

Volume-IV

Annexure (11-16)

Annexure – 11



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(पंजीकृत संस्था)

(ISO 9001:2008 Certified)

No.03/22/Odisha/OPGCL/Vol.I/48301006

20th December 2011

Managing Director
Orissa Power Generation Corporation Limited
Zone- A, 7th Floor
Fortune Towers
Bhubaneswar- 751023

Sub: Loan No.48301006 - Financial assistance for setting up of Unit III & IV (2 x 660 MW) of IB Thermal Power Station, at Jharsuguda District along with development of Manoharpur mine and Merry Go Round Railway System in Odisha – Revised Sanction Letter

Ref: i. PFC sanction letter No.03/22/Odisha/OPGCL/Vol.I/48301006 dated 26th November 2010
ii. OPGC letter no. OPGC/2385/W/E dated 23rd December 2010
iii. OPGC letter dated 16th August 2011
iv. OPGC letter dated 23rd August 2011

Dear Sir,

This is with reference to financial assistance for setting up of Unit III & IV (2 x 660 MW) of IB Thermal Power Station, at Jharsuguda District along with development of Manoharpur mine and Merry Go Round Railway System in Odisha involving total estimated cost of ₹ 10,000 Crores. PFC vide ref i above had agreed to advance a loan of ₹ 5625 Crores (Rupees Five Thousand Six Hundred Twenty Five only) for this project - Loan no. 48301006.

OPGC vide ref ii, iii and iv above had requested for modifications in terms and conditions of sanction of loan. In this regard, a revised sanction letter along with the modified terms and conditions is being issued for simplification. Further, we are also pleased to offer you an additional discount of 10 bps below the applicable rate of interest to OPGC in addition to the 25 bps discount already given for the subject project. Therefore the interest rate for OPGC for the subject project is now 35 bps below the applicable interest rate to OPGC.

Further, OPGC has also been given an option for conversion of Rupee Term Loan to Foreign Currency Loan from PFC. **Other condition** in this regard has been stipulated at clause 21.3.1. at **Annexure- I** of this sanction letter.

The loan shall be subject to the terms and conditions given in the attachment to this letter (**Annexure- I**) and also the terms and conditions as are laid down in the Memorandum of Agreement (MOA) to be executed between PFC and Orissa Power Generation Corporation Limited (OPGC).

We request you to communicate your acceptance within one month from the date of this letter to avail the above loan on the said terms and conditions.

The following documents (in the prescribed formats) shall be required at the time of execution /disbursement of loan as per PFC policy applicable:

a. Documents required at the time of execution/signing of loan documents (to be submitted to L&D unit of PFC)

1. Extract of Board Resolution, duly attested by the Secretary/Company Secretary, accepting the loan on the terms and conditions of PFC and authorizing an officer to accept and agree to said terms and conditions and execute the relevant loan documents / undertakings.

पंजीकृत कार्यालय : "ऊर्जाविधि", 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष

Read. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones :



11-23412545

256000 Fax : 0674-23412545

2. Resolution under section 293(1)(a) and 293 (1) (d) of the Companies Act 1956, duly attested by Company Secretary (applicable to entities registered under Companies Act, 1956).
3. Specimen signatures of authorized signatory duly attested by Secretary/Company Secretary.
4. Certificate of compliance of laws, bye-laws, etc. applicable to the borrower- to be issued by the Company Secretary/ Secretary of the borrower, as the case may be.
5. Certificate from the Company Secretary / Statutory Auditors of the Borrower that the borrowing is within the borrowing limits with details thereof.
6. Certificate in prescribed format that the borrower shall continue to be the owner and in physical possession of the project till the outstanding loan amount is fully liquidated.
7. Option letter whereby borrower either opts to pay commitment charges as per clause 5.1 of standard terms and conditions or upfront fees
8. Option letter whereby borrower opts for the reset period- 3 or 10 years.
9. Certificate from the borrower, in the prescribed format, that the borrower has received a copy of Operational Policy Statement (OPS) of PFC and confirming that the borrower is aware of the terms and conditions of OPS which shall also apply to this loan.
10. Quarter-wise drawal schedule.

b. Documents required at the time of disbursement of loan:

1. Tripartite Escrow Agreement in the prescribed format.
2. Security documents in the prescribed format for charge on assets.
3. Materials and equipment schedule, in the prescribed format, for the project/scheme to be financed under the loan.

In addition to above the borrower shall furnish all other documents as may be required in terms of loan.

Your kind attention is invited to clause 18.0 of Terms and Conditions of sanction, which reads as under:-

"The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA) latest by 25th May 2012. The Corporation may, in exceptional cases, agree to extend the aforesaid period, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of aforesaid period, duly supported by the reasons for such extension."

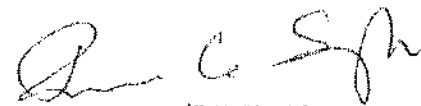
With regard to clause 2.1, it is clarified that the applicable interest rate is linked to internal rating of various utilities, which is carried out twice a year and interest rate changes, if any, are applicable for future disbursement/reset.

Further, with regards to clause 20.3, "taxes" does not include the tax on income of the corporation.

Kindly acknowledge the receipt of this letter.

Thanking you,

Yours faithfully,
for POWER FINANCE CORPORATION LTD.



(P.K. Singh)
General Manager (Projects)
& State In-charge (AP, Kerala & Odisha)

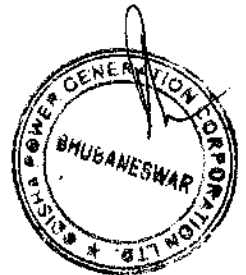
20/12/11

Encl: as above



Copy for information to: along with a copy of terms and conditions

- i. Chairman, OPGC, Zone- A, 7th Floor, Fortune Towers, Bhubaneswar- 751023-
- ii. Director (Finance), OPGC, Zone- A, 7th Floor, Fortune Towers, Bhubaneswar- 751023
- iii. Senior General Manager (Finance), OPGC, Zone- A, 7th Floor, Fortune Towers, Bhubaneswar- 751023
- iv. ED (Finance), PFC
- v. ED (Projects- TP), PFC
- vi. ED (EA & L&D), PFC
- vii. GM (Loan Recovery), PFC
- viii. AGM (Loan Disbursement), PFC



TERMS AND CONDITIONS OF SANCTION OF RUPEE TERM LOAN**1.0 AGREEMENT:**

- 1.1 The Borrower shall execute a Memorandum of Agreement (MOA) in the form prescribed by the Power Finance Corporation Ltd. (the Corporation) for the purpose and submit all other documents as required within six months of the date of letter of sanction of loan.
- 1.2 The Memorandum of Agreement shall not be executed in case the borrower has been declared a defaulter by the Corporation.

2.0 RATE OF INTEREST:

- 2.1 The Borrower shall pay interest on the said Loan at the rate of interest prevailing on the date of each disbursement as per the Corporation policy which shall be as notified by the Corporation (presently it is 12.15%* per annum for three year reset), along with tax, if any, at the rate applicable from time to time. The interest in favour of the Corporation shall begin to accrue from the date of payment/ cheque issued by the Corporation. The installment of interest and tax, if any, will be payable quarterly on the 15th day of April, 15th day of July, 15th day of October and 15th day of January every year, after commencement of disbursement. The amount of interest and tax, if any, payable will be calculated at the above rate up to the date immediately preceding the due date of payment i.e. 14th day of the month on the amount disbursed/ outstanding up to the last day of the preceding month. Computation of interest shall be made on a daily basis using 365 days factor.

* *Effective interest rate after rebate/incentive of 0.25% (presently applicable) for timely payment of dues. The Corporation shall recover interest from the Borrower considering the rates without rebate. The rebate, wherever applicable, shall be refunded to the Borrowers immediately in the cases where the total amount due on a due date has reached the Corporation by the due date.*

* *Further, OPGCL is being offered a special interest rate which is 35 bps below the applicable interest rate to OPGC for the subject project which is inclusive of the 25 bps discount offered at the time of initial sanction (12.50% - 0.35%).*

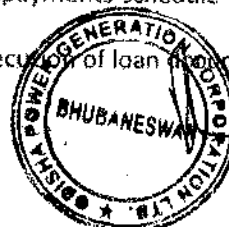
- 2.2 **Interest Reset:** Notwithstanding anything herein above, the Corporation shall have a right to reset the rate of interest, at its discretion, from third/tenth year (as applicable) beginning with the date of first disbursement. Borrower shall furnish the option in regard to reset period at the time of execution of MOA.

Methodology for resetting i.e. determination of amount to be reset, reset date etc. shall be as applicable from time to time.

3.0 REPAYMENT OF LOAN

- 3.1 The loan shall be repaid by the Borrower in 60 (Sixty) unequal quarterly installments as per the amortization schedule at Annexure-A. The first installment will become due on 15th day of October, 2017*, and the subsequent installments will become due for payment on the 15th day of January, 15th day of April, 15th day of July and 15th day of October every year. The Borrower shall have the right to modify the amortization schedule one time only till six months prior to the commissioning of the project subject to applicable norms. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under Annexure-A. The repayments schedule for the balance loan shall be in line with the PFC repayment schedule.

* Could be reviewed and changed at the time of execution of loan documents.



4.0 PRE-PAYMENT OF LOAN

- 4.1 The Borrower may prepay the outstanding principal amounts of the loan only after obtaining the prior written approval from the Corporation which will be at the sole discretion of the Corporation. The approval for prepayment may be granted subject to such conditions as the Corporation may deem fit including prepayment premium.
- 4.2 However, the Borrower may prepay to the extent of 25% of the outstanding loan amount due for reset on reset dates falling due after 5 years from the date of first disbursement without any premium.

5.0 COMMITMENT CHARGES/ UPFRONT FEE**5.1 Commitment Charges**

The borrower will furnish at the time of the execution of MOA to the Corporation a quarter-wise schedule of drawal of this loan, the year being the financial year commencing April 1st and ending March 31st and, the quarters being three months period beginning from 1st April, 1st July, 1st October and 1st January of the year. The borrower will be required to draw the entire amount of committed funds in the respective quarters. In case the borrower could not draw the committed funds in the scheduled quarter, the Corporation will recover commitment charges on the undrawn amount of the previous quarter from the first day of the following quarter till the date of actual date of drawal at prevailing rate (presently @ 0.25% p.a.). The commitment charges will be payable quarterly on 15th April, 15th July, 15th October and 15th January every year after execution of loan documents till the drawal of loan by the borrower.

The borrower will be allowed prospective revision in the drawal schedule once in every financial year, provided the request is received latest by 15th March of the previous financial year.

OR,

Upfront fee:

The borrower shall pay to the Corporation up-front fee at prevailing rate (presently 0.10%) of the loan sanctioned on or before the execution of MOA.

- 5.2 The Borrower shall furnish his option in regard to 5.1 (Commitment charges or upfront fee) above at the time of execution of MOA, and option once given shall be final and binding on the borrower.
- 6.0 **Additional interest in case of Delay in Payment/Liability towards Additional Charges/Costs etc**
- 6.1 In the event of the interest or the principal not being paid to the Corporation by the Borrower on the due date as indicated in the foregoing clauses, the Borrower shall pay to the Corporation additional rate of interest of 2.0% over and above the rate of interest mentioned in para 2.1 ante at which the loan is disbursed/reset, which will be compounded on quarterly basis.
- 6.2 The additional interest charged from borrowers shall be subject to the rebate of different rates, provided the repayment of dues is received in the following manner:
- a) In case the payment is received within one month of the date on which the repayments become due, 50% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate;



- b) In case the payment is received within two months of the date on which the repayments become due, 30% of the additional interest due from the date of default till the date of receipt shall be allowed as rebate;
- c) In case the payment is received within three months of the date on which the repayments become due, 10% of the additional interest due from the date of default till the date of receipt, shall be allowed as rebate; and
- d) No rebate shall be given in additional interest in case of default of over three months.

6.3 The Borrower shall pay on demand all costs, charges, expenses, applicable taxes, statutory duties and other money that may be incurred by the Corporation, in connection with remittance/receipt of moneys to or to the order of or from the borrower, or in connection with protecting and/or enforcing the rights of the Corporation under the Memorandum of Agreement and/or Guarantee Deed and/or any other document for the loan in question. The decision of the Corporation with regard to the amount/loss incurred on these, shall be final and binding on the Borrower.

7.0 APPROPRIATION OF AMOUNT PAID BY THE BORROWER:

- 7.1 The money paid by the Borrower shall be appropriated in the following order:
- a) Costs, charges, expenses, applicable taxes, statutory duties and other moneys;
 - b) Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and other moneys;
 - c) Additional Interest;
 - d) Commitment Charges;
 - e) Interest/ tax if any;
 - f) Repayment of principal in the order of the occurrence of the dues; and lastly;
 - g) Prepayment of principal.

