25,823.79</b>


Notes forming part of the financial statement

Note No. 1-44

- (i) Repayment of loan includes conversion of loan of Rs 10,197.45 lakhs in to equity during the year ended March 31, 2017 (FY 2015-16: Nil)
- (ii) Figures in brackets are cash outflows / incomes as the case may be.
- (iii) Previous years figures have been rearranged / regrouped wherever necessary to conform to current year classification.
- (iv) The company has undrawn borrowings of Rs 3,83,300.97 lakhs (Previous year 5,99,828.00 lakhs) for expansion project from PFC and REC.

In terms of our report attached.

For Nag & Associates  
Chartered Accountants


  
(S. P. Padhi)  
Partner

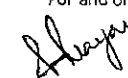
FRN : 310962E

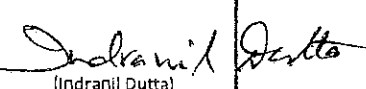
Membership No: 053292

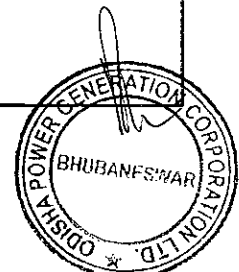
Place : Bhubaneswar

Date : 04-11-2017

  
(M. R. Mishra)  
Company Secretary

For and on behalf of the Board  
  
(H. P. Nayak)  
Director Finance

  
(Indranil Dutta)  
Managing Director



Odisha Power Generation Corporation Limited  
Consolidated statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

(Rupees in Lakhs)		
Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
49,021.74	-	49,021.74

(Rupees in Lakhs)		
Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
49,021.74	48,500.00	97,521.74

B. Other Equity

Particulars	(Rupees in Lakhs)		
	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2015			
Profit for the year	5,888.43	8,960.23	89,650.76
Other Comprehensive Income			11,833.46
Total Comprehensive Income			(396.41)
Dividend (including tax on dividend)			11,437.05
Transfer of profits of the year to General Reserve			(4,425.11)
Balance as at March 31, 2016	5,888.43	8,960.23	96,662.70
Profit for the year			6,637.34
Other Comprehensive Income			(0.91)
Total Comprehensive Income			6,636.43
Dividends			(3,540.08)
Transfer of profits of the year to General Reserve			-
Balance as at March 31, 2017	5,888.43	8,960.23	99,759.04

Notes forming part of the financial statement

Note No. 1-44

In terms of our report attached.

For Nag & Associates  
Chartered Accountants

(S. P. Padhi)  
Partner

FRN : 310962E

Membership No: 053292

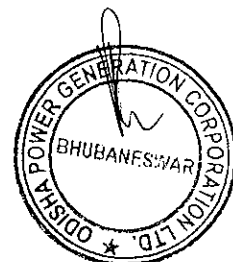
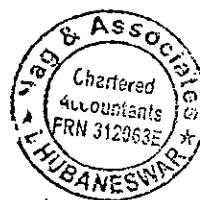
Place : Bhubaneswar

Date : 04-11-2017

(M. R. Mishra)  
Company Secretary

(H. P. Nayak)  
Director Finance

(Indranil Dutta)  
Managing Director



## Notes to Financial Statements

### Note 1. General Corporate Information:

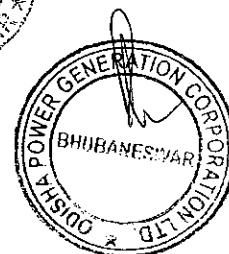
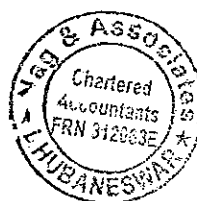
Odisha Power Generation Corporation Limited ("the Company") incorporated in India with its registered office at Bhubaneswar, Odisha, India. The main objective of Company is of establishing, operating & maintaining large thermal power generating stations.

The vision of the Company is to be a world-class power utility committed to generate clean, safe and reliable power, enhancing value for all stake holders and contributing to national growth.

Odisha Power Generation Corporation Limited together with its subsidiaries, joint ventures and associates is herein after referred to as the "Group".

The functional and presentation currency of the Group is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Group operates.

The Group's Accounting Policy to form part of the consolidated financial statements for the year ended March 31, 2017 are approved by the Board of Directors and authorised for issue on September 15, 2017



**Note 2. First time adoption consideration**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards ( "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2016. , with a transition date of 1 April 2015

These consolidated financial statements for the year ended 31 March 2017 are the Group's first consolidated financial statements prepared in accordance with Ind AS. Prior to adoption of Ind AS, the Group had been preparing its consolidated financial statements in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ("together referred to as "Indian GAAP") for all periods up to and including the year ended 31 March 2016. During the first-time adoption, the following optional exemptions are availed by the Group apart from the mandatory exemption:

**(i) Deemed cost for property, plant and equipment and intangible assets**

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(ii) Determining whether an arrangement contains a Lease**

The Group has elected to apply paragraphs 6-9 of the Appendix C of Ind AS 17 "Determining whether an Arrangement contains a Lease" to determine whether an arrangement contains a lease prospectively and not for the arrangement existing as on transition date.

**(iii) Investments in joint ventures**

The Group has elected to continue with the carrying value of all of its investment in joint ventures recognized as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(iv) Fair value measurement of financial assets or financial liabilities at initial recognition:**

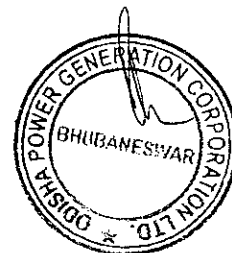
The Group has elected to apply the requirements paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the transition date.

**(v) Changes in Existing Decommissioning, Restoration and Similar Liabilities**

The Group has elected to apply the exemption provided in Appendix D.D21 to D21A of Ind-As 101 in determination of decommissioning, restoration and similar liabilities.

**Note 3. Significant Accounting Policies**

The significant accounting policies applied by the Group in preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements and preparing the opening Ind AS consolidated financial statement as at April 1, 2015 for purpose of transitions to Ind AS, unless otherwise indicated.



### 3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013 (to the extent notified and applicable).

The Group has adopted all the applicable Ind AS and such adoption was carried out in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Group has transited from Indian GAAP which is its previous GAAP, as defined in Ind AS 101 with necessary disclosures relating to reconciliation of Shareholders' equity and the comprehensive net income as per Previous GAAP to Ind AS.

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per Group's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Group has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.

The consolidated financial statements of the Company have been approved by the Board of Directors on their 198<sup>th</sup> meeting held on dated 25.09.2017.

### 3.2 Adoption of New and Revised Standards

Standards issued but not yet effective : In March 2017, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

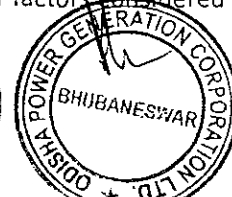
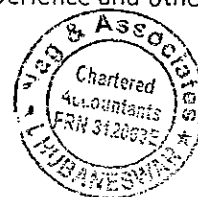
Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

### 3.3 Use of estimates and critical accounting judgments.

These consolidated financial statements have been prepared based on estimates and assumptions in conformity with the recognition and measurement principles of Ind AS.

In preparation of consolidated financial statements, the Group makes judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on historical experience and other factors considered



reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. Significant judgments and estimates relating to the carrying amount of assets and liabilities, while evaluating/ assessing useful lives of property, plant and equipment, impairment of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in at Para below.

#### 3.4 **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

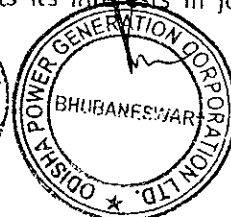
Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

#### 3.5 **Interest in joint arrangements**

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as joint ventures. The Group reports its interests in joint



ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

**3.6 Cash and cash equivalent.**

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and unrestricted for withdrawal and usage.

**3.7 Cash Flow Statement**

Consolidated cash flow is reported using the indirect method, where by profit / (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**3.8 Property, Plant and Equipment and Intangible Assets (Other than goodwill)**

**Tangible Assets:**

Property, plant and equipment held for use in the production or/ and supply of goods or services, or for administrative purposes, are measured at cost, less any subsequent accumulated depreciation and impairment loss, if any. Such cost comprises purchase price (net of recoverable taxes, trade discount and rebate etc.), borrowing cost, and any cost directly attributable to bringing the assets to its location and condition for intended use.

Expenditure incurred on development of freehold land is capitalized as part of the cost of the land. Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, borrowing costs if any attributable to such construction.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors and verified & accepted by the Group.

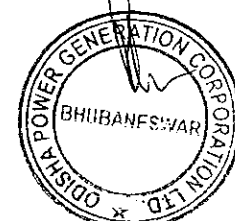
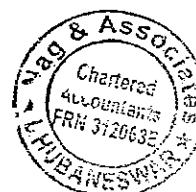
Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per terms of the contracts

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Spare parts having unit value of more than ₹.1 lakh that meets the criteria for recognition as Property, plant and equipment are recognized as Property, plant and equipment.

**Intangible Assets:**

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite useful lives are amortized over their estimated useful lives, whereas intangibles assets having indefinite useful lives is not amortized. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



**Subsequent expenditure:**

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Expenditure on major maintenance or repairs including cost of replacing the parts of assets and overhaul costs where it is probable that future economic benefits associated with the item will be available to the Group, are capitalized and the carrying amount of the item so replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized.

The costs of the day-to-day servicing of property, plant and equipment is recognized in the statement of profit and loss as incurred.

**Capital work-in-progress**

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any) under Capital Work-in progress. The cost includes purchase cost of materials / equipment's duties and nonrefundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of assets.

Capital expenditure on assets not owned by the Group related to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and ready for the intended use and, thereafter, under Property, plant and equipment. However, similar expenditure for CSR / community development is charged off to revenue.

Expenses for assessment of new potential projects incurred till and for the purpose of making investment decision are charged to revenue.

Expenses incurred relating to project, net of income earned during project development stage prior to its intended use are considered as expenditure during construction / trial run and disclosed under Capital-work-in-Progress.

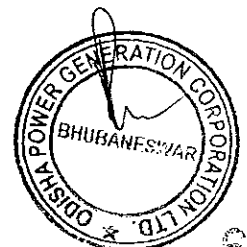
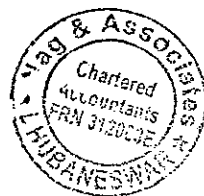
**Depreciation & Amortization:**

Freehold Land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expense are amortized over 30 years by taking its useful life.

Capital expenditure on assets laid on land not owned by the Group as mentioned above is amortized over a period of its useful life.

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act, 2013 or based upon technical estimate made by the Group.

Depreciation on the following assets are provided over estimated useful life as ascertained based on internal assessment and independent technical evaluation that the useful lives as best represent the period over which Group expects to use these assets. Hence the useful lives for these assets are different from the useful life as prescribed under part C of Schedule II of the Companies Act 2013.



### Tangible Assets:

Particulars	Depreciation / amortization
Leasehold Land	Over the lease period or 30 years whichever is less. In absence of finalization of lease period, amortization made over a period of 30 years.
Ash Ponds	Over remaining period of useful life, evaluated on the basis of technical estimate made annually which includes the estimates of generation, utilization and increase of capacity in future years.
Porta Cabin	Over a period of five years
Tools and Tackles	Over a period of five years
CMT Colony Buildings	Over a period of 30 Years

### Intangible Assets

Particulars	Depreciation / amortization
Computer software / licenses	Over a period of legal right to use subject to maximum ten years.

The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate, accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Property, plant and equipment including tools and tackles costing up to ₹,5,000/- are fully depreciated in the year in which it is for put to use.

Physical verification of Fixed Assets are undertaken in a phased manner by the management over a period of three years. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

#### Disposal and derecognition of assets

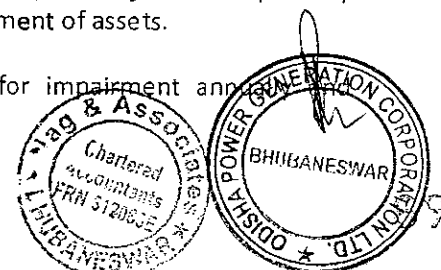
An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as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

#### 3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is reviewed in order to determine the extent of the impairment loss if any.