8.0 ALL PAYMENTS TO BE REALISABLE AT PAR IN NEW DELHI:

8.1 The Borrower shall so arrange that the amounts due and payable to the Corporation are realizable by the corporation at par on the due date of the relevant payments in New Delhi. The Corporation shall prefer and encourage the borrowers to make payments of the dues through e-payment system, in specified Bank Account(s) of the Corporation, as may be notified from time to time.

9.0 SHIFTING OF DUE DATE OF PAYMENT OF INSTALMENT:

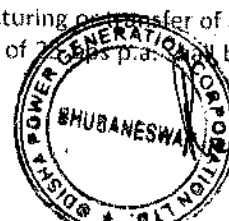
9.1 In case the standard due date falls on a bank holiday (at the Corporation's bank at New Delhi), the due date shall be shifted to the immediately following bank working day.

10.0 MAINTENANCE OF ACCOUNTS AND AUDIT:

10.1 The Borrower shall maintain proper accounts and other records and prepare annual accounts including the profit and loss account and the balance sheet in the forms and manner prescribed under the applicable Act/Regulations. The Borrower shall furnish to the Corporation the un-audited annual accounts, within three months and audited accounts within seven months of the close of the year to which the accounts relate.

11.0 TRANSFER AGREEMENTS IN CASE OF STRUCTURING OF SEBs/State Power Utilities

11.1 The successor state sector entities would execute the transfer agreements, within a period of 6 (six) months from the date of notification of such restructuring or transfer of assets and liabilities whichever is later otherwise, an additional interest of 2% p.a. shall be leviable



on balance disbursements after expiry of six months from the date of notification of such restructuring or transfer of assets and liabilities whichever is later till execution of transfer agreements.

12.0 GUARANTEES & SECURITIES:

12.1 CHARGE ON ASSETS:

- I. The loan together with all interest (including additional interest), costs, expenses, applicable taxes, statutory duties and other money shall be secured with the prescribed coverage ratio (presently 1.1 times) applicable in case of Orissa Power Generation Corporation Limited by a first charge in favour of the Corporation in a form satisfactory to the Corporation by way of mortgage of all the immovable assets and by way of hypothecation of all the movable assets of the project i.e. 2 x 660 MW Unit III & IV of Ib Thermal Power Station, (save and except book debt and fuel stock), including movable machinery, Mandatory spares, tools and accessories, spares and material at project site, present and future. The charge on the project assets shall rank pari-passu with the other term lender(s).

The Borrower shall make out good marketable title to its properties to the satisfaction of the Corporation and comply with all such formalities as may be necessary or required for the said purpose.

- II. Creation of additional security: The Borrower undertakes that if, at any time during the subsistence of this Agreement, the Corporation is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loans then outstanding, the Borrower shall provide and furnish to the Corporation additional security as may be acceptable to the Corporation to cover such deficiency.
- III. Registration of charge: The Borrower shall have the particulars of charge registered with the Registrar of companies (ROC) as per the Companies Act within stipulated time, and shall submit a certificate from the ROC certifying the registration of charge.

And/or

- IV. The borrower shall have the particulars of charge registered with the Sub-Registrar of Assurances in case of English Mortgage wherever executed.

- 12.2 The borrower shall enhance/open an escrow account for the entire pendency of the loan with the prescribed coverage ratio (presently 1.1 times) applicable in case of Orissa Power Generation Corporation Limited to the satisfaction of the Corporation. The operation of the escrow account shall be as under:

- a. **During Construction:** Cash generated from Unit 1 and 2 of Ib TPS to be routed through escrow account. However, O&M expenses (including fuel expenses) shall have priority to any debt servicing.
- b. **Post Commissioning:** Cash generated from Unit 3 & 4 of Ib TPS to be routed through the escrow account. The amount required for flow through escrow account shall be finalized after finalization of repayment schedule six months prior to the commissioning of the project.

- 12.3 In cases, where the borrower fails to create all securities as per terms of sanction by the stipulated date, the Corporation shall charge additional interest on loan at prevailing rate (presently 1% p.a.). The additional interest shall, however, not be charged in case substantial security for the loan has been created. Substantial security is defined as:

- Mortgage of at least 80% of land of Unit III & IV necessarily including main plant land and
- Creation of all other securities as per terms of sanction



In case the disbursement against the loan increases beyond 75% of the loan amount and entire security as per terms of sanction has still not been created, additional interest shall be levied on the amount outstanding, from the date the disbursement against the loan exceeds 75% limit.

13.0 UTILISATION OF LOAN AND COMPLETION OF PROJECT:

- 13.1 The Borrower shall ensure that the equipment/materials for which the loan is obtained from the Corporation are utilized for the implementation of the project.
- 13.2 The Borrower shall not raise borrowings from any other sources for meeting the cost of equipment / materials / works financed through this loan for the subject project, save and except for the balance 25% of total debt component.
- 13.3 The Borrower shall take all necessary steps to ensure that the project is completed as envisaged in the manner and according to the time schedule envisaged, i.e. by 1st February 2017* or such other date as may be agreed to by the Corporation.
* Could be reviewed and changed at the time of execution of loan documents.
- 13.4 The procurement by the borrower for various equipment / material /work / studies being fully / partially financed by the Corporation loan shall generally be done in accordance with the borrower's standard procurement procedure.

14.0 DRAWAL OF LOAN:

- 14.1 The Borrower shall before the disbursement of the loan sanctioned, furnish to the Corporation a schedule in the prescribed form containing complete details of the equipment/materials ordered/supplied and/or civil/ erection work completed/ to be completed for which the payments are required to be made or to become due.
- 14.2 The Borrower shall have to submit its application for drawl of the loan duly supported by the certificates and documents as required by the Corporation.
- 14.3 The loan shall be disbursed according to the disbursement procedure of the Corporation, as modified/amended from time to time and/or as mutually agreed. Normally, disbursement will be made on the basis of the standard equipment/materials ordered/supplied as required for the completion of the project/programme and payment for these equipment/materials becoming due by the Borrower to the supplier(s) concerned and also in respect of the civil/erection works completed/to be completed for implementation of project/programme through any agency(ies) engaged for the purpose.
- 14.4 For specific type of loans or sub-projects or loan arrangements tailor made disbursement/reimbursements procedures would be evolved in consultation with the Borrower and shall be followed on both sides.
- 14.5 If desired by the Borrower, the Corporation may make an advance payment as per the disbursement procedure of the Corporation on completion of necessary loan documents. (The certificate/proof, as may be needed by the Corporation, in regard to utilisation of advance will be submitted by borrowers normally within six months of the drawl or in such a time frame as agreed to by the Corporation).
- 14.6 The Corporation shall not be liable for any charge whatsoever for which the Borrower may become liable due to delayed payment in respect of the equipment/materials



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ordered/supplied or in respect of civil/erection works executed through the agency(ies) engaged.

- 14.7 The borrower shall draw the loan as per drawl schedule and the closing date of loan shall be 1st August 2017* or such other date as may be agreed to by the Corporation.
* Could be reviewed and changed at the time of execution of loan documents.

- 14.8 Claims for expenditure incurred from 28th September 2010 will be admissible against this loan.

15.0 SUPERVISION AND MONITORING:

The Corporation would monitor the progress of project/scheme financed by it. In this respect:

- a) The Borrower shall furnish to the Corporation such reports on its working, either in general or in specific relation to this loan, in the manner as may be prescribed by the Corporation from time to time.
- b) The Borrower shall furnish periodic progress reports on the formats, as defined by the Corporation, on the utilization of this loan and on the physical progress of the project/ programme from time to time.
- c) The Borrower shall furnish a completion report on the successful completion of the project within 6 (six) months of the commercial operation of the projects/schemes as per format prescribed by the Corporation.
- d) The Borrower shall provide full co-operation and access to the officials of the Corporation for monitoring through visits to Project related sites, store as well as the Head Quarters of the borrower. The borrower shall also provide documents as may be deemed necessary for assessing the physical as well as financial progress of the project.
- e) It would be open to the corporation to depute its officers and other staff/nominees for inspection of the matters relating to this loan and its purposes and the inspecting staff shall have access to such books, records and stores of the Borrowers as will be deemed necessary by the inspecting staff/ nominees. The Borrower shall allow all facilities to the inspecting officers/ nominees for the purpose of carrying out such inspection and render such explanation or elucidation as may be required by the Corporation and or its nominees and allow the taking of any copies of/or extracts therefrom.

In case the Corporation is not satisfied with the progress of the project/scheme financed or the utilization of financial assistance provided, it may resort to remedial measures as stipulated in the clause DEFAULT hereunder.

16.0 State Govt. Loan/Budgetary Support

- i) The Borrower shall not make/adjust the payment of interest or repayment of State Govt. loans due to it until such time that the liability in regard to payment of interest and repayment of loan due up to date to the Corporation is fully paid.
- ii) The loan from the Corporation shall be in addition to the State's budgetary support committed for the project as per the approved annual plan provision.



17.0 DEFAULTS:

- 17.1 In case it is found to the satisfaction of the Corporation, which shall be final and not questioned, that the amount already disbursed has not been properly and effectively utilized by the Borrower for the project/programme and/or the progress achieved in the implementation of the project/programme or compliance of any of the condition(s) of this loan is considered to be not satisfactory, the Corporation shall have absolute discretion at any time to suspend, reduce, cancel, recall, alter or delay disbursement of said loan and/or installments in any manner and may decline to disburse any and/or all the remaining installments without assigning any reason thereof, to the Borrower and without being liable for any losses or damages.
- 17.2 If the Borrower defaults in the payment of principal or interest or any other payment required under the loan agreement, the Corporation, at its option, may by notice to the Borrower and to the guarantor, declare the principal of the loan then outstanding to be due and payable immediately together with the interest and other charges thereon, and on such declaration such principal, together with the interest and other charges thereon, shall become due and payable immediately.
- 17.3 In case of default in payment of dues such as principal, interest etc, as the case may be, for loan, the Corporation shall have the right to disclose the name/details of the borrower/loan etc. to CIBIL or RBI or any such authority.

18.0 VALIDITY PERIOD OF SANCTION:

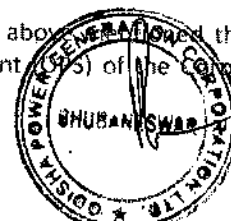
The sanction of loan accorded in terms of the sanction letter will stand cancelled if the Borrower fails to execute the complete documents (i.e. MOA along-with documents required before or at the time of execution of MOA) latest by 25th May 2012. The Corporation may, in exceptional cases, agree to extend the aforesaid period, for such further period as it may deem appropriate if the Borrower makes an application to the Corporation before expiry of aforesaid period, duly supported by the reasons for such extension.

19.0 SALE/ TRANSFER/ ABANDONING OF THE PROJECT BY THE BORROWER

- 19.1 a) The Borrower must be and continue to be the owner and in physical possession of the project at the time of execution of Memorandum of Agreement, disbursement of each installment of loan amount and till all the moneys due to the Corporation are fully liquidated by the Borrower.
- b) The Borrower shall not sell/transfer or abandon the project at any stage in any manner without prior written consent of the Corporation. In case at any stage or on a future date, the project is proposed to be transferred to any other organization or to be abandoned, the borrower shall seek prior consent of the Corporation before any such transfer is affected and in such case, the Corporation reserves the right to recall the loan with all outstanding dues including prepayment premium as applicable from time to time.

20.0 MISCELLANEOUS PROVISIONS :

- 20.1 The said loan shall also be subject to such further terms and conditions as may be laid down in the form of agreement to be executed by the Borrower.
- 20.2 Notwithstanding the various terms and conditions herein above, the Borrower has been given a copy of the Operational Policy Statement (OPS) of the Corporation and



amendments/ modifications thereto, for such financial assistance or assistances, and the Borrower is fully aware of the various terms and conditions set out therein which shall apply mutatis-mutandis to this loan as if fully set forth herein and all the provisions set out in the OPS shall be binding on the borrowers. Further the Borrower shall also take note of and comply with any change/ revision/ modification amendments/instructions that may be made subsequently and notified by the Corporation.

20.3 The borrower shall during the currency of loans bear all such imposts, duties and taxes or any other charges as may be levied from time to time by the Government or other authority.