Where an asset does not generate cash flows that are largely independent of those from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. Thermal Power Plant and each Mini Hydel Project are separately considered as cash generating units for determination of impairment of assets.

Intangible assets with an indefinite useful life are tested for impairment annually.



whenever there is an indication that the assets may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessments of time value of money and the risks specific to the asset for which the estimation of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if there had no impairment loss been recognized for the asset (or a cash generating unit) in prior year. A reversal of an impairment loss is recognized in the statement of profit and loss immediately.

### 3.10 Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in reporting currency i.e. Indian Rupees, using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary items are measured at historical cost.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.

### 3.11 Provisions and Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When appropriate, provisions are measured on a discounted basis. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to that liability.

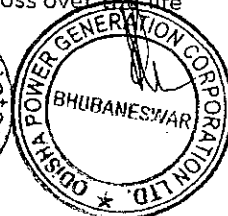
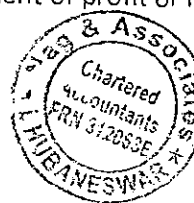
#### Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

#### Restoration, rehabilitation and decommissioning

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of power and other manufacturing facilities.

If recognized such costs are discounted to net present value and are provided for and a corresponding amount is capitalized at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit or loss over the life



of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

#### **Environmental liabilities**

Environment liabilities are recognized when the Group becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

#### **Litigation**

Provision is recognized once it has been established that the Group has a present obligation based on consideration of the information which becomes available up to the date on which the Group's financial statements are finalized.

#### **Contingent Liabilities and Assets:**

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

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

### **3.12 Leases**

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly.

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

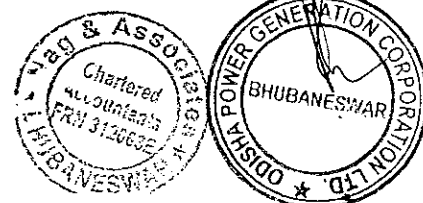
#### **The Group as lessee.**

##### **Operating lease:**

Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

##### **Finance lease:**

Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability



to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

#### The Group as lessor

**Operating lease** – Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

**Finance lease** – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as an unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

#### 3.13 Inventories

Cost of Inventories includes purchase price, nonrefundable taxes & duties and other directly attributable costs incurred in bringing the same to their present location and condition.

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

The diminution in the value of unserviceable, obsolete and surplus stores and spares is ascertained on the basis of annual review and provided for in the statement of profit and loss.

Transit and handling losses /gain arises on physical verification including carpeting of coal are included in the cost of coal. Carpeting of coal during pre-commissioning period is treated as inventory and charged off to cost in the first year of operation.

Handling losses including sludge of oil as per Group norms are included in the cost of oil.

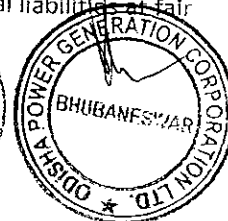
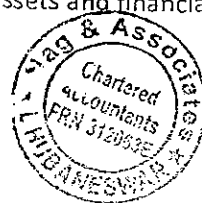
#### 3.14 Trade receivable

Trade receivables are amounts due from customers for sale of electrical energy in the ordinary course of business.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract. Loss allowance for expected life time credit loss is recognized on initial recognition.

#### 3.15 Financial Instruments

Financial assets and liabilities are recognized when the Group 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.

#### **Financial assets at amortized cost**

Financial assets are subsequently measured at amortized costs 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income (FVTOCI)**

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.

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

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.

#### **Financial liabilities and equity instruments issued by the Group**

##### **Financial Liabilities**

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

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

##### **Equity instruments**

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

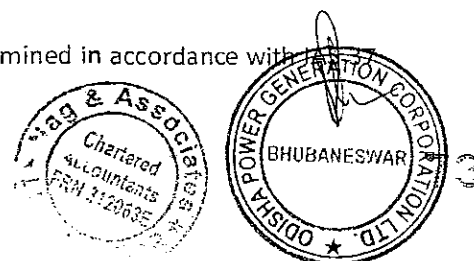
##### **Compound instruments**

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

##### **Financial guarantee contract liabilities**

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with



- Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

#### **Derecognition of financial assets**

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### **Impairment of financial assets**

At each reporting date, the Group assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.

#### **Derecognition of financial liability**

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

#### **Offsetting financial instruments**

Financial assets and liabilities 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.

### **3.16 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

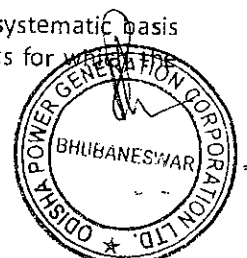
A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for their intended use. The Group considers a period of twelve months or more as a substantial period of time.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### **3.17 Accounting for Government grants / Grants in Aid**

Government grants are recognized when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the



grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with a future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

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.

### 3.18 Employee Benefits

#### Short-term employee benefits

Liability in respect of short term employee benefit is recognized at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employee in an accounting period.

#### Post-employment benefits

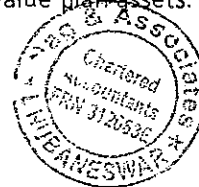
##### i. Defined contribution plans

Defined contribution plans are those plans where the Group pays fixed contributions to a fund managed by independent trust. Contributions are paid in return for services rendered by employees during the year. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

##### ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The gratuity schemes are funded by the Group and are managed by separate trusts. The present value of these defined benefit plans are ascertained by an independent Actuary on each balance sheet date using the Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.



### long-term employee benefits ( unfunded)

These benefits includes liabilities towards leave benefits (including compensated absence which are not expected to occur within twelve months after the end of the period in which the employee renders the related service).The present value of obligation against long term employee benefits is ascertained on each balance sheet date by an independent Actuary using Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. All actuarial gains and losses and past service cost are recognized in the statement of profit and loss in the period in which they arise.

Expenses on leave travel concession, leave salary including pension contribution (employees on deputation) and travel assistance given to the employees on retirement are accounted for on cash basis following materiality concept.

### 3.19 Tax Expenses

Tax expense for the year comprises current and deferred tax.

#### Current tax :

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

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which 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.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the each reporting period.

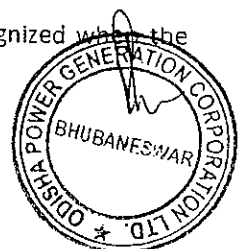
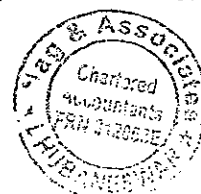
### 3.20 Revenue Recognition

The Group's operations in India are regulated under the Electricity Act, 2003. Electricity Act has given powers to Odisha Electricity Regulatory Commission ("OERC") with an objective for making regulations for tariff for the power plants.

Revenue to be earned from the sale of electrical energy which is regulated based on certain formulae and parameters set out in tariff regulations issued from time to time. Tariff is based on the cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, cost of capital, cost of working capital, operation & maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

#### Sales of Electrical Energy

The Group derives revenue principally from sale of energy. Revenue is recognized when the



significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no continuing management involvement, and the amount of revenue can be measured reliably. Revenue from the sale of electrical energy is measured at the fair value of the consideration received or receivable.

Revenue from sale of electrical energy is accounted for based on tariff rates approved by the OERC and any modification by the orders of Appellate Tribunal if any to the extent applicable.

Delayed payment surcharge for late payment/ overdue trade receivables against sale of electrical energy is recognized when there is no significant uncertainty as to measurability or collectability exists.

**Other Incomes:**

Rent, Interest / surcharge recoverable on advances to suppliers as well as warranty claims / liquidated damages is recognized when there is no significant uncertainty about collectability exists or accepted by other party.

**Income from dividend**

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

**Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. 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.

**3.21 Exceptional items**

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

**3.22 Restatement of material error / omissions**

Incomes / expenditure relating to prior period of non-material nature i.e. below ₹.50,000 is not considered for restatement.

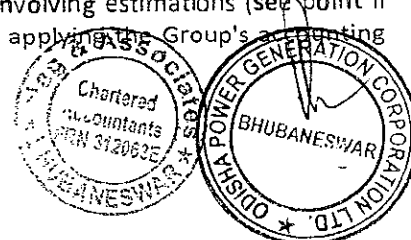
**3.23 Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in Note-3 the management of the Group is required to make judgments, 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

**Critical judgments in applying accounting policies:**

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Group'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 Group's financial assets at amortized cost in the light of its business model and has confirmed the Group's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹.69, 302.07 lakhs (March 31, 2016: ₹.97,027.87 lakhs). Details of these assets are set out in note – 41.

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

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**a. Impairment of investments**

The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**b. Provisions**

Provisions (excluding retirement benefits and compensated absences) 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.

**c. Contingent liabilities**

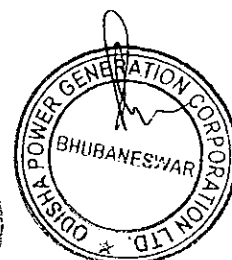
Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group or contingent liabilities where there is a present obligations but it is not probable that economic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

**d. 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 Group 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 inputs that are not based on observable market data (unobservable inputs).

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**Odisha Power Generation Corporation Limited**  
**Reconciliation between previous GAAP and Ind AS**

The transition as at April 1, 2015 to Ind AS was carried out from previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101- First time adoption of Indian Accounting Standards (Refer Note:-2). The reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

**4 (i) Equity reconciliation**

(Rupees in Lakhs)		
Particulars	Note	As at March 31, 2016
Equity under previous GAAP		1,08,335.05
Tax Adjustment	(a)	130.07
Proposed Dividend	(b)	3,540.07
Government Grant reclassification	(c)	(185.58)
Prior Period Adjustment	(d)	(35.45)
Employee benefit (Leave & Gratuity)	(e)	(270.26)
Share of consolidation	(f)	(2.55)
<b>Equity under Ind AS</b>		<b>1,11,511.36</b>

**4 (ii) Total comprehensive income reconciliation**

(Rupees in lakhs)		
Particulars	Note	Year ended March 31, 2016
Net income under Previous GAAP		11,482.65
Prior Period adjustments	(d)	115.82
Tax Adjustment	(a)	70.33
Employee benefit (Leave & Gratuity)	(e)	(229.20)
Share of Joint Venture	(f)	(2.55)
<b>Profit for the year under Ind AS</b>		<b>11,437.05</b>
Other comprehensive income		396.41
<b>Total comprehensive income under Ind AS</b>		<b>11,833.46</b>

**4 (iii) Reconciliation of statement of cash flow**

There are no material adjustments to the statement of cash flows as reported under Previous GAAP

Notes to reconciliations between Previous GAAP and Ind AS

**(a) Tax adjustments**

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. These adjustments have resulted in an increase in equity under Ind AS by Rs 130.07 lakhs as at March 31, 2016 and increase in net profit by Rs. 70.33 lakhs for the year ended March 31, 2016 .

**(b) Proposed Dividend**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the year in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the year in which it relates. This has resulted in an increase in equity by Rs 3,540.08 lakhs as at March 31, 2016.

**(c) Government Grant**

Under Ind AS, government grant received for mini hydel projects has been reclassified as liability. Under previous GAAP the same was accounted for under capital reserve. This has resulted in an decrease in equity by Rs 185.58 lakhs as at March 31, 2016

**(d) Prior Period Expenses**

All the prior period expenses has been adjusted in the respective periods in which such expenses pertains to. These adjustments have resulted in an decrease in equity under Ind AS by Rs 35.45 lakhs as at March 31, 2016 and increase in net profit by Rs 115.82 lakhs for the year ended March 31, 2016 .

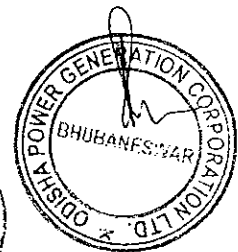
**(e) Employee benefit (leave & Gratuity)**

In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP. Further interest expense/income on the net defined benefit liability/asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

These adjustments have resulted in decrease in equity under Ind AS by Rs 270.26 lakhs as at March 31, 2016 and also decrease in net profit under Ind AS by Rs 229.20 lakhs for the year ended March 31, 2016 .