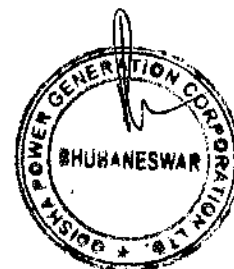
21.0 Special Conditions

21.1 Pre-commitment Conditions

1. OPGC shall submit evidence to the effect that the investment in the project has been intimated to appropriate commission indicating the financing plan and repayment obligation in tariff and shall submit an undertaking that a copy of the tariff order (including interim tariff orders) and those related to PPA approval received by the borrower from appropriate commission would be provided to PFC;
2. OPGC shall submit an undertaking that no further investment shall be made in the power project if appropriate commission does not approve the PPA/ tariff petition filed by OPGC for the subject power project;
3. OPGC shall submit an undertaking to implement and adhere to the norms and any other additional terms and conditions mandated by statutory and / or regulatory agencies and obtain all applicable permits / clearances / approvals for the project;
4. OPGC shall submit an undertaking that it shall make efforts to get 'Mega Power' benefit.

21.2 Pre-disbursement Conditions

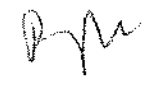
1. OPGC shall firm up the cost of the project and furnish details of the same to PFC;
2. OPGC shall have obtained the Consent to Establish / No Objection Certificate from Odisha State Pollution Control Board (OSPCB) for the power project;
3. OPGC shall obtain environment clearance, if applicable, and forest clearance for MGR project within 24 months of first disbursement;
4. OPGC shall obtain environment clearance and forest clearance for Manoharpur mine within 24 months of first disbursement;
5. OPGC shall have signed the Mining Lease Agreement for Manoharpur mines within 24 months of first disbursement;
6. OPGC shall enter into long term Power Purchase Agreement with GRIDCO Ltd / through bidding for sale of at least 75% of power from the project, six months prior to the scheduled commissioning of first unit;
7. OPGC shall finalize mode of mine development and operation and shall have executed an agreement to such effect within 12 months of first disbursement;
8. OPGC shall demonstrate that power evacuation system is in place at least three months prior to commissioning of first unit of the project;
9. OPGC shall create mortgage for the project land in line with the following timelines:
 - Power Plant: 12 months from first disbursement
 - MGR : 18 months from first disbursement
 - Manoharpur mine: 18 months from first disbursement



[Handwritten signature]

21.3 Other Conditions

1. OPGC may opt to convert part of RTL facility sanctioned by PFC to FCL facility from PFC subject to availability of foreign currency with PFC. The conversion shall be limited to the lesser of ₹ 2250 Crores equivalent (40% of PFC's sanctioned loan amount) or undisbursed loan amount on prevailing terms and conditions applicable to FCL and sign an FCL agreement.

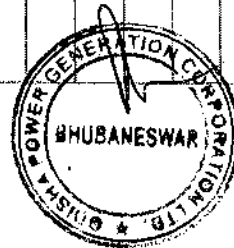


OPGCL: Loan No: 48301006: Financial assistance to Orissa Power Generation Corporation Limited (OPGC) for setting up Unit III & IV of Ib Thermal Power Station (2x 560 MW) at Jharsuguda District along with development of Manoharpur mine and Merry Go Round Railway System in Odisha

Amortization Schedule

Year ending March 31	2018	2019	2020	2021	2022	2023	2024	2025
	1	2	3	4	5	6	7	8
January	98.44	77.34	77.34	77.34	77.34	98.44	98.44	98.44
April	0.00	77.34	77.34	77.34	77.34	98.44	98.44	98.44
July	0.00	77.34	77.34	77.34	77.34	98.44	98.44	98.44
October	98.44	77.34	77.34	77.34	77.34	98.44	98.44	98.44
Total FY Repayment	196.88	309.38	309.38	309.38	309.38	393.75	140.63	393.75
Cumulative Principal Repayment	196.88	506.25	815.63	1125.00	1434.38	1828.13	1968.75	2362.50

Year ending March 31	2026	2027	2028	2029	2030	2031	2032	2033
	9	10	11	12	13	14	15	16
January	112.50	133.59	126.56	126.56	119.53	49.22	98.44	0.00
April	112.50	133.59	126.56	126.56	119.53	49.22	98.44	98.44
July	112.50	133.59	126.56	126.56	119.53	49.22	98.44	98.44
October	112.50	133.59	126.56	126.56	119.53	49.22	98.44	0.00
Total FY Repayment	450.00	534.38	506.25	506.25	478.13	196.88	393.75	196.88
Cumulative Principal Repayment	2812.50	3346.88	3853.13	4359.38	4837.50	5034.38	5428.13	5625.00



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पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

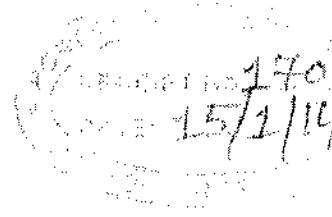
(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

No.3/22, Odisha/OPGCL/IB TPS/48301006/Vol III/16624

January 09, 2014

To
GM (Finance),
Odisha Power Generation Corporation Ltd.
Zone-A, 7th Floor, Fortune Towers
Bhubaneswar - 751023



Sub:-Financial assistance of Rs. 4330 Crore to Odisha Power Generation Corporation Ltd, (OPGCL) against loan no. 48301006 - Ceding pari-passu charge

Dear Sir,

Please refer to your letter No.2477 dated 27.08.2013 requesting PFC to cede first pari-passu charge on all immovable and movable assets of IB TPP, Unit 3&4, Ph II, (2x660MW) at Jharsuguda in Odisha (loan no. 48301006) in favour of REC Ltd. for securing the term loan of Rs.4330 Crore (Rupees Four Thousand Three Hundred and Thirty crores) sanctioned by REC Ltd. to OPGCL for the above project.

In this regard we hereby confirm that we have no objection to your creation of first charge on Pari-Passu basis in favour of REC Ltd. to secure the Term Loan of Rs. 4330/- crore alongwith interest and other charges thereon, subject to obtaining similar letter for ceding Pari-Passu first charge in favour of PFC."

However, this charge ceding letter is subject to the condition that REC Ltd. shall not enforce the abovementioned security without prior consultation with PFC. This supercedes the earlier letter dated 17.09.2013 issued in this regard.

Thanking You,

Yours faithfully
for Power Finance Corporation Limited

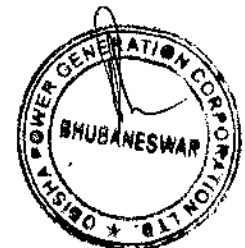
(Innu Ankita. P)

Asst Manager (Projects - Odisha)

Copy to:

ED (L&D), PFC

Sourav / Gena
2-2-14
15/1/2014



पंजीकृत कार्यालय : "ऊर्जानिधि", 1, बाराखम्बा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फैक्स : 011-23412545

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545

वेबसाईट / Website : www.pfcindia.com

Annexure – 12



रुरल ईलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड

(भारत सरकार का उद्यम)

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Enterprise)

Project Office: Deen Dayal Bhawan, 5th Floor, Ashok Nagar, Janpath, Bhubaneswar- 751009, Orissa.

Tele: 0674 - 2593206, 2536669 Fax 0674 - 2536669,

E-mail: rec@bhel.co.in & pnbhubaneswar@rec.co.in, Website: www.recindia.com & www.recindia.co.in

No: REC/BH/SANC/T-172/2012

Date: 15.06.2012

To,

Sr. General Manager (Finance)
M/s OPGCL, 7th Floor, Forting Tower,
Chandrasekharpur, Bhubaneswar,
Orissa, Pin- 751023.

Kind Attn: Sh. Nilamani Mohantra

Sanction Letter for RTL - GEN

Sub: Financial assistance of Rs. 3851 Crore to M/S ORISSA POWER GENERATION CORPORATION LTD (OPGCL) for execution of 2x660 MW Coal Based Thermal Power Plant at Benhurpalli in Jaxuguda District of Orissa and also for Merry-go-round (MGR) System & Coal Mine Infrastructure earmarked for the Project (Scheme Code No. OR-GE-GEN-407-2012-6286)

Ref: M/s OPGCL Application for Financial Assistance vide Letter No. 69 W/E dated 9th Jan, 2012.

Dear Sir,

This is with reference to your above cited Loan Application for financial assistance of Rs. 3851 Cr. to finance/ part finance for setting up the proposed 2x660 MW Coal based Power Project and also for Merry-go-round (MGR) System & Coal Mine Infrastructure earmarked for the Project to be built at a total cost of Rs. 10269 crores at Benhurpalli in Jaxuguda district of Orissa State.

Your request has been considered and REC is agreeable to sanction Rupee Term Loan ("RTL") to the extent of Rs. 3851 Crores (Rupee Three Thousand Eight Hundred and Fifty One Crore Only).

The aforesaid term loan is subject to the General Terms and Conditions as set out in Annexure-I and 'Additional/Specific Conditions' as set out in Annexure-II enclosed to this sanction letter and also to the terms and conditions of the Rupee Term Loan Agreement (RTLA) to be executed between REC and M/s. ORISSA POWER GENERATION CORPORATION LTD (OPGCL).



The sanction letter is being sent to you in duplicate and you are requested to return one copy of the same duly signed by the authorized representative/signatory in all pages with seal as a token of acceptance of the terms and conditions of this sanction within thirty days from the date of receipt of this sanction letter to avail the above loan/financial assistance.

This communication should not in any way be construed as any binding obligation on the part of REC unless you communicate your acceptance to REC within 30 days from the date of receipt of this sanction letter and unless the Rupee Term Loan Agreement and other documents relating to the above loan/financial assistance are executed by M/s OPGCL in such forms as may be required by REC within six months from the date of this sanction letter, or such further time as may be allowed/extended by REC in its absolute discretion on your written request.

The following documents (in the prescribed formats) shall be required as per applicable policy of REC:-

(A) Documents required at the time of execution/signing of loan documents: -

1. Copy of the Board Resolution, duly attested by the Secretary/Company Secretary/Authorized Officer, regarding: -
 - a) To accept the loan on the terms and conditions of REC
 - b) To accept creation of charge on assets by way of hypothecation/ mortgage (if opted by the borrower)
 - c) To furnish undertakings as per the Terms and Conditions of this Term Loan.
 - d) To authorize an officer to accept and agree to the terms and conditions and to execute the relevant loan documents/undertakings etc.
2. Specimen signature of authorized signatory duly attested by the Secretary/Company Secretary.
3. Certificate from the Company Secretary/Secretary in respect of the compliance of laws, bye-laws, etc. applicable to the borrower.
4. Certificate from the Company Secretary / Statutory Auditors of the Borrower that the borrowing is within the borrowing limits with details thereof.
5. Certificate to the effect that the borrower shall continue to be the owner and in physical possession of the project till the outstanding loan amount is fully liquidated.
6. Certificate/Letter for opting 'commitment charge' or 'upfront fee'.
7. Quarter-wise draw schedule.



- (B) Documents required at the time of disbursement of loan: -
1. Tripartite Escrow Agreement/ TRA Agreement, as the case may be, in the prescribed format.
 2. Materials and equipment schedule, in the prescribed format, for the project/scheme to be financed under the loan.
 3. State Govt. Guarantee in the prescribed format or charge on assets by executing security documents by way of Hypothecation and Mortgage Deeds in the prescribed formats.

In addition to above the borrower shall furnish other documents as may be required in terms of loan.

Kindly acknowledge the receipt of this letter and feel free for any clarification in the matter.

Thanking you,

Yours faithfully,

For & on Behalf of Rural Electrification Corporation Ltd.



(Surendra Pradhan)
 Chief Project Manager
 SURENDRA PRADHAN
 प्रमुख परियोजना प्रबन्धक
 CHIEF PROJECT MANAGER
 अ.प. व. व. लि., परियोजना कार्यालय
 R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751008

Encls: As above.