**(f) Equity accounting of joint ventures and changes in scope of consolidation**

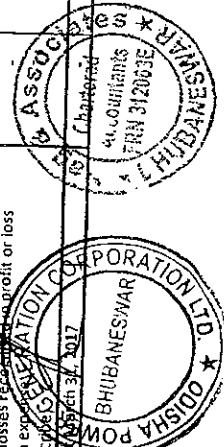
In accordance with Ind AS 28, "Investments in Associates and Joint Ventures", the Group has accounted for its joint ventures using the equity method unlike proportionate line by line method under the previous GAAP. The entity was consolidated as subsidiary under the Previous GAAP have been consolidated as joint ventures and accounted for using the equity method under Ind AS.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**  
**S. Property, Plant and Equipment and capital work-in Progress.**

Carrying amounts of:	(Rupees in Lakhs)																				
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015																		
Freehold Land	25.49	25.49	25.49																		
Building	2,521.18	2,316.76	2,521.18																		
Plant & Equipments	15,055.12	15,239.74	15,055.12																		
Furniture & Fixture	169.63	188.20	169.63																		
Vehicles	128.06	107.26	128.06																		
Office Equipment	832.62	838.76	832.62																		
Road Bridge & Culvert	735.51	994.47	735.51																		
Water Supply Drainage & sewerage	164.04	149.45	164.04																		
Power Supply Distribution & Lighting	138.88	138.88	138.88																		
Heavy Mobile Equipment	31.85	24.10	31.85																		
Library and Books	0.26	0.25	0.26																		
Sub-total	23,277.48	19,732.10	23,277.48																		
Capital work-in-progress	594,665.59	332,939.00	594,665.59																		
	617,943.07	352,671.10	617,943.07																		

Particulars	(Rupees in Lakhs)																				
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015																		
Freehold Land	25.49	25.49	25.49																		
Building	2,521.18	2,316.76	2,521.18																		
Plant & Equipments	15,055.12	15,239.74	15,055.12																		
Furniture & Fixture	169.63	188.20	169.63																		
Vehicles	128.06	107.26	128.06																		
Office Equipment	832.62	838.76	832.62																		
Roads Bridges & Culvert	735.51	994.47	735.51																		
Water Supply Drainage & Sewerage	164.04	149.45	164.04																		
Power Supply Distribution & Lighting	138.88	138.88	138.88																		
Heavy Mobile Equipment	31.85	24.10	31.85																		
Library and Books	0.26	0.25	0.26																		
Sub-total	23,277.48	19,732.10	23,277.48																		
Capital work-in-progress	594,665.59	332,939.00	594,665.59																		
	617,943.07	352,671.10	617,943.07																		



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
5(ii) Beemed Cost as at April 1, 2015	25.49	2,521.18	15,055.42	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.38
Balance as at March 31, 2016	15.75	2,316.76	14,932.31	188.20	107.26	838.76	994.47	149.45	165.04	24.10	-	49,732.10
Balance as at March 31, 2017	15.75	4,452.54	15,239.74	566.59	95.76	1,129.48	1,045.64	266.25	443.92	21.82	-	23,277.48

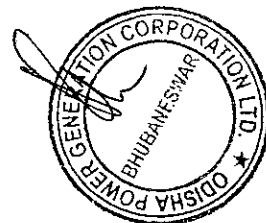
(i) Gross Block of Road, Bridge and Culvert includes assets laid on land not belonging to the Group of Rs. 642.25 lakhs.

(ii) Details of component of assets of operational units, expansion of power plant are as follows.

Descriptions	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Addition	Deduction / Adjustment	Up to 31.03.2017	Up to 01.04.2016	For the Year	Arrear Depreciation	Deduction/ Written Back	As at 31.03.2017	As at 31.03.2016
Operational Units	125,834.31	1,512.76	(89.61)	127,357.46	(107,266.87)	(1,279.73)		74.10	18,942.73	18,725.22
Power Plant - 3 & 4	1,305.79	3,806.77	-	5,112.56	(288.32)	(478.91)		(777.83)	4,334.73	1,006.88
Total	127,240.10	5,319.53	(89.61)	132,470.02	(107,555.19)	(1,758.64)		74.10	23,277.48	19,732.10

(iii) Gross block, Accumulated depreciation and Net block as on April 01, 2015 under previous GAAP are as follows:

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
Gross block as on April 1, 2015	25.49	7,638.90	111,297.81	419.62	252.65	2,800.72	1,624.03	471.26	552.22	305.94	14.09	125,397.73
Accumulated depreciation as on	-	5,117.73	96,237.69	249.99	124.59	1,968.10	888.52	307.22	413.34	274.09	14.09	105,595.36
Net block as on April 1, 2015	25.49	2,521.17	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.37



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

(iv) Details of CWIP

(Rupees in Lakhs)			
A CAPITAL WORK IN PROGRESS	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tangible Assets			
For Operational Power Plants	7,257.48	6,534.33	4,587.43
For Mini Micro Hydel Projects	1,314.76	1,314.76	1,314.76
Less: Accumulated Impairment losses	(1,106.57)		
For Development of Coal Mines			7,277.31
For Expansion Power Plants	587,199.92	325,089.91	109,774.11
<b>Total</b>	<b>594,665.59</b>	<b>332,939.01</b>	<b>122,953.61</b>
Intangible Assets under Development			
Software		614.52	81.32
Coal Mines Development			
<b>TOTAL</b>	<b>-</b>	<b>614.52</b>	<b>81.32</b>

B Details of expenditure for expansion power plant included under Capital Work in Progress are as : (Rupees in Lakhs)

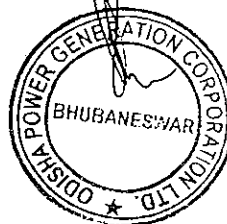
Particulars	As at 01.04.2016	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2017
Ash Pond	10.97	34.26		-	45.23
Building	4,391.55	3,359.59		(335.21)	7,415.92
CMT- Building	2,594.65			(2,594.65)	-
Consultancy Charges- Power plant	1,789.13	1,360.04		-	3,149.16
Inspection Charges - Others	-	2.58		-	2.58
MGR	563.71	28,707.24		-	29,270.95
Plant & Machinery	238,302.19	191,579.23		-	429,881.42
Power Supply Distribution lighting	83.40	16.31		-	99.71
Road Bridge & Culvert	3.47	45.71		-	49.18
Statutory Clearance Fees & Expenses	129.36	4.63		-	133.99
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	46,686.68	53,692.18	(46,686.68)	-	53,692.18
Expenses During Construction Period	30,060.75	32,924.78		-	62,985.53
<b>Total</b>	<b>324,636.63</b>	<b>311,726.55</b>	<b>(46,686.68)</b>	<b>(2,929.86)</b>	<b>586,746.64</b>

(Rupees in Lakhs)					
Particulars	As at 01.04.2015	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2016
Ash Pond	-	10.97		-	10.97
Building	1,360.03	3,031.52		-	4,391.55
CMT- Building	-	2,594.65		-	2,594.65
Consultancy Charges	1,789.13	-		-	1,789.13
Inspection Charges - Others	-	-		-	-
MGR	-	563.71		-	563.71
Plant & Machinery	53,136.05	185,166.14		-	238,302.19
Power Supply Distribution lighting	6.88	76.52		-	83.40
Road Bridge & Culvert	121.14	-		(117.67)	3.47
Statutory Clearance Fees & Expenses	55.13	74.23		-	129.36
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	40,671.08	46,686.68	(40,671.08)	-	46,686.68
Expenses During Construction Period	12,613.89	17,446.86		-	30,060.75
<b>Total</b>	<b>109,774.11</b>	<b>255,651.28</b>	<b>(40,671.08)</b>	<b>(117.67)</b>	<b>324,636.63</b>

(v) Loan from PFC & REC is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (660 X 2MW). For details, Refer Note 20.

(vi) Rs 26,345.53 Lakh (March 31, 2016: Rs 12,631.67 Lakh) of borrowing costs has been capitalised during the year on qualifying assets (property, plant and equipments) using a capitalisation rate of 10.55% (March 31, 2016: 10.55%).

(vii) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. An amount of Rs, 1,314.76 Lakh was incurred for four Mini Hydel Projects (Harabhangi, Badanala, Banpur and Barbonia) which could not be completed since 1996 (schedule date of completion). Out of the above amount, Rs. 1,106.57 Lakh (P.Y. Rs. Nil) has been charged to statement of profit and loss as an impairment.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

6. Intangible Assets

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Carrying amounts of :		
Software & SAP licence	804.48	73.83
Intangible assets under development	-	614.52
<b>Total</b>	<b>804.48</b>	<b>688.35</b>

(Rupees in Lakhs)

Particulars	Software & SAP licence	Intangible assets under development	Total
<b>Cost or deemed cost</b>			
Balance as at April 1, 2015	78.94	81.32	160.26
Additions	72.00	533.20	605.20
Disposals	(81.67)	-	(81.67)
<b>Balance as at March 31, 2016</b>	<b>69.27</b>	<b>614.52</b>	<b>683.79</b>
Additions	854.60	-	854.60
Disposals	-	(614.52)	(614.52)
<b>Balance as at March 31, 2017</b>	<b>923.87</b>	<b>-</b>	<b>923.87</b>

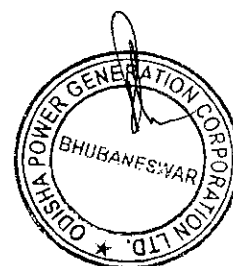
(Rupees in Lakhs)

Particulars	Software & SAP licence	Intangible assets under development	Total
<b>Accumulated amortisation</b>			
Amortisation for the year (FY 2015-16)	(4.56)	-	(4.56)
<b>Accumulated amortisation as at March 31, 2016</b>	<b>(4.56)</b>	<b>-</b>	<b>(4.56)</b>
Amortisation for the year	123.95	-	123.95
<b>Accumulated amortisation as at March 31, 2017</b>	<b>119.39</b>	<b>-</b>	<b>119.39</b>

(Rupees in Lakhs)

Particulars	Software & SAP licence	Intangible assets under development	Total
<b>Deemed Cost</b>			
Balance as at March 31, 2016	73.83	614.52	688.35
<b>Balance as at March 31, 2017</b>	<b>804.48</b>	<b>-</b>	<b>804.48</b>

(i) Expenses incurred on maintenance of software system payable annually are charged to revenue.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

7 - Investments - Non-current

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amounts	No. of shares	Amounts
<b>UNQUOTED INVESTMENTS CARRIED AT COST</b>				
Equity investment in joint ventures (jointly controlled entities)				
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	102,000,000	10,041.88	25,500	-
<b>Total</b>		<b>10,041.88</b>		

(i) The carrying amount and market value of unquoted investments is as follows:

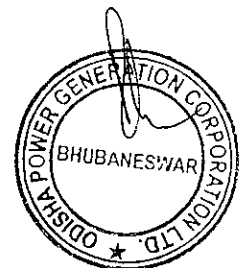
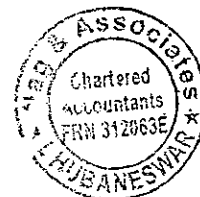
Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
(a) Unquoted		
Aggregate carrying amount of unquoted investments	10,041.88	-
<b>Total carrying amount</b>	<b>10,041.88</b>	<b>-</b>

The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

(ii) Details of % of holding and place of business :-

Particular	As at March 31, 2017	As at March 31, 2016
% of Holding	51%	51%
Place of Business	Manoharpur and Dip-side Manhorpaur	Manoharpur and Dip-side Manhorpaur

(iii) Equity Instrument for 102,000,000 no. of Shares of Face Value per Share Rs.10 each fully paid up (Previous year 25,500 No. of Shares of Face Value per Share Rs.10 each fully paid up). Odisha Coal and Power Ltd. (OCPL) is incorporated under the Companies Act, 2013 as wholly owned subsidiary company of OPGC on 20th January 2015. Subsequently Govt. of Odisha vide notification No.1578 dated 21st February 2015 has approved OCPL as joint venture company between the reporting company and Odisha Hydro Power Corporation Ltd (OHPC) by acquisition of 49% equity shares in OCPL from the reporting company. Shareholder's Agreement among reporting company, OHPC and OCPL was signed on 21st April 2016. The decisions in respect of activities which significantly affect the risks and rewards of the entity, however require an unanimous consent of both the shareholders. The entity has therefore been accounted for as joint ventures.



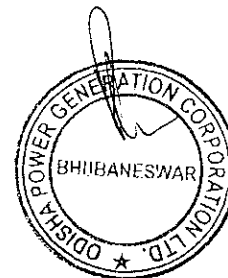
**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**8 - Loans & Advances**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a) Loans to employees</b>		
- Secured, considered good	210.38	146.72
- Unsecured, considered good	226.19	199.93
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
<b>b) Security Deposits</b>	119.49	41.19
<b>Total</b>	<b>556.06</b>	<b>387.84</b>

- (i) Loan to employees includes Rs. 436.57 lakhs (March 31, 2016 : Rs. 346.65 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans has been given at a rate varying between 6%-8% on simple interest basis.  
 Secured loan represents vehicle loan of Rs 210.38 lakhs (March 31, 2016 : Rs. 146.72 lakhs), which has been hypothecated in the favour of the company.
- (ii) There are no outstanding debts from directors or other officers of the Company.

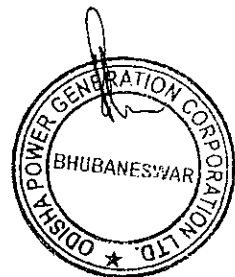
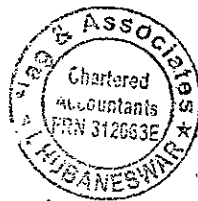
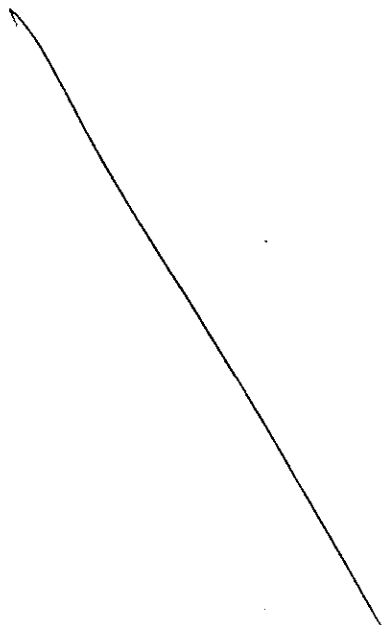


**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**9 - Other Financial Assets**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Other Receivables		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for credit Loss		
<b>Total</b>	-	-



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**10 - Other non-current assets**

(Rupees in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
Capital Advances				
- Advance for Land Acquisition	11,616.38		10,515.10	
- Other Capital Advance	74,173.07		48,326.98	
Advances related to Indirect Taxes	14.77		14.73	
Prepayments (Leasehold Land)	1,279.27		1,336.70	
Prepaid Expenses	-		60.33	
Advance to suppliers & Contractors	-		-	
<b>Total</b>	<b>87,083.49</b>		<b>60,253.84</b>	

**Notes:**

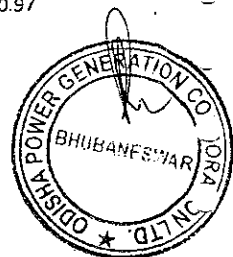
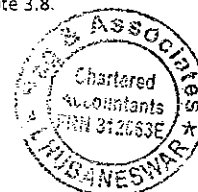
- (i) Payment was made to Odisha Industrial Infrastructure Development Corporation (IDCO), Govt. of Odisha and CAMPA towards acquisition of land for Merry-Go-Round (MGR) Railway system and Ash Pond. As per the land acquisition policy of IDCO / Govt. of Odisha, the company shall deposit with IDCO / Govt. of Odisha (District Collector) the cost of land and service charges after complying the procedures laid down under applicable act and rules. On deposit of such cost and service charges, the land shall first be transferred in favour of IDCO and subsequently in favour of the company through "Lease Agreement". Pending execution of lease agreement and subsequent physical possession of land in favour of the company by IDCO, amount paid towards acquisition of land are disclosed as "Advance Against Land Acquisition".
- (ii) Capital advances mainly comprises of advance given to BHEL & BGRE for expansion work of Unit 3 & 4 (660MW X 2)
- (iii) Prepayments (Lease hold land) and the amount shown in Note No-17 includes advance payments for AC.452.00 of Hirakud Reservoir land, AC.226.46 Village Forest land & AC.60.80 patta land which are in the possession of the company, lease deed of which are yet to be completed.
- (iv) Prepayments (Lease hold land) and the amount shown in Note No-17 includes AC.69.38 of Govt. land and AC.104.47 of private land valuing Rs .222.35 lakh which were surrendered in favour of Govt. of Odisha for eventual transfer to AES IB Valley Corporation for construction of Unit 5 & 6 of IB Thermal Power Station. The company requested Govt. of Odisha for restoration of title / right of land for expansion of unit 3 & 4 which is yet to be completed. However the Company is in possession of the above lands and used for the furtherance of its business.
- (v) The Group has taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Group

**Operating Leases**

(Rupees in Lakhs)

Particulars	Minimum Lease Payments	
	As at March 31, 2017	As at March 31, 2016
Not later than 1 year	100.97	144.52
Later than one year but not later than five years	403.90	578.08
Later than five years	875.38	758.62
<b>Total minimum lease commitments</b>	<b>1,380.25</b>	<b>1,481.22</b>

- (vi) During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was Rs 100.97 lakhs (2015-16: Rs 144.56 lakhs).
- (vii) Lease hold land are amortised over the lease period or 30 years which ever is less. Refer policy Note 3.8.
- (viii) Prepaid expenses includes payment made for various insurance coverages.

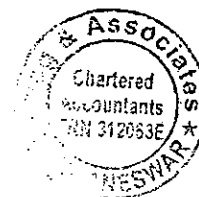
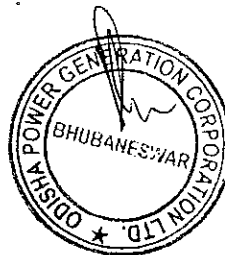


Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

11. - Inventories (At lower of cost or Net Realisable value)

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
(a) Raw Materials*		
(1) Cost	929.13	1472.37
(2) Less: Provision	-	-
(b) Components, Chemicals, Stores & Spares*		
(1) Cost	3,420.25	3476.31
(2) Less: Provision	91.58	91.58
(c) Tools & Tackles		
(1) Cost	10.75	11.11
(2) Less: Provision	-	-
(d) Stock in Transit		
(1) Cost	-	9.36
(2) Less: Provision	-	-
<b>Total Inventories</b>	<b>4268.55</b>	<b>4,877.57</b>

- (i) \* Physical verification of inventories except oil have been carried out by third party and valued as per significant accounting policy Note No. 3.13



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement  
12 - Trade receivables

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables		
(a) Secured, considered good		
(b) Unsecured, considered good	12,775.74	9,014.58
(c) Doubtful		
Allowance for doubtful debts		
<b>Total</b>	<b>12,775.74</b>	<b>9,014.58</b>

- (i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. This included an amount of Rs 978.60 lakhs (FY 2015-16: Rs Nil) has not been confirmed by the customer.
- (ii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.
- (iii) Trade receivables are further analysed as :

As at March 31, 2017	Gross credit risk amount	Allowance for credit losses
Amounts not yet due	11,792.33	-
One month overdue	977.20	-
Two months overdue	-	-
Three months overdue	0.02	-
Between three to six months overdue	-	-
Greater than six months overdue	6.20	-
<b>TOTAL</b>	<b>12,775.74</b>	<b>-</b>

As at March 31, 2016	Gross credit risk amount	Allowance for credit losses
Amounts not yet due	9,014.58	-
One month overdue	-	-
Two months overdue	-	-
Three months overdue	-	-
Between three to six months overdue	-	-
Greater than six months overdue	-	-
<b>TOTAL</b>	<b>9,014.58</b>	<b>-</b>

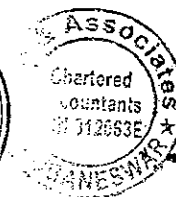
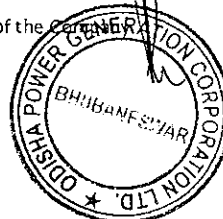
As at April 1, 2015	Gross credit risk amount	Allowance for credit losses
Amounts not yet due	4,400.95	25.23
One month overdue	-	-
Two months overdue	-	-
Three months overdue	-	-
Between three to six months overdue	-	-
Greater than six months overdue	-	-
<b>TOTAL</b>	<b>4,400.95</b>	<b>25.23</b>

- (iv) Movement in allowance for credit losses in respect of trade receivables:

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	-	25.23
Additions during the period	-	-
Utilised during the period	-	25.23
Balance at the end of the period	-	-

In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

- (v) There are no outstanding debts due from directors or other officers of the Corporation.



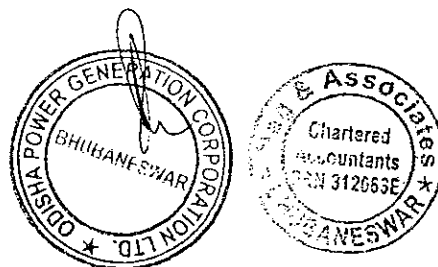
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

13 - Cash and Cash Equivalents

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
(a) Balances with banks		
(1) Unrestricted Balance with banks		
(i) In Current Account	609.98	1,107.95
(ii) In Cash Credit Account	-	-
(b) Cash in hand	1.71	3.21
(c) Term Deposit with original maturity up to three months	14,921.55	24,712.63
Total	<u>15,533.24</u>	<u>25,823.79</u>
(d) Deposits with original maturity of more than three months but not more than twelve months	9,060.00	11,400.00
(e) Earmarked Balances with Bank		
Deposits with banks held as security against guarantees	5,163.34	12,745.84
Fixed Deposits with bank pledged as security or margin money	183.97	177.99
Total	<u>14,407.31</u>	<u>24,323.83</u>
Total Cash and Bank Balances	<u>29,940.55</u>	<u>50,147.62</u>

- (i) The cash and bank balances are denominated and held in Indian rupees.
- (ii) Earmarked cash and bank balances primarily represents margin and security provided for obtaining bank guarantees as detailed below:
- The Company had provided security to Yes Bank in terms of fixed deposits of Rs 1,539.20 (FY 2015-16: Rs 3,100.00 lakhs) for issuance of performance bank guarantees on behalf of DCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".
  - The Company had provided security to Yes Bank in terms of fixed deposits of Rs 3,090.00 lakhs (FY 2015-16: Rs 3,090.00 lakhs) for issuance of bank guarantees in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line
  - Fixed deposits of Rs 533.34 lakhs (FY 2015-16: Rs 533.34 lakhs) has been pledged as security deposits in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir
  - Fixed deposits of Rs 177.99 lakhs (FY 2015-16: Rs 177.99 lakhs) has been pledged as security deposit in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.
- (iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (OON) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	(Rupees in Lakhs)		
	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016	1.56	0.24	1.80
(+) Unpermitted receipts	-	-	-
(+) Permitted receipts	-	4.57	4.57
(-) Unpermitted payments	-	-	-
(-) Permitted payments	-	3.45	3.45
(-) Amounts deposited in Banks	1.56	-	1.56
Closing cash in hand as on 30.12.2016	-	1.36	1.36



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**14 - Loans**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a) Loans to employees</b>		
- Secured, considered good	49.79	38.63
- Unsecured, considered good	97.86	84.52
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
<b>b) Loans to OCPL</b>		
- Secured, considered good	-	-
- Unsecured, considered good	461.96	9,612.65
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
<b>c) Security Deposits</b>	0.09	0.28
<b>TOTAL</b>	<b>609.70</b>	<b>9,736.08</b>

(i) Loan to employees includes Rs. 147.65 lakhs (March 31, 2016 : Rs. 123.15 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans have been given at a rate varying between 6% - 8% on simple interest basis. Secured loan represents vehicle loan of Rs 49.79 lakhs (March 31, 2016 : Rs. 38.63 lakhs), which has been hypothecated in the favour of the company.