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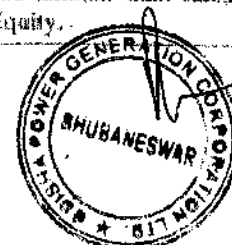
1. DM/AM/Sr. Officer/Officer to CMD/ to DIR(Fin)/DIR(Tech)
2. ED (F&A- Loans)/GM (Gen-I)/GM (Law)/GM (T&D)
3. AGM (Claims)/AGM (IT)
4. AGM (Recovery)
5. Concerned ZM/CPM
6. Master File



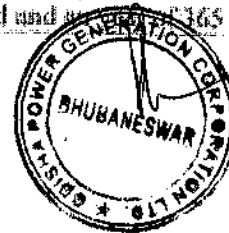
STATE SECTOR BORROWERS

General Terms and Conditions for Sanction of Rupee Term Loan for Generation Projects:

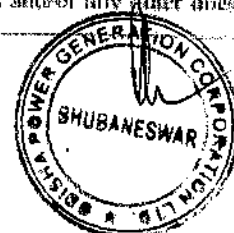
Sl. No.	Title	Terms & Conditions
A. Pre-Commitment Conditions :		
1	Sanctioned Loan Amount	<p>a) Loan Amount sanctioned by REC : Rs. 851 Cr. & (% of Project cost) 37.5%</p> <p>b) Name of the Project: 2X 660 MW (Unit 3 & 4) Coal Based Thermal Power Project</p> <p>c) Scheme Code: OR-GE-GEN-307-2012-6286</p> <p>d) Estimated Project Cost: Rs. 10269 Cr.</p> <p>e) Promoters' Contribution: -Rs. 2367 Cr. & (% of Project cost) 25%</p> <p>f) Debt Component: -Rs. 7701 Cr. & (% of Project cost) 75%</p> <p>g) Scheduled Date of Commercial Operation (COD) of the Project :- March 2017</p>
2	Validity of Sanction Letter	The sanction shall be valid for a period of six months from the date of sanction letter. However, REC can extend the validity period on the request of the borrower after being satisfied of the reasons of delay furnished by the Borrower.
3	Loan Agreement	<p>a) The Borrower shall execute the Rupee Term Loan Agreement (RTLA) along with other loan documents and furnish all certificates within six months time or such extended period, as the case may be in the prescribed formats of REC.</p> <p>b) In case of any inconsistency between the terms and conditions of the sanction letter and the RTLA, the terms and conditions of Sanction Letter shall prevail, except as specifically provided in the RTLA.</p> <p>c) All the Terms and Conditions herein including all future additions/ amendments therein shall be the integral part of the RTLA.</p>
4	Stamp Duty & Registration Expenses	The costs towards stamp duty and registration charges shall be borne by the Borrower for and in connection with execution of loan/security documents.
5	Draw Down Schedule and Disbursement of Loan	<p>a) The borrower shall furnish to REC a quarter-wise schedule of drawl of this loan, the year being the financial year commencing April 1st and ending March 31st and the quarters being three months period beginning from 1st April, 1st July, 1st October and 1st January of each year. The borrower will be required to draw the entire amount of committed funds in the respective quarters. <u>The borrower shall be allowed prospective revision of drawl schedule, with concurrence of REC two times only during the currency of the loan.</u></p> <p>b) For the purpose of disbursement of loan, the financial year will be the year in which the loan is 1st disbursed and the Zero date for the Loan shall be the date of 1st disbursement.</p> <p>c) <u>Unless REC agrees otherwise, the Borrower's right to make draws from the Rupee Term Loan shall cease at end of 6 months after COD by default or on last date of drawl as agreed by REC and Borrower at the time of signing of RTLA, as the case may be but shall be limited for the Project Expenses incurred till the date of COD only.</u> In case of any cost saving/reduction in the project cost, due to reasons whatsoever, the loan amount shall stand reduced by amount so reduced in proportion to the Debt & Equity.</p>



	<p>1st instalment of the sanctioned loan amount shall be released only after execution of the prescribed loan agreement/documents, completion of other legal formalities including submission of such undertakings & certificates and authentication in the forms prescribed by REC for this purpose, and compliance by the borrower with the all other and special terms and conditions of the sanction letter (RTLA) including all future amendments.</p> <p>REC may consider the payment of advance, on the request of Borrower, depending on the need of the project, on creation of adequate security and compliance of terms & conditions of sanction to the satisfaction of REC. Further disbursement shall be based on "draw down schedule" accepted by REC or the revised draw down, if approved by REC in line with the Awarded Contract Provisions.</p> <p>2nd and all subsequent instalments of loan shall be disbursed as per REC's prevailing disbursement procedures based on certification of the progress of the project/work done by the Borrower on the format acceptable to REC.</p> <p>REC reserves its right to withhold the entire or any part of un-disbursed amount of Rupee Term Loan and/or to recover/adjust any Additional Interest, Penal Interest and any other dues payable under this sanction letter as well as under any other Rupee Term Loan availed by the Borrower from the Loan amount at the time of disbursement.</p> <p>REC may agree on the request of the borrower to extend the period of disbursement of loan and implementation of the project.</p>
6	<p>Upfront fee / Commitment charges.</p> <p>The borrower shall have the option to pay either upfront fee or commitment charges under the intimation to REC before executing of RTLA at the prevalent rate as per REC's Loan Policy. Once the option is exercised, the same shall be final, binding and irrevocable;</p> <p>If Borrower has opted for Upfront fee, the same shall be payable on or before the date of execution of the RTLA at the rate of 0.10 % p.a. or at such rate as may be fixed by REC from time to time, on the loan amount as per REC's prevailing loan policy. or,</p> <p>If Borrower has opted for Commitment Charges, the same will be payable quarterly on every "Interest Due Dates" at such rate as may be fixed by REC from time to time as per REC's prevailing loan policy and it will be charged on the un-drawn amount of cumulative committed funds of each quarter from the first day of following quarter till the date of actual draw).</p>
7	<p>Payment of Interest, Interest Rates & Interest Reset Period.</p> <p><u>The Borrower shall pay interest on the loan amount disbursed, at the rate prevailing on the date of each disbursement as per REC's prevailing loan policy circular, for the entire period of loan, subject to interest rate reset (at the sole discretion of REC) as applicable from the date of each disbursement of loan instalment.</u> The present rate of interest is as under:</p> <p>With interest rate reset option after Three years - @ 12.5 % per annum Pre-COD and @ 12.5 % per annum Post-COD; OR</p> <p>With interest rate reset option after Ten years - @ 12.35 % per annum Pre-COD and @ 12.75 % per annum Post-COD.</p> <p>The interest shall be payable by the borrower and compounded quarterly. The 1st "Interest Due Date" shall be the last day of the last month of the calendar quarter in which disbursement is made and all subsequent "Interest Due Date's" shall be the last day of last month of following calendar quarter till the full Loan amount along with all other dues are paid back to REC. There will not be any moratorium for payment of interest. All interest and their cost, charges, expenses shall accrue on daily basis and be calculated on the basis of actual number of days elapsed and 365 days.</p>

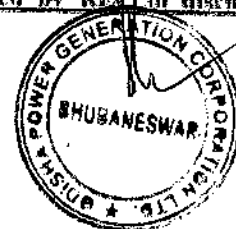


<p>8</p> <p>Loan Repayment/Moratorium Period, Appropriation of Receipts & Mode of Payment</p>	<p>Notwithstanding anything stated hereinafore, it will be open to REC to periodically reduce or enhance the rate of interest in respect of loan instalments not discussed up to the date of such revision. The revision in the rate of interest shall take effect from such date as may be notified by REC.</p> <p>The Borrower shall exercise the option of the reset of Interest Rate by the Lender in respect of the Rupee Term Loan either 'after every 3 years' or 'after 10 years' beginning with the date of first disbursement. The option shall be exercised by the borrower before seeking first disbursement of loan and this option once exercised shall be final and binding and cannot be modified during the entire tenure of the loan.</p> <p><u>An additional interest at the rate as per prevailing policy of REC shall be charged in addition to the normal interest for the period of non-creation of specified securities within stipulated period.</u></p> <p>The entire loan shall be repaid by the Borrower in 404860 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 and all subsequent 'Loan Repayment Due Dates' shall be last day of each following calendar quarter till the entire loan amount along with interest & all other dues are repaid to REC in full.</p> <p><u>Moratorium period for all types of projects including Hydel projects shall be Commercial Operation Date (COD) + 6 months, subject to maximum of 5 years, from the date of 1st disbursement.</u></p> <p><u>The total moratorium period shall be calculated from the date of first disbursement.</u></p> <p>REC also reserves its right to adjust/appropriate from any remittances made by the Borrower for the following dues under this RTLA as well as under any other Rupee Term Loan availed by the Borrower in the following order unless otherwise agreed:</p> <ol style="list-style-type: none"> (i) <u>All costs, charges, expenses, losses, applicable taxes, statutory duties and TDS and other moneys being due from the Borrower;</u> (ii) <u>Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and TDS and other moneys, if any;</u> (iii) <u>Commitment Charges (if applicable);</u> (iv) <u>Penal and/or Additional Interest including interest tax, if any;</u> (v) <u>Any overdue interest including interest tax, if any;</u> (vi) <u>Any due interest including interest tax, if any;</u> (vii) <u>Repayment of Principal falling due; and surplus remaining out of above, if any, shall be retained as an advance receipt of next falling due interest and/or Principal instalment.</u> <p>Any shortfall in recovery of the dues mentioned in (i)-(vii) above shall be considered as default in payment and shall be treated as such as per provisions defined herein or elsewhere and REC will have the liberty to exercise all the rights as may be available under the RTLA or any other security documents.</p> <p>The Borrower shall ensure that all payments due from them are realized and realized at par at the designated Bank at New Delhi or other places as may be directed by REC on the dates on which same falls due or preceding working day, if such due date is a bank holiday at the recipient branch. Any payment(s) received before the due date shall be deemed to have been received on the due date only.</p>
<p>9</p> <p>Default and Penal Interest</p>	<p>In the event of any instalment of interest/principal and/or any other dues not being</p>



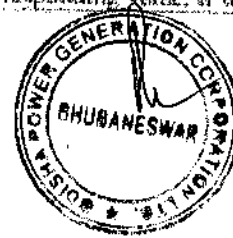
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	<p>8 Consequences of default</p>	<p>paid to REC by the Borrower on or before the due dates & in per terms as indicated herein, the Borrower shall pay to REC a penal interest at the rate as per the prevailing Loan Policy of REC on the date of default, over and above and in addition to the applicable interest rate on the amount so overdue, for the period of default on quarterly compounding basis.</p> <p>b) Further in the event of default in payment of interest and/or in repayment of principal by the Borrower, subsequent receipts shall be appropriated as per the Accounting Policy of REC.</p> <p>c) In the event of default in terms and conditions of the loan by the Borrower or abandoning the project at any stage or the amount not getting utilized for the purpose for which it is sanctioned or viability of the Project or the financial strength of Promoters or there is any substantial deterioration in securities created for the loan, the whole or any part of the loan disbursed can be called back by REC prematurely and in such an event, the entire loan outstanding shall become immediately payable by the Borrower to REC together with all due interest and applicable penal interest shall be payable from the original date of disbursement of loan and REC shall have the full liberty to utilize any amount to the credit of the Trust and Retention /Escrow Account including its Sub-Accounts in service and repay the KTL facilities.</p> <p>d) Further in case of such defaults, REC shall have absolute rights to either enforce the entire or any part of securities created under the KTLA and/or to take possession of charged assets including entire or any part of plant/project and to sell, transfer or dispose otherwise, as REC may deem fit, besides taking legal recourse as may be available to REC.</p> <p>e) <u>The occurrence of events of default shall be judged during currency of KTLA by REC at its sole discretion which shall be final and binding on the Borrower.</u></p>
<p>10</p>	<p>Prepayment</p>	<p>a) <u>The Borrower shall not prepay the outstanding amount of the Rupee Term Loan in full or in part save as the instalments as per the repayment schedule. Any prepayment of the Rupee Term Loan shall be made with prior permission and at the sole discretion of REC and on the terms and conditions (including prepayment premium) as may be decided by REC on such request.</u></p> <p>b) During the period when the request for prepayment is under consideration of REC, the Borrower shall continue to service interest and repayments in terms of KTLA.</p>
<p>11</p>	<p>Interest Tax, Service Tax, levies & duties and Other Costs & Expenses.</p>	<p>a) The interest / fees and other charges mentioned herein are exclusive of any prevailing interest tax, service tax and / or other applicable levies/ duties. Such interest tax, service tax/ other levies/ duties, as may be applicable, besides of any stamp duties, court fee, professional fees, cost and charges for counsel/ advocate's fees for drafting, vetting of loan documents and rendering opinions, advice, creation of security, due diligence/investigation of title and expenses and fees incurred/ borne by REC for the monitoring and inspection of the project implementation/ operation by its representative and any insurance premium and related costs paid by REC on behalf of the Borrower and any other charges or surcharges as levied by the Government or any other statutory authorities on any Rupee Term payment under the loan or any other activity directly/indirectly applicable to the Term Loan shall be payable by the Borrower to REC in addition to and in the manner of the Loan Repayment / Interest Payments.</p> <p>b) <u>The Borrower shall keep REC indemnified at all the time from any COSTS, EXPENSES or losses suffered due to the conduct/default of Borrower and/or make good all monies that may be incurred by REC in discharging the</u></p>



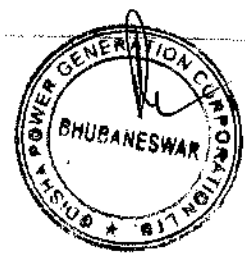
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		<p>obligations of the Borrower or in connection with the execution of the RTLA or for collection, preservation, disposing or otherwise dealing the offered Securities as per provisions herein or for collection/remittance of payments to/from Borrower, as the case may be. The decision of REC in this regard shall be final and binding on the Borrower.</p>
12	Security	<p>Before seeking 1st disbursement of the Rupee Term Loan, the entire Term Loan together with interest, costs, expenses and all other monies whatsoever accruing out of the RTLA shall be secured by any of the following to the satisfaction of REC:</p> <p>(A) State Govt. Guarantee (Individual/Bulk/Revolving)</p> <p>The loan shall be guaranteed by the State Government fully, irrevocably and unconditionally securing repayment of principal together with payment of interest, penal interest and other charges thereon by Individual/Bulk/Revolving Guarantee executed by the said Government in favour of REC to the satisfaction of REC.</p> <p>If the loans are to be secured by a Decd of Bulk/Revolving Guarantee as aforesaid executed by the said Government in favour of REC, a copy of the RTLA shall be forwarded to REC by the State Government with a request to annex the said agreement to the said Decd of Bulk/Revolving Guarantee as one of the agreements, the loan under which is secured by the said Guarantee.</p> <p>The value of Individual/Bulk/Revolving Guarantee shall not be less than 100% of the loan amount and shall also cover the interest, penal interest and other charges as per policy of REC applicable from time to time.</p> <p>OR</p> <p>(B)</p> <p>i) <u>Hypothecation by way of first charge on all existing and future movable assets of the Project including equipments, machineries & other current assets, book debts/receivables & all other movables to the satisfaction of REC. AND</u></p> <p>ii) <u>English/Equitable/Simple Mortgage by way of first charge on all immovable properties i.e. Land together with buildings and other civil works attached thereto of the project, subject to due diligence as to clear title as prescribed by REC in this behalf. Wherever land/properties are to be acquired by the Borrower, the mortgage shall be created within a period of six months from the date of disbursement of the loan. In case of the lease hold land/properties, the Borrower shall mortgage the leasehold rights by execution of registered Indenture of Mortgage thereby assigning to REC all the rights/interest available to the Borrower under the lease agreement.</u></p> <p>The above charges would be got timely registered by the Borrower and search reports should be submitted to REC.</p> <p><u>The total value of such securities shall not be less than 120% of the loan amount, which shall also cover the interest, penal interest and other charges as per policy of REC applicable from time to time.</u></p> <p>Securities provided by the Borrower shall be as per applicable REC norms. Every reimbursement claim for release of the funds shall be supported by details of assets created out of the project loan including their corresponding value. It will be open to</p>



REC

		<p>REC to make field verification before actual release of funds against such claims.</p> <p>If at any time during the subsistence of loan, the Corporation (REC) is of the opinion that the security provided by the Borrower has become inadequate to cover the balance of the loan then outstanding, the Borrower shall provide and furnish to REC additional security as may be acceptable to REC to cover such deficiency.</p> <p><u>Project assets including contracts and project documents mortgaged/hypothecated/charged/assigned in favour of REC shall not be mortgaged/hypothecated/charged/assigned in favour of any other institution during the pendency of REC loan without prior written permission from REC.</u></p>
13	ESCROW /TRA ACCOUNT	<p>The Borrower shall establish a suitable Payment Security Mechanism as acceptable to REC to secure timely payment of interest and repayment of principal.</p> <p>a) <u>The Borrower shall make operational a default Escrow arrangement of cash flows into the Escrow account in the designated Bank through a Tripartite Escrow Agreement for timely payments to the satisfaction of REC.</u></p> <p>Or</p> <p>b) <u>A Trust & Retention Account (TRA) during the construction stage shall be opened in the designated Bank to ensure all cash flows of the project are routed through the account and the transfer/utilisation of funds from the account shall be made strictly as per the mandate drawn up between the Borrower & REC.</u></p> <p>The above Payment Security Mechanisms shall be executed on formats as may be acceptable to REC.</p>
14	Loan Assignment	<p>REC shall be fully empowered to assign the debt and the benefit of this loan, guarantee and the securities to be created for the loan to the Government of India, RBI or any other institution as security of any refinancing arrangement which may be worked out by REC with such organization in respect of the loan and the Borrower shall, as and when required by REC, join in doing and executing all such acts, deeds, documents and assurances as REC may require to give effect to such assignment.</p>
II. Pre-disbursement Conditions :		
1	The Borrower shall undertake ensure and demonstrate always that :	<p>a) The Borrower has not defaulted on any of its loans & shall submit satisfactory cash flow of the project.</p> <p>b) The Borrower to submit confirmed source of own investment & shall raise and proportionately invest the same along with REC loan & shall not utilize it for repayment/settlement of outstanding liabilities other than of the Project.</p> <p>c) The Borrower shall have tied up for equity and balance loan amount, if any, before disbursement.</p> <p>d) The Borrower will submit the implementation schedule and draw down schedule.</p> <p>e) The Borrower shall create the Security as per the terms of sanction and in the manner satisfactory to REC.</p> <p><u>f) The Borrower shall have to certify and satisfy REC that necessary budget allocation has been made in the State plan outlay for financing the balance/additional cost of the project, for reason(s) whatsoever, before the release of loan by REC.</u></p>



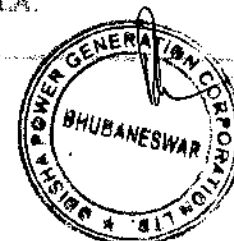
		<p>2) The Borrower shall ensure the availability of input resources viz. adequate supply of Coal/start-up fuel, water and also take adequate measures/safeguards against natural calamities such as earthquake, cyclone etc. during detailed engineering as well as execution of project etc.</p> <p>3) The Borrower shall furnish the approved Financial Plan of the Project</p> <p>4) The Borrower shall submit copies of EPC/Package Contracts for main plant equipments indicating firm price/price variation clause with a cap & LD clauses.</p> <p>5) The Borrower shall submit the arrangement for BOP to REC.</p> <p>6) The Borrower shall furnish to REC the details of arrangement for Fuel Supply Linkage for a minimum PLP required as per norms.</p> <p>7) The Borrower shall submit the details of arrangement for Power Evacuation System to REC</p> <p>8) The Borrower shall undertake to comply the time lines in respect of approved PPA and Fuel Plan, Firm Contract with relevant price variation/LD clauses for BOP, Fuel Supply Agreement (FSA) and Power Evacuation System.</p>
2	<p>Project Clearances</p>	<p>All statutory and non-statutory clearances especially mentioned below have to be obtained and demonstrated at all stages -</p> <div style="border: 1px solid black; padding: 5px;"> <p>For Thermal Power Projects:</p> <p>a. Environment & Forest Clearance.</p> <p>b. Civil Aviation Clearance.</p> <p>c. Clearance of R&R, if required.</p> <p>d. Coal linkage.</p> <p>e. Water allocation</p> <p>f. Evacuation of Power arrangement</p> <p>g. Any other clearances (as may be applicable from time to time)</p> </div>
3	<p>Project Management Committee</p>	<p>The Borrower shall, before seeking 1st disbursement of Loan, undertake to constitute a Project Management Committee of Directors/Senior Executives including REC's Nominee Director/LE or other representative(s) to the satisfaction of REC and strengthen/structure/broad-base the same as may be required by REC during any stage of implementation of Project. The committee shall be responsible for monitoring the physical and financial progress of the Project including tendering, placement of orders for supply/construction of plant and machinery and other assets and issue quarterly progress report in the form acceptable to REC and provide any other information as and when desired by REC on the progress of work including photographs of the project at various stages of project implementation/ financial progress.</p> <p>The Borrower shall obtain and furnish an authenticated copy of all statutory and other clearances from the Central/State Govt. and all other agencies required for implementation of the Project and installation of plant and systems.</p>
<p>C. Other Conditions:</p>		
1	<p>The Borrower shall always ensure</p>	<p>a) Debt exposure for the project shall not exceed 50 % of the cost of the project or Rs. 3850.71 Cr. whichever is less.</p> <p>b) Cost overrun, if any, would be borne by Borrower and returned to the</p>



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project of REC.

- REC reserves the right to specify additional requirement by REC, in the offered security package under in the applicable terms & conditions and loan documents.
- a) The completion period for the project will be 36 months.
 - b) The Borrower shall keep REC informed about any happening/event which shall have a substantial effect on the business of the borrower & shall provide necessary information, in case of any new project/expenditure or existing project taken up during the currency of REC loan. REC shall have the right to cancel/recall the entire loan in case of misrepresentation/ suppression of information, if any noticed at any stage.
 - c) The Borrower shall arrange to provide, as and when requested by REC, tariff, plan approved by the appropriate authority. In case of any cost saving/reduction in the project cost the loan amount shall stand reduced proportionately.
 - d) The Borrower shall not transfer/sell or abandon the project at any stage in any manner whatsoever without prior written consent of REC.
 - e) REC shall have a right to appoint lender's engineer, lender's counsel and auditors as it may deem necessary and further rights to appoint a nominee on the project Management Committee of Borrower and Borrower shall provide all assistance to them. Borrower shall bear the costs of such appointees.
 - f) The Borrower will be required to display a Display Board at the site to the satisfaction of REC showing that the project is financed by REC, which is having charge on the Project Assets.
 - g) The PPA shall provide that the revenue of the Distribution Company/Buyer will be encrowed in favour of Generation Company/Borrower and in turn in favour of REC.
 - h) The PPA shall provide that the Generating Company/Borrower/REC can undertake third party sale of power within state or outside state, if the distribution company/Buyer doesn't clear its dues as per stipulation in the PPA.
 - i) If the project EPC cost is less, which reduces the project cost, then REC's sanctioned loan shall stand reduced in proportion to the sanctioned debt equity ratio. If there is any increase/escalation in Project/EPC costs for any reason whatsoever, the promoter has to meet the increased cost without any recourse to the project or REC.
 - j) No dividend would be declared by the Borrower if there is any default in respect of REC's loan.
 - k) Time bound action plan for the implementation of the project will be prepared by the Borrower Company and quarterly progress reports for the same will be submitted to REC along with photographs of the project sites indicating progress of works.
 - l) The Borrower has to enter into an Agreement for transportation of fuel.
 - m) The Borrower should ensure timely completion of water and power evacuation arrangement for the Plant.
 - n) REC reserves the right to appoint a Nominee Director on the Board of the Borrower.
 - o) Borrower shall file tariff petitions as per the time schedule specified by the State Regulatory Commission (SRC).
 - p) REC reserves the right to withhold/cease the balance undischarged loan either in full or in part on being satisfied of non-compliance of any of the terms & conditions of the loan by the Borrower or for any other reason.
 - q) Besides above, other Special Conditions may be stipulated by REC at the time of sanction of loan, which shall be integral part of RFLA.