(ii) There are no outstanding debts due from directors or other officers of the Company.

(iii) Inter Company loan given to Odisha Coal and Power Ltd. (OCPL), a subsidiary company through loan agreement dated 25th April 2015 for Rs 5,600 lakhs and 13th July 2015 for Rs. 4,000 lakhs. The loan has been given for the purpose of fund requirement of OCPL for payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses of OCPL. Board of Directors approve the loan of Rs 5,600 lakhs and Rs. 4,000 lakhs to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively.

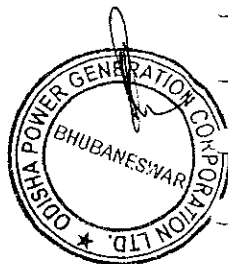
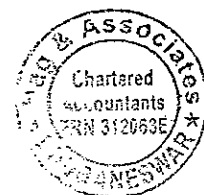
The Company has agreed to provide an amount of Rs 5,600 lakhs and Rs 4,000 lakhs as inter company loan on request of the OCPL. The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit.

Term of Loan: The loan shall be for a period of 365 days from the date of the agreement and may be extended after approval of Board of Directors of the Company on the basis of request from OCPL.

Interest: Interest shall accrue on each loan disbursement at the rate charged by Power Finance Corporation Ltd. (PFC) to State sector borrower (Category A+) applicable on the date of disbursement. The interest shall accrue and compounded on quarterly basis.

Total inter company loan provided to OCPL during the year is Rs 406.59 lakhs (during FY 2015-16 is Rs 8892.18 lakhs). Interest accrued and compounded during 2015-16 and 2016-17 are Rs.720.47 lakhs and Rs 640.17 lakhs respectively. Out of total inter company loan including interest accrued an amount of Rs 10,197.45 lakhs has been converted to equity shares in OCPL during the year 2016-17 as per Board approval dated July 30, 2015 and March 09, 2017.

(iv) The above loans and inter-corporate loans to OCPL have been given for business purpose.



Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

15 - Other Financial Asset

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Advances to others		33.39
Interest accrued on loans and deposits	394.53	621.08
Other Receivables	292.51	173.96
Receivable from related parties	24,732.98	26,913.32
<b>Total</b>	<b>25,420.02</b>	<b>27,741.75</b>

- (i) Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of India vide its Judgment dated.24th / 25th September 2014. Both the coal blocks were allotted by the Nominated Authority, Ministry of Coal, Govt. of India vide its letter No. 103/25/2015/NA dated 24th March 2015 to Odisha Coal and Power Ltd. (OCPL) a subsidiary and joint venture company of the Company and Odisha Hydro Power Corporation Ltd. (OHPC). As per Clause 5(g) of the Shareholder's Agreement signed by the Company, OHPC and OCPL on 21st April 2016, the expenditure incurred by OPGC for development of the Manoharpur and Dipside Manoharpur coal blocks up to 31st March 2015 shall be payable by OCPL to the company after certification by Statutory Auditor of the Company and approval by Govt. of Odisha.

Accordingly an amount of Rs 177,54.75 lakhs (net off liabilities for security deposit & retention money from contractor Rs 78.09 lakh, accumulated depreciation Rs 44.51 lakh and borrowings Rs .7966.33 lakh) incurred by the company up to 31st March 2015 as a prior allottee has been certified by the Statutory Auditors of the Company and approved by Govt. of Odisha vide Memo No. 9598 dated 28.12.2016 . The same has been accounted as receivable from OCPL. Details of amount receivable as prior allottee and other receivable from OCPL as shown above on the reporting date are given below:

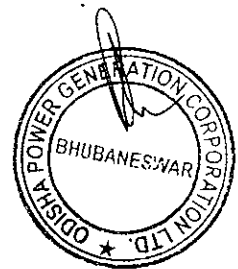
(Rupees in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Expenditures :</b>		
Tangible & Intangible Assets	118.62	118.62
Development Expenses and Capital works in progress	6,915.23	6,915.23
Advance against land acquisition	14,800.08	18,239.46
Other Capital Advances	570.37	570.37
	<b>22,404.29</b>	<b>25,843.68</b>
<b>Liabilities</b>		
Security deposit & Retention money	78.09	78.09
Borrowings [Refer Note-4(i)]	7,966.33	7,966.33
Accumulated Depreciation	44.51	44.51
Net Expenditure Recoverable	<b>14,315.37</b>	<b>17,754.76</b>

(Rupees in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Other Expenses:</b>		
Interest on borrowed capital utilised for development of coal mine *	2,141.67	1,023.55
Land Advance	51.69	-
Contract Payment	64.00	64.00
Salary of Deputed Employees	142.21	87.39
Other Admin Expenses	19.00	17.30
<b>Total</b>	<b>2,418.57</b>	<b>1,192.24</b>

- (ii) Referring to Note- 20 (i), interest accrued on loan utilised for development of coal mine w.e.f. April 01, 2015 is accounted as receivable from OCPL.



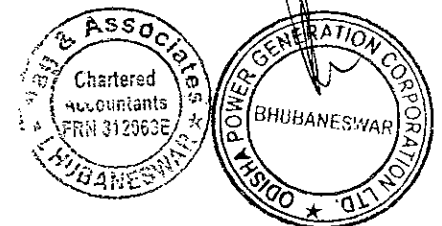
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

16 - Current tax assets and liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Current tax assets</b>		
Tax refund receivables/Advance Tax	50,436.60	50,436.59
Advance Tax and TDS for 2016-17	3,730.34	
<b>Total</b>	<b>54,166.93</b>	<b>50,436.59</b>
<b>Current tax liabilities</b>		
Income Tax payable	47,512.13	47,501.28
Provision for taxation for 2016-17	4,220.89	
<b>Total</b>	<b>51,733.02</b>	<b>47,501.28</b>

<b>Current Tax Assets(Net)</b>	<b>2,924.47</b>	<b>2,935.31</b>
<b>Current Tax Liabilities (Net)</b>	<b>490.56</b>	<b>-</b>

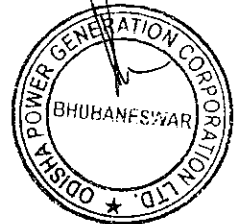


**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

17 - Other current assets

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Other assets	473.94	481.65
Advances to suppliers	730.78	872.76
Less: Allowance for doubtful	-	-
Prepayments (Leasehold Land)	100.97	144.52
<b>Total</b>	<b>1,305.69</b>	<b>1,498.93</b>

- (i) Other assets includes payment made for various insurance coverage and annual maintenance contracts etc.
- (ii) Advance to suppliers is unsecured and considered good.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**18 - Equity Share Capital**

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Equity Share Capital	97,521.74	49,021.74
Total	97,521.74	49,021.74
Authorised Share Capital		
100,00,000 nos. of equity shares of Rs 1000/- each (Previous year)	100,000.00	100,000.00
100,00,000 nos. of equity shares of Rs 1000/- each		
Issued and Subscribed capital comprises :		
9,752,174 nos. of equity shares of Rs 1000/- each	97,521.74	49,021.74
Total	97,521.74	49,021.74

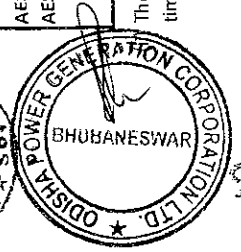
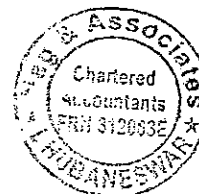
(i) The movement in subscribed and paid up share capital is set out below:

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Rs. Lakhs	No. of shares	Rs. lakhs
Ordinary shares of Rs.1000 each				
At beginning of the year	4,902,174	49,021.74	4,902,174.00	49,021.74
Shares allotted during the year	4,850,000	48,500.00	-	-
	9,752,174	97,521.74	4,902,174	49,021.74

Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 1000 each)	% of Total Shares
Governor of Odisha	4,973,609.00	51.00%	2,500,109.00	51.00%
AES India Pvt Ltd	796,178.00	8.16%	796,178.00	16.24%
AES OPGC holding (Incorporated in Mauritius)	3,982,387.00	40.84%	1,605,887.00	32.76%
	9,752,174	100%	4,902,174	100%

The Company has only one class of equity shares having a par value Rs .1000/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

19. Other equity

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
General Reserve	8,960.23	8,960.23
Retained earnings	99,759.04	96,662.70
Security Premium reserve	5,888.43	5,888.43
<b>Total</b>	<b>114,607.70</b>	<b>111,511.36</b>

(i) General Reserve

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	8,960.23	8,960.23
Movements	-	-
<b>Balance at the end of the year</b>	<b>8,960.23</b>	<b>8,960.23</b>

(ii) Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	96,662.70	89,650.76
Profit attributable to owners of the Company	6,637.34	11,833.46
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.91)	(396.41)
Payment of dividends on equity shares	2,941.30	3,676.63
Related income tax on dividend	598.78	748.48
<b>Balance at the end of the year/period</b>	<b>99,759.04</b>	<b>96,662.70</b>

(iii) Security Premium Reserve

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year/period	5,888.43	5,888.43
Movement during the year	-	-
<b>Balance at the end of the year/period</b>	<b>5,888.43</b>	<b>5,888.43</b>

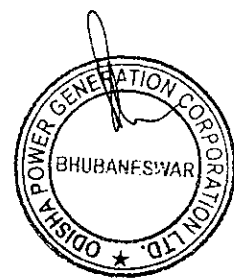
The nature of reserves are follows:

(a) General Reserve :- Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(b) Securities Premium Reserves: Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(iv) Proposed Dividend:

In respect of the year ended March 31, 2017, the directors propose that a dividend of Rs 17.01 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Total estimated equity dividend including dividend distribution tax to be paid is Rs 1,996.86 lakhs.