1	Other Compliances to be ensured by the Borrower	<p>a) <u>The Borrower shall enter into Power Purchase Agreement for sale of full power from the project and shall furnish approved tariff plan by the regulator 1 year before COD.</u></p> <p>b) <u>The Borrower shall submit to REC duly executed (TOD) Package Contracts and firm contract indicating firm price/price variation clause with a cap & LD clauses to REC within 1 year from the date of first disbursement.</u></p> <p>c) <u>The Borrower shall submit to REC the FSA for a quantity required for minimum P.E. as per norms indicating firm price/price variation clause with a cap & LD clauses 1 year before the COD.</u></p> <p>d) <u>The Borrower shall furnish firm contracts for Power Evacuation System indicating firm price/price variation clause with a cap & LD clauses for the full capacity of the Project shall be submitted to REC within 1 year of 1st disbursement.</u></p> <p>e) <u>The Power Evacuation System shall be fully completed, tested and made available with all required interconnections and open access permission within 6 months before the COD.</u></p>
3	Inspection/ Monitoring & Progress Report	<p>a) <u>It shall be open to REC to arrange for inspection/monitoring of the implementation of the project at all stages in respect of such matters as may be considered necessary and expedient either by itself or by monitoring agencies including institutions/individuals as may be appointed by REC.</u></p> <p>b) <u>The officers/staff/commissioners deputed by REC for the inspection/monitoring of matters relating to the project shall have access to such books and records of the Borrower as may be deemed necessary by them. The Borrower shall also furnish from time to time such reports, explanations or elucidations on its working in general or in relation to the specific Project financed by REC as and when may be asked and in the form and manner acceptable to REC/ such officials.</u></p> <p>c) <u>The Borrower will carry out and comply with such further changes, modifications, improvements and/or guidelines as may be given by REC in the course of or on the basis of inspections so undertaken for the purpose of more effective and proper implementation of the project and in respect of performance of the Borrower and its Promoters.</u></p> <p>d) <u>The Borrower will furnish to REC such reports, returns, information, statements etc. at such intervals and in such manner as may be prescribed by REC from time to time in regard to implementation of the Project.</u></p> <p>e) <u>Furnish the Completion Report of the Project within 6 months of COD in the form and manner acceptable to REC.</u></p>
4	Training	<p>The Borrower will permit and depute its officers and other employees as may be considered necessary by REC for the purpose of providing training from time to time in the procedures to be followed for making modifications/improvements on design and operation of the project components as may be considered relevant by REC.</p>
5	Maintenance of Books of Accounts and Audit thereof	<p>The Borrower shall maintain all the time during subsistence of RTA, proper accounts and other records and prepare annual financial statements and get them audited as are required by the Companies Act, 1956 or other relevant law and shall furnish to REC the Unaudited Financial Statements within 1 month and Audited Financial Statements within 6 months from the close of relevant accounting years.</p>
6	Demand Notice	<p>On or before the due dates, the Borrower shall ensure the payment of interest and repayment of principal as per agreed terms & conditions irrespective of receipt or not of demand notice from REC. However, REC may also send demand notice in advance for the amount falling due and payable, but also send demand notice</p>



REC

Project: EX-069 (Unit 1 & 2) REC Coal Based TPP at Bharsaguda of OPJCL

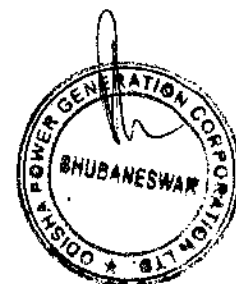
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		shall not absolve the borrower of their obligations under RTLA.
7	REC's Liability	Notwithstanding to above and hereafter, REC shall not be liable for any direct or indirect loss/damage/injury to the property, management or business of the Borrower or their affiliates caused due to the act, negligence, misconduct or omission of REC or its representative(s) except as defined herein or by virtue of any prevalent law.
8	Interpretation	The decision of REC in all matters including interpretation of any clause relating to this sanction letter shall be final and binding on the Borrower.
9	Abbreviations	<p>ADP - Advance of Plants</p> <p>CEA - Central Electricity Authority</p> <p>COD - Commercial Operation Date</p> <p>EPC - Engineering Procurement and Construction</p> <p>PSA - Fuel Supply Agreement</p> <p>PES - Power Evacuation System</p> <p>PLF - Plant Load Factor</p> <p>PPA - Power Purchase Agreement</p> <p>RTL - Rupee Term Loan</p> <p>RTLA - Rupee Term Loan Agreement</p> <p>SRC - State Regulatory Commission</p> <p>TBA - Trust and Retention Account</p>

Note:-

- All general Terms & Conditions have to be read harmoniously with special/additional Terms & Conditions.
- The highlighted & underlined conditions have been modified and shall be replaced with proposed special/additional/relaxed conditions.

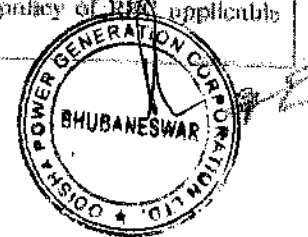


Modified/Additional/Specific Terms and Conditions for sanction of Rupee Term Loan in respect of 2x660 MW (Unit 3 & 4) Coal based TPP of OPGC

A.	CONDITIONS PER REC STANDARD SANCTION TERMS FOR STATE SECTOR PRE - COMMITMENT CONDITIONS	REVISED CONDITION AS PER OPGC REQUEST
5.9	The borrower shall be allowed prospective revision of drawal schedule, with concurrence of REC two times only during the currency of the loan.	<i>"The borrower shall be allowed prospective revision of drawal schedule, with the approval of REC two times in a year with a 30 days prior written notice before the beginning of 1st & 3rd quarter."</i>
5.1	Unless REC agrees otherwise, the Borrower's right to make draws from the Rupee Term loan shall cease at the end of 6 months after COD by default or on the last date of drawal as agreed by REC & Borrower at the time of signing of BTLA, in the case may be but shall be limited for the Project Expenses incurred till the date of COD only.	<i>"Unless REC agrees otherwise, Borrower's right to make draws from the Rupee Term Loan shall cease at end of 6 months after COD by default or on last date of drawal as agreed by REC & Borrower at the time of signing of BTLA, as the case may be, but shall be limited for the Project Expenses incurred till the end of moratorium period."</i>
7.a	The Borrower shall pay interest on the loan amount disbursed, at the rate prevailing on the date of each disbursement as per REC's prevailing loan policy circular, for the entire loan period, subject to interest rate reset <u>at sole discretion of REC</u> as applicable from the date of each disbursement of loan installment.	<i>The Borrower shall pay interest on the loan amount disbursed <u>at the interest rate of 3%bps less than</u> the rate prevailing on the date of each disbursement as per REC's prevailing loan policy circular, for the entire loan period, subject to interest rate reset <u>at the end of three (3) years</u> as applicable from the date of each disbursement of loan installment.</i>
7.c	An additional interest shall be charged for the period of non-creation of specified securities within stipulated period.	<p>An additional interest shall be charged for the period of non-creation of specified securities within stipulated period. The timeline for creation of security is as follows:-</p> <p>Securities to be created prior to first disbursement:</p> <ul style="list-style-type: none"> a) All securities as mentioned in standard terms & conditions except for mortgage land. b) Mortgage of at least 80% of the land necessarily including main plant land. <p>Mortgage of balance 20% land, shall be completed within 6 months from the date of first disbursement.</p>
8.a	The entire loan shall be repaid by the Borrower in 40/48/60 equal quarterly installments and the 1 st '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 and all subsequent 'Loan Repayment Due Dates' shall be last day of each following calendar quarter till the entire loan amount along with interest & all other dues are repaid to REC in full.	<p><i>The entire loan shall be repaid by the Borrower in 60 quarterly installments 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 and all subsequent 'Loan Repayment Due Dates' shall be last day of each following calendar quarter till the entire loan amount along with interest & all other dues are repaid to REC in full. The repayment schedule shall be finalized on mutual agreement during Loan Documentation. Further, REC shall review the repayment schedule at the time of actual commissioning of the project and</i></p>



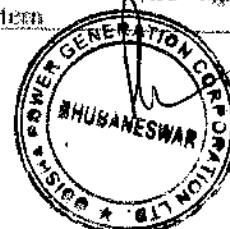
		borrower may be allowed to change in the repayment profile as finalized at the time of documentation, maximum upto 5% for each year. The total debt to debt tenure shall be
8.1	Maximum period for all types of projects including Hydro projects shall be Commercial Operation Date (COD) to months subject to 5 years from the date of 1st disbursement.	"COD+ 9 months +Repayment, maximum upto 20 years from the date of first disbursement"
8.c	The total moratorium period shall be calculated from the date of first disbursement.	The total debt to debt tenure shall be calculated from the date of first disbursement.
8d 8e	All costs, charges, expenses, losses, applicable taxes, statutory duties & TDS and other money being due from borrower.	All costs, charges, expenses, applicable taxes, statutory duties & TDS and other money being due from borrower.
8d 8e	Interest on costs, charges, expenses, losses, applicable taxes, statutory duties and TDS and other monies, if any.	Interest on costs, charges, expenses, applicable taxes, statutory duties and TDS and other monies, if any.
9.1 9.2	The Borrower shall keep REC indemnified at all the time from any costs, expenses or losses suffered due to the conduct/default of Borrower and/or make good all monies that may be incurred by REC in discharging the obligations of the Borrower or in connection with the execution of the RTLA or for collection, preservation, disposing or otherwise dealing the offered Securities as per provisions herein or for collection/remittance of payments to/from Borrower, as the case may be. The decision of REC in this regard shall be final and binding on the Borrower.	The Borrower shall keep REC indemnified at all the time from any costs, expenses suffered due to the conduct/default of Borrower and/or make good all monies that may be incurred by REC in discharging the obligations of the Borrower or in connection with the execution of the RTLA or for collection, preservation, disposing or otherwise dealing the offered Securities as per provisions herein or for collection/remittance of payments to/from Borrower, as the case may be. The decision of REC in this regard shall be final and binding on the Borrower.
9.c	The occurrence of events of default shall be judged during the currency of RTLA by REC at its sole discretion which shall be final and binding on the Borrower.	"The occurrence of events of default shall be judged during the currency of RTLA in accordance with the terms of RTLA by REC which shall be final and binding on the Borrower."
10. a	The borrower shall not repay the outstanding amount of RTL in full or part, prepayment shall be made with prior permission and sole discretion of REC.	The borrower shall not repay the outstanding amount of RTL in full or part, prepayment shall be made with prior permission and sole discretion of REC. However, in following cases, borrower can prepay the loan without any pre-payment premium: i) If the prepayment is made at the instance of the lenders. ii) If the prepayment is made at any time by the borrower from its cash accruals from the Project.
12B ii	Hypothecation by way of 1st charge on all existing and future assets The total value of securities shall not be less than 120% of the loan amount, which shall also cover the interest, penal interest and other charges as per policy of REC applicable from time to time.	Hypothecation by way of 1st charge on all existing and future assets of the Project The total value of securities shall not be less than 110% of the loan amount, which shall also cover the interest, penal interest and other charges as per policy of REC applicable from time to time.



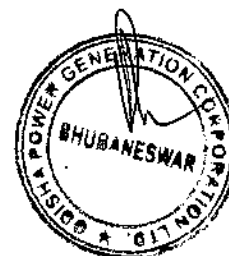
	Project assets including all rights and interests shall not be assigned in favour of any other institution.	"Project assets including all rights and interests shall not be assigned in favour of any other institution except bank lenders of Project & Working Capital Lenders with ceiling of 7500 Cr. on working capital loan."
73	Borrower shall make operational default escrow arrangement of cash flows into Escrow account in the designated bank through tripartite escrow agreement. OR Trust and Retention account during the construction stage shall be opened at a designated bank to ensure all cash flows of the project are routed through the account and transfer and utilization of funds from the account shall be made strictly as per the mandate drawn up between borrower and REC.	Borrower has to open Trust and Retention Account (TRA) during construction period at a designated bank to ensure all cash flows of the project are routed through the account and transfer and utilization of funds from the account shall be made strictly as per the mandate drawn up between borrower and REC. After commissioning of Project, Borrower shall make operational default escrow arrangement of required amount in proportion to loan and its interest of REC from the cash flow of the project into Escrow account in the designated bank through Tripartite Escrow Agreement for timely payments to the satisfaction of REC.
B. Pre-Disbursement Conditions		
11	The Borrower shall have to certify and satisfy REC that necessary budget allocation has been made in the State plan Outlay for financing the balance/additional cost of the project, for reason(s) whatsoever. Before the release of loan by REC.	Deleted
C. OTHER CONDITIONS		
11	Cost overrun to be borne by borrower without recourse to project or REC	Cost overruns upto 10% of Project Cost to be borne by borrower without recourse to project or REC.
1.c	REC reserves the right to specify additional requirement by REC, in the offered security package and/or in the applicable terms & conditions and loan documents.	"REC reserves the right to specify additional requirement by REC, in the offered security package and/or in the applicable terms & conditions prior to execution of loan documents."
1.d	PPA shall provide that the revenue from the distribution company/buyer will be escrowed in favor of generation company /borrower and in turn favor of REC.	Deleted
1.e	If the project EPC cost is less, which reduces the project cost, then REC's sanctioned loan shall stand reduced in proportion to the unutilized debt equity ratio. If there is any increase in Project/EPC costs for any reason whatsoever, the promoter has to meet the increased cost without any recourse to the project or REC.	If the project EPC cost is less, which reduces the project cost, then REC's sanctioned loan shall stand reduced in proportion to the sanctioned debt equity ratio. If there is any increase in Project/EPC costs upto 10% of Project Cost for any reason whatsoever, the promoter has to meet the increased cost without any recourse to the project or REC.
1.f	No dividend would be declared by borrower if there is any default in respect of REC loan.	"No dividend would be declared by borrower if there is any default in respect of REC loan repayment and such default is continuing and not waived by REC"
1.g	REC reserves the right to appoint a Nominee Director on the Board of the	"REC reserves the right to appoint a Nominee Director on the Board of the project in case