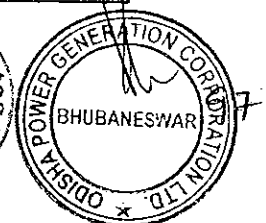
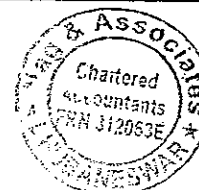
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

20. Borrowings

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Secured - at amortised cost		
From PFC	2,09,752.24	94,651.70
From REC	1,68,928.88	67,489.56
<b>Total</b>	<b>3,78,681.12</b>	<b>1,62,141.26</b>

- (i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the company as prior allottee amounting to Rs .10,145.19 lakh (Previous Year Rs .9,024.91 lakhs). In line with clause 5.7 of Shareholders Agreement signed by the company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the company and approval by Govt. of Odisha. On request of the company and OCPL, PFC sanctioned Loan in favour of OCPL by off loading from sanctioned limit of the company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment / transfer of the loan outstanding up to date of off loading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of off load), against sanctioned loan made by PFC. Further, on request of OCPL, the Company has requested PFC for prepayment of loan and interest utilised for development of coal mine. Pending with such off loading and / or acceptance of PFC for prepayment, Rs .10,145.19 lakhs shown under Term loan as above.
- (ii) Term loan of Rs 4,33,000 lakh each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2X660 MW Coal based Thermal Power Plant, Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC have off loaded proportionate sanctioned limit related to development of coal mine as the coal mine was cancelled and allotted in favour of Odisha Coal and Power Limited, a Joint venture company of OPGC & OHPC. Accordingly the sanctioned limit is reduced to Rs .3,81,187 lakh and Rs .3,81,200 lakh by PFC and REC respectively.
- (iii) Security :-
- (a) The term loans including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of the project ( 2 X 660 MW power plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts.
- (b) If the security provided becomes inadequate to cover the balance of each of the loan outstanding, the company has undertaken to provide additional security as may be acceptable to lender.
- (c) Repayment of the principal, interest and other charges due on term loan from PFC has been secured by opening of "Escrow Account" with Union Bank of India and also Union Bank of India has been appointed as Escrow Agent for this purpose.
- (d) Repayment of the principal, interest and other charges due on term loan from REC has been secured by opening of "Trust and Retention Account" with Union Bank of India.
- (iv) Repayment:-
- (a) Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2018 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.
- (b) The term loan from REC shall be repaid in 60 equal quarterly instalments and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires i.e. 31st December 2018 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full. Moratorium period shall be Commercial Date of Operation (COO) plus six months subject to maximum of five years from the date of 1st disbursement.
- (v) Interest:-
- (a) Interest on term loan shall be paid at the prevailing rate applicable to A+ category of state sector borrower with discount / rebate allowed from time to time on the date of each disbursement as per the terms and conditions of sanction of loan and policy of PFC and REC.
- (b) PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.15) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.55% per annum. REC has allowed discount of 35 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate subject to interest rate not falling below 10.55% per annum. In case notified/ circular interest rate falls below 10.55% per annum, the same shall be applicable.
- (c) Interest on PFC loan to be serviced on quarterly basis and due date for payment of interest is 15th day of April, 15th day of July, 15th day of October and 15th day of January every year.
- (d) Interest on REC loan to be serviced on quarterly basis and due date for payment of interest is last day of the last month of the calendar quarter for every year.
- (e) The Company has availed the option of interest reset in three years from the date of disbursement and paid upfront fee @ 0.05% on term loan sanctioned instead of commitment charges on undrawn amount for each of the quarter.
- (vi) The maturity profile of borrowings (including interest accrued-Refer-Note 25) is as follows:

Contractual maturities	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
In one year or less or on demand	4,370.86	2,054.44
Between one & two years	25,595.35	
Between two & three years	22,264.51	6,705.66
Between three & four years	22,264.51	9,731.05
Between four & five years	22,264.51	9,731.05
More than five years	2,86,697.15	1,36,402.57
Total contractual cash flows	3,83,456.89	1,64,624.77
Less: Capitalisation of transaction costs	404.90	429.68
<b>Total Borrowings</b>	<b>3,83,051.99</b>	<b>1,64,195.09</b>

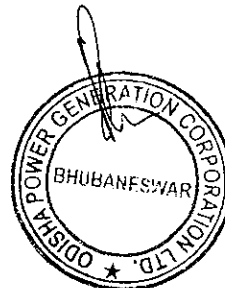


Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

21. Other Financial Liabilities

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
a) Capital Creditors	-	12.13
b) Security Deposits	134.55	395.38
c) EMD and Retention Money	191.63	132.78
d) Payable to Government	185.58	185.58
<b>Total</b>	<b>511.76</b>	<b>725.87</b>

- (i) Government Grant of Rs 185.58 lakhs were received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects. The Company has impaired four Hydel projects during the year which were continued under Capital Work-in progress. Henceforth, grant has been reclassified as payable to government during the year ended March 31, 2017. Any unfulfilled conditions and other contingencies attaching to government assistance has not been reviewed and recognized.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**22. Provisions**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee Benefits		
- Gratuity	521.47	715.43
- Leave benefits	3,307.92	3,148.55
<b>Total</b>	<b>3,829.39</b>	<b>3,863.97</b>

- (i) Provision for employee benefits include Gratuity, Leave Benefits & Sick Leave  
(ii) Movement in provision balances are analysed below:

As at March 31, 2017		(Rupees in Lakhs)		
Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	
Present Value of the obligation at end	3,990.99	864.19	2,573.64	
Fair Value of plan assets	3,469.52	-	-	
Unfunded Liability/ provision in Balance Sheet	521.47	864.19	2,573.64	
<b>Unfunded Liability recognised in Balance Sheet</b>	<b>521.47</b>	<b>864.19</b>	<b>2,573.64</b>	

As at March 31, 2016		(Rupees in Lakhs)		
Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	
Present Value of the obligation at end	3,566.73	786.38	2,428.95	
Fair Value of plan assets	2,717.81	-	-	
Unfunded Liability/ provision in Balance Sheet	848.92	786.38	2,428.95	
<b>Unfunded Liability recognised in Balance Sheet</b>	<b>848.92</b>	<b>786.38</b>	<b>2,428.95</b>	

**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 months 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 during the year on account of defined contribution plans amounted to Rs 495.70 lakhs (2016: Rs 982.91). The major defined contribution plans operated by the Company are as below:

**a. Provident fund**

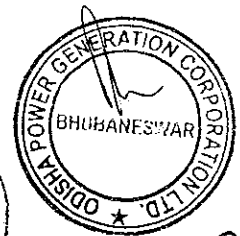
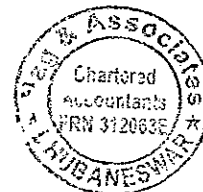
In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company

**2. Defined benefit plans**

**a. Retiring 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 in OPGC Ltd as per Rules of the Group Gratuity Scheme of the company. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India towards the gratuity contribution. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.



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Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

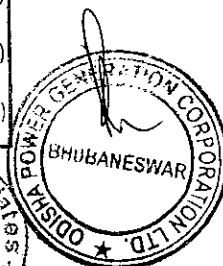
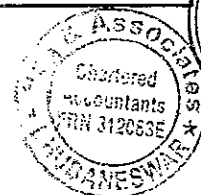
(iii) The following table sets out the amounts recognized in the financial statements for retiring gratuity plans in respect of the Company.

	(Rupees in Lakhs)	
	Year ended March 31,2017	Year ended March 31,2016
<b>Change in defined benefit obligations:</b>		
(a) Obligation as at the beginning of the year	3,566.73	2,646.13
(b) Current service cost	183.18	170.46
(c) Interest cost	279.99	209.04
(d) Remeasurement (gains)/losses	2.60	613.77
(e) Benefits paid	(41.51)	(72.67)
<b>Obligation as at the end of the year</b>	<b>3,990.99</b>	<b>3,566.73</b>

	(Rupees in Lakhs)	
	Year ended March 31,2017	Year ended March 31,2016
<b>Change in plan assets:</b>		
(a) Fair value of plan assets as at beginning of the year	2,717.81	2,566.52
(b) Interest income	214.56	210.32
(c) Remeasurement gains/(losses)	-	-
(d) Employers' Contributions	578.66	13.64
(e) Benefits paid	(41.51)	(72.67)
<b>Fair value of plan assets as at end of the year</b>	<b>3,469.52</b>	<b>2,717.81</b>

	(Rupees in Lakhs)	
	Year ended March 31,2017	Year ended March 31,2016
<b>Amount recognised in the balance sheet consists of:</b>		
(a) Fair value of plan assets as at end of the year	3,469.52	2,717.81
(b) Present value of obligation as at the end of the year	3,990.99	3,566.73
(c) Amount recognised in the balance sheet	521.47	848.92
(i) Retirement benefit liability - Non current		

	(Rupees in Lakhs)	
	Year ended March 31,2017	Year ended March 31,2016
<b>Costs recognised in the statement of profit and loss consist of:</b>		
(a) Current service cost	183.18	170.46
(b) Net interest expense/(income)	66.64	6.29
<b>Costs recognised in the statement of profit and loss:</b>	<b>249.82</b>	<b>176.75</b>
<b>Costs recognised in the statement of other comprehensive income consist of:</b>		
(c) The Return on plan assets (excluding amounts included in net interest expense)	1.21	7.56
(d) Actuarial gains and (losses) arising from changes in demographic assumption	17.35	(19.43)
(d) Actuarial gains and (losses) arising from changes in financial assumption	(3.78)	(570.45)
(e) Actuarial gains and (losses) arising from changes in experience adjustments	(16.17)	(23.90)
<b>Costs recognised in the statement of other comprehensive income</b>	<b>(1.39)</b>	<b>(606.21)</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

(iv) The fair value of company's retiring gratuity plan assets as of March 31, 2017 and March 31, 2016 by category are as follows:

Assets category (%)	Year ended March 31, Year ended March 31,	
	2017	2016
(a) Equity Instruments	-	-
(b) Debt instruments	-	-
(c) Funds Managed by Insurer	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

(v) The assumptions used in accounting for retiring gratuity are set out below:

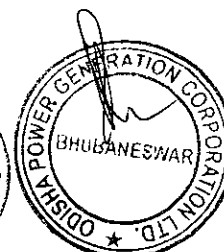
	As at March 31, 2017	As at March 31, 2016
(a) Discount rate	7.44	7.85
(b) Rate of escalation in salary	8.40	8.80

(vi) The Company expects to contribute Rs. 240.12 lakhs to the plan in fiscal year 2018.

(vii) The table below outlines the effect on defined benefit obligation in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.

As at March 31, 2017		Change in assumption	Impact on scheme liabilities
Assumption			
Discount rate		Increase by 0.50%,	(127.71)
		Decrease by 0.50%	134.36
Salary escalation		Increase by 0.50%,	132.51
		Decrease by 0.50%	(127.17)

The above sensitivities 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.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

23. Deferred tax balances

Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liabilities	2,798.42	2,622.54
Less : Deferred Tax Asset	1,456	1,491.25
Net Deferred Tax (Asset)/ Liability	1,342.41	1,131.29

Income Tax

(i) The reconciliation of estimated income taxes to income tax expenses is as follows:

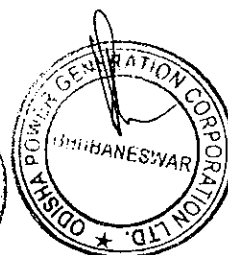
Particulars	(Rupees in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Income before income taxes	11,080.68	18,306.15
Tax Calculated based on normal tax rate	3,834.80	6,335.39
Items not deductible for tax/not liable to tax		
Donation & CSR Expenses	144.64	138.76
Non deduction of tax at source	7.38	1.00
Impairment loss	382.96	-
Others	73.56	(2.47)
Income tax expense reported	4,443.35	6,472.68

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2017 is as follows:

	(Rupees in Lakhs)				
	Opening balance as at April 1, 2016	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2017
<b>Deferred tax assets</b>					
Provisions	1,449.05	(32.55)	0.48	-	1,416.98
Others	42.21	(3.17)	-	-	39.03
<b>Total</b>	1,491.25	(35.72)	0.48	-	1,456.01
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	2,622.54	175.88	-	-	2,798.42
<b>Total</b>	2,622.54	175.88	-	-	2,798.42
<b>Net Deferred tax (assets)/liabilities</b>	1,131.29	211.60	(0.48)	-	1,342.41

Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows:

	(Rupees in Lakhs)				
	Opening balance as at April 1, 2015	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2016
<b>Deferred tax assets</b>					
Provisions	921.74	317.51	209.80	-	1,449.05
Others	12.40	29.80	-	-	42.21
<b>Total</b>	934.14	347.31	209.80	-	1,491.25
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	2,798.38	(175.83)	-	-	2,622.54
<b>Total</b>	2,798.38	(175.83)	-	-	2,622.54
<b>Net Deferred tax (assets)/liabilities</b>	1,864.23	(523.15)	(209.80)	-	1,131.29



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

24. Trade and other Payables

(Rupees in Lakhs)

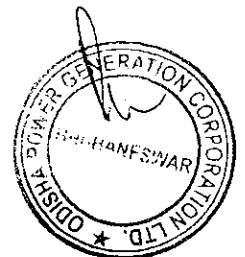
Particulars	As at March 31, 2017	As at March 31, 2016
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	3.66	23.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	913.30	2,183.27
<b>Other Payables</b>		
Liabilities for Expenses	4,553.79	5,672.31
Payable to employees	1,296.09	1,409.72
<b>Total</b>	<b>6,766.84</b>	<b>9,288.54</b>

- (i) Payable to employees includes Rs 513.75 lakhs for 7th pay revision (March 31, 2016: Nil).
- (ii) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

(Rupees in Lakhs)

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
i. The principal amount remaining unpaid to supplier as at the end of the year	3.66	23.25
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

Trade Payables includes Rs .211.64 lakh (Previous year Rs .28.28 lakh) (net) in MCL account which is due to non adjustment of differential entry tax, quantity difference, pumping charges of water supplied and credit allowed in un-graded coal etc at their end.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**25. Other Financial Liabilities**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Interest accrued on borrowings	4,370.86	2,054.44
b) Others:		
Deposits & Retention Money	2,473.23	2,689.14
Capital Creditors	180,997.79	176,293.25
<b>Total</b>	<b>187,841.88</b>	<b>181,036.83</b>

**26. Other Current Liabilities**

(Rupees in Lakhs)

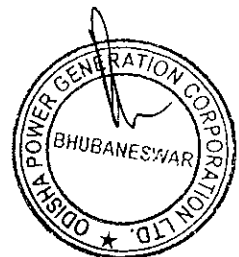
Particulars	As at March 31, 2017	at March 31, 2016
a) Advances from Customers & others	139.18	71.00
b) Statutory Dues Payables	1767.96	929.88
<b>Total</b>	<b>1,907.14</b>	<b>1,000.88</b>

(i) Statutory dues includes payables in respect of excise duties, service tax, sales tax, VAT, tax deducted at source among others.

**27. Provisions**

(Rupees in Lakhs)

Particulars	As at March 31, 2017	at March 31, 2016
Employee Benefits		
- Gratuity	-	133.49
- Leave benefits	173.16	97.75
<b>Total</b>	<b>173.16</b>	<b>231.24</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**28. Revenue from Operations**

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Sale of Power	72,178.28	62,753.49
<b>Total</b>	<b>72,178.28</b>	<b>62,753.49</b>

(i) Sale has been accounted for in accordance with the tariff approval by OERC for FY 2016-17.

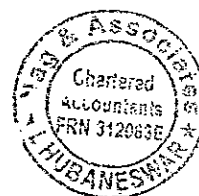
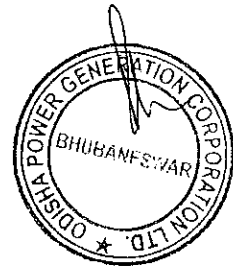
(ii) Sale does not include internal consumption of 349.211 MU including transformer loss of 11.994 MU for the reporting year (previous year 344.496 MU including transformer loss of 16.218 MU), the cost of which has been determined at Rs. 6910.87 lakh (previous year Rs.5835 lakh) approximately.

(iii) In absence of power purchase agreement, 0.293 MU net (previous year 0.342 MU net ) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.

(iv) Particulars of Generation, Auxiliary Consumption and Sale of power

(Rupees in Lakhs)

Particulars	2016-17	2015-16
Generation (MU)	3,234.88	3,117.32
Sale ( MU )	2,885.67	2,772.82
Internal consumption (MU)	349.21	344.50
Sale (Net) (Rs . in lakh)	72,178.28	62,753.49
Internal consumption (Rs . in lakh)	6,910.87	5,835.00



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

29. Other Income

(Rupees in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a)	Interest Income		
	Interest income from Bank Deposits at amortised Cost	2,552.63	6,653.21
	Interest income from loans to related parties at amortised cost	711.28	805.85
	Others	27.14	20.51
		<b>3,291.05</b>	<b>7,479.57</b>
b)	Other non-operating income (net of expenses directly attributable to such income)		
	Sale of Scrap / residual materials	120.53	37.69
	Miscellaneous Incomes	206.15	269.82
	Exchange Gain	0.20	0.95
	Liability/Provision written back	12.80	51.34
		<b>339.68</b>	<b>359.80</b>
c)	Other gains and losses		
	Gain /(loss) on disposal of PPE	-	2.53
		-	2.53
	<b>Total</b>	<b>3,630.73</b>	<b>7,841.90</b>

Miscellaneous income includes

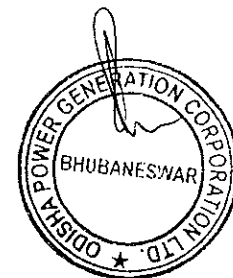
(a) Township recoveries of Rs 20.73 lakhs (previous year RS 71.67 lakhs)

(b) Rs .29.77 lakh (previous year Rs .68.77 lakh) liquidated damage and penalty recovered from contractors and others.

(c) Rs . 8.18 lakh (previous year [Rs .28.90 lakh] ) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

Excess Provision written back related to

Provision for Debtor	-	25.23
Obsolete stores/spares	-	-
Employee benefits and expense	10.74	0.39
Generation and other expenses	1.67	13.26
Administrative expenses	0.39	12.46



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

30. Cost of raw material consumed

(Rupees in Lakhs)

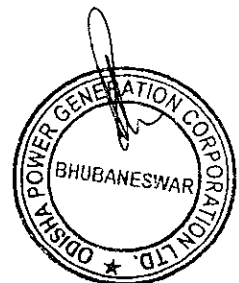
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Imported	-	-
Indigenous	47,103.35	35,225.15
Total	47,103.35	35,225.15

Particulars of raw materials consumed

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Coal	46,747.02	34,626.33
FO/LDO	356.33	598.82
Total	47,103.35	35,225.15

- (i) Shortage of coal of 1,287.35 MT amounting to Rs 24.10 lakh (Previous year shortage of 10,505.81 MT amounting to Rs 163.31 lakh) found during physical verification has been charged to cost of raw material consumed as per the policy Note No- 3.13.



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

31. Employee Benefit Expenses

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	8,176.86	8,038.84
Contribution to provident and other funds	664.33	605.90
Staff Welfare expenses	667.73	625.21
<b>Total (A)</b>	<b>9,508.92</b>	<b>9,269.95</b>
Less:		
Allocated to fuel cost	489.52	559.33
Amount included in the cost of qualifying assets	3,220.38	3,068.62
<b>Total (B)</b>	<b>3,709.90</b>	<b>3,627.95</b>
<b>Net (A-B)</b>	<b>5,799.02</b>	<b>5,642.00</b>

- (i) The Company has recognised in the statement of profit and loss, an amount of Rs 37.89 lakhs (2015-16:Rs 31.39 lakhs) as expenses with respect to key managerial personnel. The details of such expenses are as below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Short term employee benefits	37.89	31.39
(b) Post employment benefits	-	-
(c) Other long term employee benefits	-	-

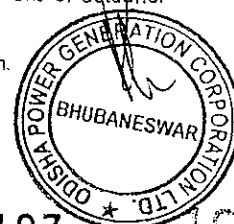
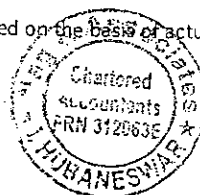
- (ii) It includes an amount of Rs .729.36 lakh (previous year Rs .706.43 lakh ) towards provision for Variable Pay of the employees under approved performance management system of the company.
- (iii) Disclosure as per IND AS-19 in respect of provision made towards various employee benefits are given as follows.

A. **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Govt.of India. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary.

B. **Gratuity:** The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance) for each completed year of service subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme.

C. **Leave:**The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the cadre employees of the Company which accrue annually at 30 days and 10 days respectively. Similarly the company also provides benefit to Market Based Salary structure employees (MBS) which accrued annually at 24 days. Earned leave and half pay leave is not encashable during service. However total earned leave that can be encashed on superannuation / separation shall be restricted to 300 days incase of cadre employees and 60 days in case of MBS employees. Commutation of half-pay leave shall be permissible. These schemes are unfunded and the liability for the same is recognised on the basis of actuarial valuation.

- (iv) The above mentioned schemes (A and C) are unfunded and are recognised on the basis of actuarial valuation.



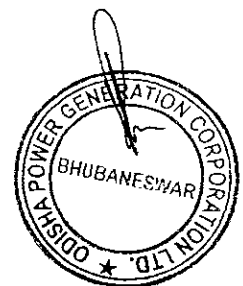
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

32. Finance Costs

(Rupees in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest Expense		
Interest on term loan	26,345.53	12,631.67
Interest on short term loans from scheduled bank	-	465.42
(b) Other Borrowing Cost		
Guarantee Commission	977.19	-
<b>Total Finance Cost</b>	<b>27,322.72</b>	<b>13,097.09</b>
Less : amount included in the cost of qualifying assets	26,345.53	12,631.67
<b>Total</b>	<b>977.19</b>	<b>465.42</b>

- (i) Other borrowing cost represents Rs 977.19 lakhs paid during the year to Govt of Odisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.



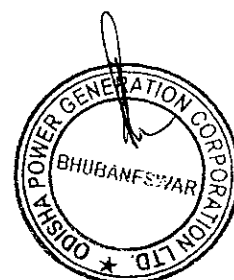
Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

33. Depreciation & amortisation expenses

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation & amortisations	1,983.57	2,433.62
Less :		
Allocated to fuel cost	21.31	20.65
Amount included in the cost of qualifying assets	509.31	220.92
<b>Total</b>	<b>1,452.95</b>	<b>2,192.05</b>

34. Impairment losses

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Impairment of CWIP (Mini Micro Hydel Projects)	1,106.57	-
<b>Total</b>	<b>1,106.57</b>	<b>-</b>



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

35. Other Expenses

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Generation Expenses:</b>		
Consumption of Stores, spares & chemicals	1,240.24	1,672.93
Electric Power, Electricity Duty and Water	1,761.37	1,562.98
Contract Job outsourcing expenses	1,154.20	1,691.11
Insurance	73.24	70.14
Other generation expenses	360.15	443.16
Repairs to buildings	284.29	419.87
Repairs to Machinery	46.74	62.28
	<b>4,920.23</b>	<b>5,922.47</b>
<b>Selling and Distribution Expenses:</b>		
Rebate in the nature of cash discount to customer	1,096.77	1,151.81
<b>Administrative Expenses:</b>		
Rent	269.06	266.98
Professional Fees and expenses	48.70	12.55
General expenses	3,324.96	2,169.25
Management Service Charges	29.84	27.65
Rate, Taxes & Cess	48.84	220.76
Other Repairs	61.73	65.22
Travelling expenses	271.33	252.23
Watch and Ward expenses	494.08	431.77
Township development expenses	353.66	140.80
	<b>4,902.20</b>	<b>3,587.21</b>
<b>Other Expenses</b>		
Payment to Auditors	11.59	10.14
Peripheral development expenses	2.51	12.17
Donation	93.60	132.60
Trade Receivables Written Off (Net)	30.10	6.06
Loss on Sale of Fixed Assets	15.15	-
Inventories / assets written off / Written back(net)	1.30	29.75
	<b>154.25</b>	<b>190.72</b>
<b>Corporate Social Responsibility</b>	<b>324.33</b>	<b>268.34</b>
<b>Less: Allocated to Fuel Cost</b>	<b>695.61</b>	<b>581.19</b>
Amount included in the cost of qualifying assets	2,568.50	1,777.29
	<b>3,264.11</b>	<b>2,358.48</b>
<b>Total</b>	<b>8,133.67</b>	<b>8,762.06</b>

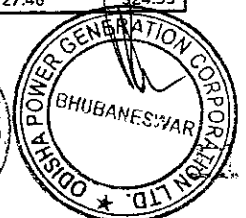
(i) Payment to Auditors As:

	2016-17	2015-16
(a) As Auditors		
Statutory Audit Fees	6.33	6.33
Statutory Audit expenses	1.13	1.01
(b) Tax Audit Fees	1.06	0.75
(b) Certification fee	1.52	0.74
(c) As Cost Auditors		
Cost Audit Fees	1.21	1.03
Cost Audit expenses	0.35	0.29
<b>TOTAL</b>	<b>11.59</b>	<b>10.14</b>

(ii) In terms of section 135 of the companies act 2013, the company is required to make an expenditure on Corporate Social Responsibility for an amount of Rs .394.85 lakh during the reporting year .