	Borrower	of default and the default is not rectified within the curing period."
1.1	Borrower shall file tariff petitions as per the schedule specified by REC.	"Borrower shall provide an undertaking that it shall file tariff petitions with the appropriate commission."
1.2	REC reserves the right to withhold/cancel the balance undischarged loan either in full or in part on being satisfied of non-compliance of any of the terms & conditions of the loan by the Borrower or for any other reason.	REC reserves the right to withhold/cancel the balance undischarged loan either in full or in part on material non-compliance of any of the terms & conditions of the loan by the Borrower.
2.1	The Borrower shall enter into PPA for sale of full power from the project and shall furnish approved tariff plan by the regulator 1 year before COD.	The Borrower shall enter into long term/short term PPA for sale of balance 50% of power (Minimum 20% long term with distribution companies/end users) 6 months prior to COD. Further, Borrower shall furnish approved tariff plan within the timelines provided by relevant regulations notified by appropriate commission.
2.2	The borrower shall submit to REC the PPS for a quantity required for minimum PLP on per norms indicating firm price/ price variation clause with a cap & LD clause 1 year before the COD.	Condition has been modified as Pre-disbursement Condition.
2.3	The borrower shall furnish firm contracts for power evacuation system indicating firm price/price variation clause with a cap & LD clause for the full capacity of the project shall be submitted to REC within 1 year of 1 st disbursement.	The borrower shall submit connectivity agreement and BPTA with GRIDCO/PGCIL/any other entity as applicable, within 1 year of 1 st disbursement.
3.1	The power evacuation system shall be fully completed tested and made available with all the required interconnections and open access permission within 6 months before the COD.	The power evacuation system shall be fully completed tested and made available with all the required interconnections and open access permission at least 6 months before the COD of first unit of Project.
3.2	The borrower shall carry out with such further changes, modifications, improvements and/or guidelines as may be given by REC in course of or on the basis of inspections undertaken for the purpose of more effective and proper implementation of the project and in respect of performance of the borrower and its promoters.	"The borrower shall carry out with such further changes, modifications, improvements and/or guidelines as may be given by REC in course of or on the basis of inspections undertaken for the purpose of more effective and proper implementation of the project and in respect of performance of the borrower with respect to the project."
	ADDITIONAL CONDITIONS	
A	PRE - COMMITMENT CONDITION	
1	Coal Mines	Borrower shall undertake that coal from Manoharpur Coal Mines shall be used only for 2x60 MW (Unit 3 & 4) of the Thermal Power Station.
B	PRE-DISBURSEMENT CONDITIONS	
1	Coal Mines & MGR	Borrower shall obtain Stage-I Forest Clearance by Manoharpur Coal Mines & MGR System prior to any disbursement against Coal mines/MGR System.



2	Coal Mines	The Borrower shall submit to REC the approved Mining Plan having production start date commensurate with CoD of first coal of Project.
3	Power Purchase Agreement (PPA)	The Borrower shall enter into Long Term PPA (at least for 10 year period) with REC/CO/distribution companies/end users/whse suppliers for sale of at least 50% of power prior to first disbursement with suitable payment security mechanism to the satisfaction of REC.
C	OTHER CONDITIONS	
1	Coal Mines & MGR	<p>(i) The Borrower shall obtain all necessary approvals for Manoharpur Coal Mines & MGR System including from Environment & forest Clearance 24 months from the date of first disbursement.</p> <p>(ii) Borrower shall create Mortgage for Manoharpur Coal Mines & MGR System land 18 months from the date of first disbursement.</p> <p>(iii) The borrower shall have signed the mining lease agreement for Manoharpur Coal Mines 24 months from the date of first disbursement.</p> <p>(iv) OPGC shall finalize mode of mine development & operation and shall have executed an agreement to such effect 12 months from the date of first disbursement.</p>
2	ECB/ ECA	"With the prior written approval of REC, the borrower shall be permitted to replace upto 40% of the total term loans by way of external commercial borrowings / ECA loans from banks and FIs at any time during the construction period. The borrower shall be permitted to take appropriate hedges for the ECBs/ ECA loans on the basis of sharing of Project assets with hedge counterparties."
3	Letter of Comfort	"REC shall issue Letter of Comfort as per REC policy, if required by OPGC of its loan facility from REC in favour of banks for opening LCs in favour of contractors / suppliers."
4	New & Unused Equipment	Borrower shall use only new and unused equipment in the project.
5	Favorable Conditions	Any favorable terms and/or additional terms and conditions stipulated by Lead Lender/other lenders, shall also be applicable in the proposed loan to the extent they are considered relevant acceptable by REC.



REC

रूरल इलक्ट्रीफिकेशन कार्पोरेशन लिमिटेड

(भारत सरकार का उद्यम)

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Enterprise)

Project Office: Deen Dayal Bhawan, 5th floor, Ashok Nagar, Janpath, Bhubaneswar- 751009, Odisha.

Tel: 0674 - 2393206, 2536649 Fax 0674 - 2536669.

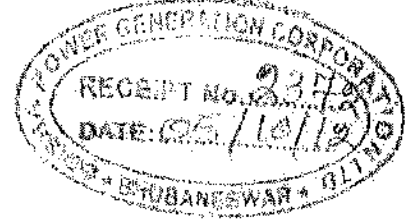
E-mail: rpobhsr@yahoo.co.in & robhubaneswar@rect.nic.in, Website: www.recindia.com & www.rerindia.nic.in

REC/BH/SANC/T-172/ 5 24

Dated: 04.10.2012

To,

Sr. General Manager (Finance.)
Odisha Power Generation Corporation Limited,
7th Floor, Fortune Tower,
Chandrasekharpur, Bhubaneswar,
Orissa, Pin- 751023



Kind Attn.: Sh. Nilamani Mohapatra

Sub: Financial Assistance in form of additional rupee term loan of Rs. 479.25 Cr. to M/s ODISHA POWER GENERATION CORPORATION LTD (OPGCL) for execution of 2x660 MW Coal Based Thermal Power Plant at Baharpalli in Jharsuguda District of Odisha and also for Merry-go-round (MGR) System & Coal Mine Infrastructure earmarked for the Project (Scheme Code - OR-GE-GEN-407-2012-6286)

- Ref:- 1. Sanction Letter vide no. REC/BH/SANC/T-172/238 dated 15.06.2012
2. Request letter of OPGCL vide no. 2264 dated 28.08.2012

Sir,

This has reference to the request of M/s OPGCL for Additional Rupee term loan for the above cited project. In this connection, it is to inform you that Competent Authority of REC has approved an Additional Term Loan of Rs. 479.25 Cr. to M/s OPGCL, towards setting up of 2x660 MW Coal based Thermal Power Plant at Jharsuguda, along with Merry-go-round (MGR) System & Coal Mine Infrastructure earmarked for the Project.

The conditions of Original Sanction letter shall be applicable for additional loan also. Further, as requested by OPGCL, the deviations/relaxation in existing terms & conditions as approved by Competent Authority from REC to earlier Sanction Letter is enclosed at annexure-I. Further, it may be noted that the additional loan sanction is subject to the approval of revised cost by other lenders.

Kindly acknowledge the receipt of this letter and feel free for any clarification in the matter.

Thanking You,

Yours faithfully


(Surendra Pradhan)
Chief Project Manager



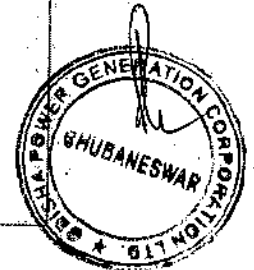
Enclosure:-

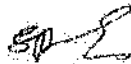
I. Annexure-I

Copy to : Sh. P. Baburaj, AGM (Generation-I), REC Ltd., New Delhi

सुरेन्द्र प्रधान
SURENDRA PRADHAN
मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER
भार. ई. सी. लि., परियोजना कार्यालय
R.E.G. Ltd., Project Office
भुवनेश्वर / Bhubaneswar-751009

	Term	Existing Condition	Modified condition
1	Cost Overrun (Clause 1b and 11 of other conditions)	1 b) Cost overrun <u>upto 10% of Project Cost</u> to be borne by borrower without recourse to project or REC 1 1) If the project EPC cost is less, which reduces the project cost, then REC's sanctioned loan shall stand reduced in proportion to the sanctioned debt equity ratio. If there is any increase in Project/EPC costs <u>upto 10% of Project Cost</u> for any reason whatsoever, the promoter has to meet the increased cost without any recourse to the project or REC.	1 1) If the project EPC cost is less, which reduces the project cost, then REC's sanctioned loan shall stand reduced in proportion to the sanctioned debt equity ratio.
2	Appointment of nominee director (clause 1q of other conditions)	REC reserves the right to appoint a Nominee Director on the Board of the Borrower in case of default and the default is not rectified within the curing period.	Deleted
3	Dividend Restriction (cl ause 1m of other conditions)	No dividend could be declared by borrower if there is any default in case of REC Loan repayment and such default is continuing and not waived by REC	Deleted
4	Connectivity and BPTA signing (clause 2d of other conditions)	The borrower shall submit connectivity agreement and BPTA within 12 months from first disbursement	The borrower shall submit connectivity agreement and BPTA within 24 months from first disbursement
5	Coal mine and MGR disbursement (Pre disbursement condition 1)	Borrower shall obtain Stage-1 Forest Clearance for Manoharpur Coal Mines & MGR System prior to any disbursement against Coal mines/MGR System.	Deleted




 सुरेन्द्र प्रधान
 SURENDRA PRADHAN
 मुख्य परियोजना प्रबंधक
 CHIEF PROJECT MANAGER
 आर. ई. सी. लि., परियोजना कार्यालय
 R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751009



उड़ीसा ORISSA

E 441043

LOAN AGREEMENT


This Agreement is made at Bhubaneswar on this 23rd day of November 2012.

BETWEEN


Rural Electrification Corporation Limited, a Govt. of India Enterprise, (through its Project Office at 5th Floor, Deendayal Bhawan, Ashok Nagar, Bhubaneswar - 751009), a Company registered under the Companies Act, 1956 and having its registered office at Core - 4, SCOPE Complex, 7 Lodi Road, New Delhi (hereinafter referred to as 'REC' which expression shall include its successors and permitted assigns) ONE PART.

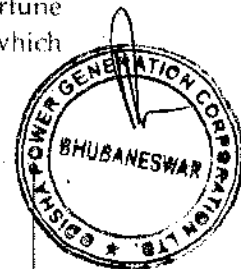
AND

Odisha Power Generation Corporation Limited, a Company registered under the Companies Act, 1956 and having its registered office at Zone A, 7th Floor, Fortune Tower, Bhubaneswar - 751023 (hereinafter referred to as "the Borrower", which expression shall include its successors and permitted assigns) OTHER PART.


Managing Director
OPGC
Odisha Power Generation Corporation Ltd.
Bhubaneswar

REC


सुरेन्द्र प्रधान
SURENDRA PRADHAN
मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER. No. 1
आर. परियोजना कार्यालय
Project Office
Bhubaneswar-751009



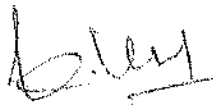
REC and the Borrower collectively referred to as "Parties" and singularly as a "Party".

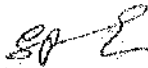
WHEREAS the Borrower vide letter dated 09.01.2012 and 16.08.2012 has sought financial assistance of Rs. 4330.00 Cr.(Rupees Four Thousand Three Hundred Thirty Crore only) as Term Loan from REC to be utilized for execution of 2x660 MW Coal based Thermal Power Plant at Baraharpali in Jharsiguda district of Odisha and for Merry-go-Round (MGR) System and coal mine infrastructure earmarked for the project (hereinafter referred to as the 'Project') the details whereof are provided in Annexure-A, written hereunder, and forms part and parcel of the present Agreement.

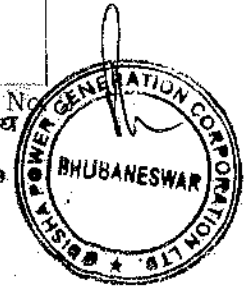
AND WHEREAS REC has agreed to sanction the Term Loan of Rs 4330.00 Crores (Rupees Four Thousand Three hundred Thirty Crore only) to the Borrower for the purpose(s) aforementioned and has conveyed the sanction of the Term Loan to the Borrower vide its Sanction Letter dated the 15.06.2012 and 04.10.2012 on the terms and conditions stated in the Sanction Letter, (a copy whereof is enclosed hereto as Annexure B). The terms and the conditions stated in the aforementioned sanctions attached as Annexure B hereof are to be read along with the terms and conditions set forth hereinafter and form part and parcel of the present Agreement.

AND WHEREAS the Borrower has by its Resolution dated the 12th day of November 2012 passed at the meeting of its Board on the 12th day of November 2012 has agreed to accept the said loan on the said terms and conditions.