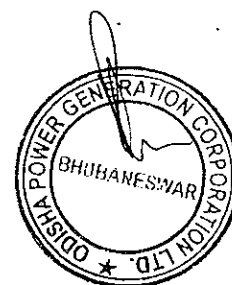
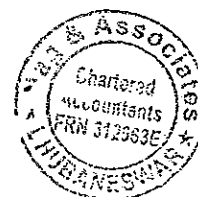
(iii) Out of Rs .394.85 lakh, the company spent as follows during the year

PARTICULARS	Yet to be paid in		Total
	In Cash	Cash	
Construction / acquisition of any asset			
On purpose other than (i) above	296.87	27.46	324.33
<b>Total</b>	<b>296.87</b>	<b>27.46</b>	<b>324.33</b>



Odisha Power Generation Corporation Limited  
Notes forming part of the financial statement

EXPENDITURE DURING CONSTRUCTION PERIOD OF UNIT 3 & 4		2016-17		2015-16	
<b>A.</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>				
	Salaries & Wages	3,077.96		2,933.63	
	Contribution to				
	Provident fund	87.15		115.80	
	Gratuity fund	-		-	
	Staff Welfare Expenses	55.27	3,220.39	19.20	3,068.62
<b>B.</b>	<b>FINANCE COST</b>				
	Interest Expenses	26,345.53		12,631.67	
	Other borrowing Cost	-	26,345.53	-	12,631.67
<b>C.</b>	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>				
	Depreciation	509.31	509.31	220.92	220.92
<b>D.</b>	<b>ADMINISTRATIVE AND OTHER EXPENSES</b>				
	Administrative Expenses	-		-	
	Rent	109.88		141.55	
	Professional Fees and expenses	-		-	
	General expenses	2,255.56		1,443.42	
	Rate, Taxes & Cess	17.04		8.74	
	Travelling expenses	77.86		81.94	
	Watch and Ward expenses	89.65		85.49	
	Community development and welfare expenses	15.99		4.96	
	Peripheral development expenses	2.50		11.19	
	Donation	-	2,568.50	-	1,777.29
	CSR expenditure in compliance to Environmental Clearance	327.53	327.53	201.62	201.62
	<b>Total</b>		<b>32,971.25</b>		<b>17,900.12</b>



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statements**

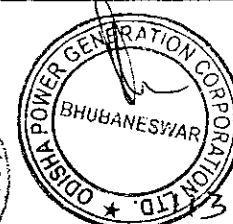
**36. Related party transactions**

Odisha Power Generation Corporation Ltd (the Company) controlled by the Government of Odisha (GoO) . GoO holds 51% ownership interest in the Company and balance 49% ownership interest is jointly held by AES India Pvt Ltd and AES OPGC Holding (incorporated in Mauritius) as on March 31, 2017. The Company's related parties principally consist of GoO, OPGC Ltd Provident Fund Trust, AES India Pvt Ltd , AES OPGC Holding and OCPL as its Joint venture. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(Rupees in Lakhs)

Transactions	OCPL	AES India Pvt. Ltd	AES OPGC holding	Key Management Personnel	Relatives of Key Management Personnel	PF Trust	Government of Odisha
<b>Finance provided</b>							
FY 2016-17	10,659.41						
FY 2015-16	9,615.20						
<b>Interest on loan given</b>							
FY 2016-17*	2,891.77						
FY 2015-16	1,829.41						
<b>PF Contribution</b>							
FY 2016-17						921.86	
FY 2015-16						750.14	
<b>Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources</b>							
FY 2016-17		946.52					
FY 2015-16		825.80					
<b>Management Services Charges</b>							
FY 2016-17		29.84					
FY 2015-16		27.65					
<b>Remuneration</b>							
FY 2016-17				37.89			
FY 2015-16				31.39			
<b>Dividend paid</b>							
FY 2016-17		963.53	477.71				1,500.07
FY 2015-16		1,204.21	597.03				1,874.76
<b>Guarantee commission paid</b>							
FY 2016-17							977.19
FY 2015-16							-
<b>Equity share capital received</b>							
FY 2016-17			23,765.00				24,735.00
FY 2015-16			-				-
<b>Guarantee outstanding</b>							
FY 2016-17	12,229.00						
FY 2015-16	12,229.00						
<b>Outstanding receivable</b>							
FY 2016-17	24,732.98						
FY 2015-16	26,913.32						
<b>Outstanding payables</b>							
FY 2016-17						93.34	
FY 2015-16						56.50	

\* It includes interest on PFC loan availed by OPGC for the FY 2016-17 and 2015-16 . For details refer Note-15



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**37. Earning per share (EPS)**

The following table reflects the income and shares data used in the basic and diluted earnings per share computations.

Particulars	(Rupees in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	6,637.34	11,833.46
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit attributable to ordinary shareholders - for Basic & Diluted EPS	6,637.34	11,833.46
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	5,207,790	4,902,174
Nominal value of Ordinary Shares (Rs)	1,000.00	1,000.00
Basic & Diluted Earnings per Ordinary Share (Rs)	127.45	241.39

**38. Segment Reporting**

The Group has more than one business segment but not reportable segment since generation from Mini Hydel Projects has not been recognized in absence of power purchase agreement. In view of above fact, segment information required as per Ind AS 108 is not provided.

**39. Commitments and Contingencies (To the extent not provided for)**

(i) Commitments

Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) Rs 3,25,000.16 lakhs (March 31, 2016: Rs 5,56,671.55 lakhs)

(ii) Contingencies

Particulars	Opening balance as on April 01, 2016	During the year 2016-17		Balance as on March 31, 2017
		Additions	Reversal	
a) Claims against the Company not acknowledged as debt				
(i) Income tax demands	1,161.68	-	(80.47)	1,081.21
(ii) Indirect tax demands	15.90	-	-	15.90
(iii) Claims of contractors & others	1,018.70	17.51	-	1,036.21
(b) Outstanding letter of credit and guarantees	9,823.62	-	(4,483.36)	5,340.32
(c) Other money for which the Group is contingently liable	12,229.00	-	-	12,229.00
Total	24,248.90	17.51	(4,563.77)	19,702.64

(i) Interest on above demands wherever applicable is not ascertained and hence not included in the above.

**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

(ii) A demand of Rs. 722 lakh was raised by DHPC Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.6140 dtd July 31, 2012 of Additional Secretary to Govt., Dept. of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Group. In view of above no contingent liability also provided for.

(iii) Other money for which the Group is contingently liability includes corporate guarantee of Rs 12,229.00 lakhs and outstanding letter of credit and guarantees includes pledge of fixed deposit of Rs 1,539.20 lakhs given to Yes Bank as security for issue of bank guarantee for Rs 15,392.00 lakhs in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary Group i.e. Ddisha Coal and Power Ltd.

**40. Capital Management :-**

The Group's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity and other long term and short term borrowings. The Group's policy is aimed at combination of short term and long term borrowings.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

**41. Disclosure on Financial Instruments**

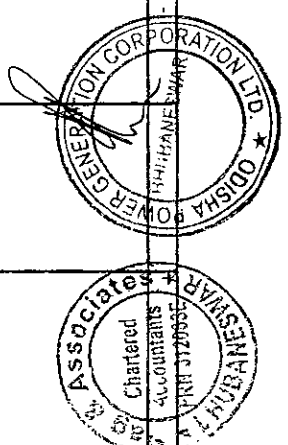
This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 17 to the financial statements.

**(a) Financial assets and liabilities**

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2017

	(Rupees in Lakhs)						
	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					29,940.55	29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74	12,775.74
Loans					1,165.76	1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02	25,420.02
<b>Total</b>					<b>69,302.07</b>	<b>69,302.07</b>	<b>69,302.07</b>



**Odisha Power Generation Corporation Limited**  
Notes forming part of the financial statement

Financial liabilities									
Trade and other payables							6,766.84	6,766.84	6,766.84
Borrowings							378,681.12	378,681.12	378,681.12
Other financial liabilities							188,353.64	188,353.64	188,353.64
Total							573,801.60	573,801.60	573,801.60

(Rupees in Lakhs)

As at March 31, 2016									
		Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value	
<b>Financial assets</b>									
Cash and bank balances						50,147.62	50,147.62	50,147.62	
Trade receivables						9,014.58	9,014.58	9,014.58	
Loans						10,123.92	10,123.92	10,123.92	
Other financial assets						27,741.75	27,741.75	27,741.75	
Total						97,027.87	97,027.87	97,027.87	
<b>Financial liabilities</b>									
Trade and other payables						9,288.54	9,288.54	9,288.54	
Borrowings						162,141.26	162,141.26	162,141.26	
Other financial liabilities						181,762.70	181,762.70	181,762.70	
Total						353,192.50	353,192.50	353,192.50	

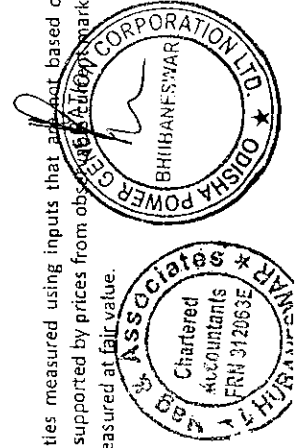
(b) The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable markets nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

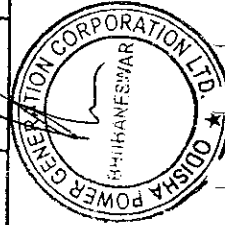
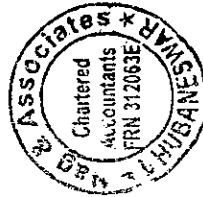
(i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

- (ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.
- (iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end
- (iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017 and March 31, 2016
- (c) **Financial risk management**  
 In the course of its business, the Group is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.
- (i) By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Group's business plan.
- (ii) By achieving greater predictability to earnings and determining the financial value of the expected earnings in advance.
- (i) **Market Risk :-** Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.
- (ii) **Credit Risk :-** Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
- (iii) **Liquidity Risk:** Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.
- (d) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Group's non derivative financial liabilities on an undiscounted basis.

	As at March 31, 2017				(Rupees in Lakhs)
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	
<b>Non- derivative financial liabilities</b>					
Borrowings including interest thereon	383,051.98	383,051.98	3,965.96	92,388.88	286,697.15
Trade payables	6,766.84	6,766.84	6,766.84	-	-
Other financial liabilities	188,353.64	188,353.64	187,841.88	511.76	-
<b>Total non- derivative financial liabilities</b>	<b>578,172.46</b>	<b>578,172.46</b>	<b>198,574.68</b>	<b>92,900.64</b>	<b>286,697.15</b>



**Odisha Power Generation Corporation Limited**  
Notes forming part of the financial statement

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	164,195.70	164,195.70	1,625.36	26,167.76	136,402.57
Trade payables	9,288.54	9,288.54	9,288.54	-	-
Other financial liabilities	181,762.70	181,762.70	181,036.83	725.87	-
<b>Total non- derivative financial liabilities</b>	<b>355,246.94</b>	<b>355,246.94</b>	<b>191,950.73</b>	<b>26,893.63</b>	<b>136,402.57</b>

(Rupees in Lakhs)

**42. Statement of net assets and profit and loss as required under Schedule III**

Name of the entity	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Odisha Power Generation Corporation Limited	100%	212,658.08	100%	6,636.43
Joint Venture (Equity Accounting)				
Indian				
1. Odisha Coal and Power Limited	9.28%	19,689.96	-3.25%	(215.51)

43. Previous year figures has been reclassified/ regrouped wherever necessary.

**44. Events after reporting period**

The authorised share capital of the Group has been increased from existing Rs 100,000 lakhs to Rs. 300,000 lakhs consisting of 30,000,000 no. of equity shares of Rs.1000/- each w.e.f August 28, 2017.

In terms of our report attached.

For Nag & Associates  
Chartered Accountants

*(S. P. Padhi)*  
Partner

FRN : 310962E

Membership No: 053292

Place : Bhubaneswar

Date : 04-11-2017

For and on behalf of the Board

*(M. R. Mishra)*  
Company Secretary

*(H. P. Nayak)*  
Director Finance

*(Indranil Dutta)*  
Managing Director