AND WHEREAS as per the terms and conditions contained in the Sanction Letter dated 15.06.2012 and 04.10.2012 the Borrower agrees and undertakes to secure the principal sum of the Term Loan, interest and other charges by way of first charge through English/Equitable Mortgage with pari-passu charge and/or Simple Mortgage on the land and buildings attached thereto of the Project owned by the Borrower and by way of pari-passu charge through hypothecation on all existing and future movable assets of the project including moveable machinery, equipments, machinery spares and other current assets, book debts/receivables and all other movables to the satisfaction of REC, tools, implements and accessories installed and its all stocks of materials, equipments (hereinafter referred to as 'Movables') adequate to cover the loan amount, interest, penal interest and other charges.


OPGC Managing Director
 Odisha Power Generation Corporation Ltd.
 Bhubaneswar


REC
SURENDR PRADHAN
 मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER
 आर. ई. सी. लि., परियोजना कार्यालय
 R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751009



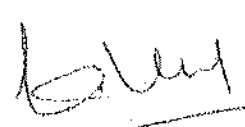
AND WHEREAS the Borrower has agreed to accept the disbursement of the Term Loan on installments on the terms and conditions contained in the Sanction Letter.

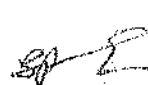
NOW THIS AGREEMENT WITNESSETH AS UNDER:

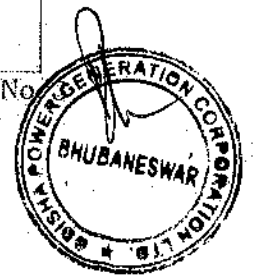
1. REC will lend and advance to the Borrower the Term Loan of Rs. 4330.00 Crores (Rupees Four Thousand Three hundred Thirty Crore only) (the "Loan") to be repaid along with interest and other charges over a period of 60 quarterly installments.
2. REC will make disbursement(s) of the Term Loan in installments, on REC being reasonably satisfied with the progress of the Project undertaken by the Borrower and more specifically in terms as laid down in the sanction letter.
3. The Borrower agrees and undertakes to secure the principal sum of the Term Loan, interest and other charges by way of first charge on pari-passu basis through English/Equitable Mortgage / Simple Mortgage on the land and buildings attached thereto to the Project owned by the Borrower and/or by way of pari-passu charge through hypothecation of all unencumbered moveable properties attached thereto to the project including moveable machinery, equipments, machinery spares, tools, implements and accessories installed and its all stock of materials, equipments (hereinafter referred to as 'Movables') adequate to cover the loan amount, interest, penal interest and other charges.

*To take in valuation of the said Movables if hypothecated being 1.1 times of the loan Sanctioned.

4. The Borrower shall repay loan with interest, penal and other charges in accordance with terms and conditions of the sanction letter. The Borrower shall make all payments of principal, interest, penal interest and other charges to REC at its Registered Office at New Delhi.
5. The Borrower shall implement the project in accordance with project report as submitted at the time of application for the grant of loan and shall also adhere to and comply with all such amendments thereto as are approved by REC. The Borrower also agrees to complete the project in the manner and according to time schedules as per terms of sanction letter.
6. The Borrower represents and assures REC that the Term Loan applied for and being granted by REC to the Borrower is within the borrowing powers of and in accordance with the laws and by-laws applicable to it and all formalities required by the laws and

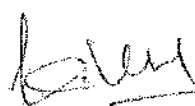


OPGC **Managing Director**
 Odisha Power Generation Corporation Ltd.
 Bhubaneswar


REC **SURENDRA PRADHAN**
 मुख्य परियोजना प्रबंधक Page No.
CHIEF PROJECT MANAGER
 आर. ई. पी. लि., परियोजना कार्यालय
R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751009

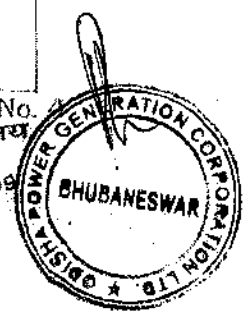


by laws and rules regulating the work and conduct of the Borrower in respect of such borrowing have been fully complied with.


- 7. To secure REC against financial losses that may arise as a result of dilution of the security charged in favour of REC, on account of any reason whatsoever, the Borrower shall immediately intimate REC in writing about such dilution and/or inadequacy, and shall replace or provide such additional security to the satisfaction of REC, in order to protect the interests of REC against such financial loss that may arise due to the aforesaid reason.
- 8. The Borrower shall make available for the inspection of REC, as and when called upon to do so, all its books of account and other books and documents maintained by it and/or required to be maintained by it under any law, by-laws, or rules of the Borrower and allow all facilities to REC, its Agents, Nominees and Authorized Representatives authorized by it for the purpose of carrying out such inspection.
- 9. The Borrower agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgments and other writings as may be required by REC at any time during the pendency of this agreement, more fully and effectively securing the moneys due and payable or to become due and payable by the Borrower to REC in terms of these presents.
- 10. REC shall without prejudice to its other rights and remedies be entitled to recall the Loan or any portion or portions thereof at any time before the due date for repayment thereof, if the Borrower fails to fulfill its obligations under this agreement and/or in the event of its committing a breach of any of the terms thereof. The decision of Chairman and Managing Director of REC as to whether a breach of the terms of this agreement has been committed by the Borrower or not, shall be final and binding on the Borrower.
- 11. In the event of a default on the part of the Borrower or any breach of the terms and conditions of these presents, Borrower shall be liable to pay to the REC all costs, charges and expenses incurred by REC in connection with the negotiations for the agreement and in respect of the agreement.
- 12. Neither this agreement nor any of the rights, obligations hereinafter shall be assigned by the Borrower without the prior written consent of REC.


	
OPGC Managing Director Odisha Power Generation Corporation Ltd. Bhubaneswar.	REC

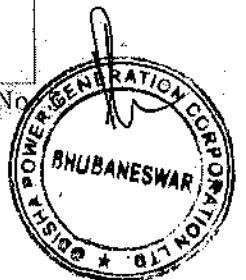
सुरेन्द्र प्रसाद
SURENDRA PRADHAN
 मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER No. 4
 आर. ई. सी. लि., परियोजना कार्यालय
R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751009



13. No waiver by REC of any breach of this Agreement by the Borrower shall be considered a waiver of any subsequent breach of the same or any other provision.
14. The Borrower agrees that REC shall have the right of assignment of the debt due by the Borrower and securities furnished under these presents to any Financial Institutions, Banks and or to any other Authorities or Agency for the purpose of refinancing etc, and the Borrower undertakes to assist and join hands with REC in furnishing any information, executing documents etc. in connection therewith.
15. The Borrower undertakes to indemnify and keep REC saved, defended, unharmed and indemnified against all costs and consequences arising as a result of any act of omission or commission on the part of the Borrower.
16. The Borrower agrees that notwithstanding any other remedy available to REC, these presents create a security interest in REC and REC shall have the prerogative to exercise its rights under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
17. Parties hereto have expressly understood that only the *Courts at Delhi shall have exclusive jurisdiction over all matters arising out of or relating to this Agreement.


OPGC Managing Director
 Odisha Power Generation Corporation Ltd.
 Bhubaneswar


SURENDRA PRADHAN
 मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER
 आर. ई. सी. लि., परियोजना कार्यालय
 R.E.C. Ltd., Project Office
 भुवनेश्वर / Bhubaneswar-751009



IN WITNESS whereof the parties hereto have executed these presents on the day, month and year first here-in-above written.

SIGNED AND DELIVERED BY

on behalf of RURAL ELECTRIFICATION CORPORATION LIMITED

Signature: [Signature]

Name & Designation: Surendra Pradhan
Chief Project Manager

Address: Rural Electrification Corporation Ltd.,
Core-4, SCOPE Complex, 7 Lodhi Road
New Delhi - 110003

सुरेन्द्र प्रधान
SURENDRA PRADHAN
मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER
आर.ई.सी. लि., परियोजना कार्यालय
R.E.C. Ltd., Project Office
भुवनेश्वर / Bhubaneswar-751009

in the presence of

Signature: [Signature]

Name & Designation: _____
Address: Rural Electrification Corporation Ltd.,
Core-4, SCOPE Complex, 7 Lodhi Road
New Delhi - 110003

J. K. Nayak
Chief Manager (F & A)
R.E.C. Project Office
Bhubaneswar-751009

SIGNED AND DELIVERED BY

on behalf of ODISHA POWER GENERATION CORPORATION LTD.

Signature: [Signature]

Name & Designation: Venkatachalam Kuppusami
Managing Director

Address: Odisha Power Generation Corporation Ltd.,
Zone - A, 7th Floor, Fortune Towers,
Bhubaneswar - 751 023

Managing Director
Odisha Power Generation Corporation Ltd.
Bhubaneswar

Director (Finance)
Odisha Power Generation Corporation
Bhubaneswar

in the presence of

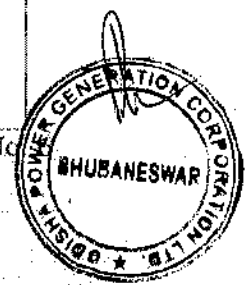
Signature: [Signature]

Name & Designation: Hara Prasad Nayak, Director (Finance)

Address: Odisha Power Generation Corporation Ltd.,
Zone - A, 7th Floor, Fortune Towers,
Bhubaneswar - 751 023

[Signature]
OPGC Managing Director
Odisha Power Generation Corporation Ltd.
Bhubaneswar

REC
[Signature]
सुरेन्द्र प्रधान
SURENDRA PRADHAN
मुख्य परियोजना प्रबंधक
CHIEF PROJECT MANAGER
आर.ई.सी. लि., परियोजना कार्यालय
R.E.C. Ltd., Project Office
भुवनेश्वर / Bhubaneswar-751009

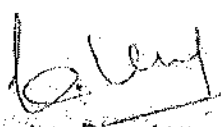
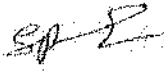


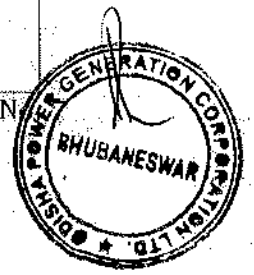
Annexure-A

Details of the Project

- 1. 2x660 MW Units-3 & 4 of Coal based thermal Power Station at Ib Valley Power plant
- 2. Manoharpur Coal Mine
- 3. Associated Merry Go Round System with the Project

Annexure - B
(Sanction Letter)

	
<p>OPGC Managing Director Odisha Power Generation Corporation Ltd. Bhubaneswar</p>	<p>REC</p> <p>सुरेन्द्र प्रधा SURENDRA PRADHAN मुख्य परियोजना प्रबन्धक Page N CHIEF PROJECT MANAGER आर. ई. सी. लि., परियोजना कार्यालय R.E.C. Ltd., Project Office भुवनेश्वर / Bhubaneswar-751009</p>



Annexure – 13




TO WHOMSOEVER IT MAY CONCERN

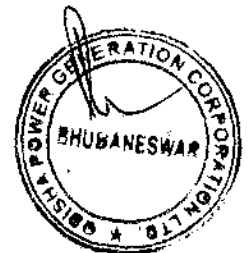
We hereby certify that of M/s ODISHA POWER GENERATION CORPORATION LIMITED having registered office at Zone-A ,7th floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023 has incurred expenditure (Net of Liability and including capital advances) of Rs.7,243.19Crore (Rupees seven thousand two hundred forty three crore and nineteen lakh only) as of 31st March 2018 and Rs.533.49Crore (Rupees five hundred thirty three crore and forty nine lakh only) during the period 1st April 2018 to 31st August 2018 for the Expansion Project (Unit 3 & 4) as per the Audited Financial Statements for the Financial Year 2017-18, books of Accounts, other relevant records and information and explanations provided to us. Total expenditure incurred (Net of Liability and including capital advances) for the Expansion Project (Unit 3 & 4) as of 31st August 2018 stands at Rs.7,776.68Crore (Rupees seven thousand seven hundred seventy six crore and sixty eight lakh only) as per the Annexure enclosed.

Place: Bhubaneswar
Date: 15.01.2019

For Nag & Associates
Chartered Accountants
FRN: 312063E




(S. P. Padhi)
Partner
M. No. 053292



Annexure

Odisha Power Generation Corporation Ltd.

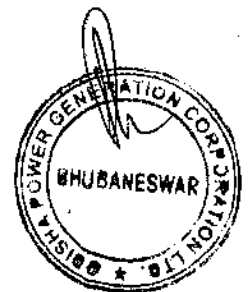
Zone-A, 7th floor, Fortune Tower, Chandrasekharpur, Bhubaneswar-751023Statement of Expenditure (Net of Liability including Capital Advance)For the Expansion Project (Unit 3 & 4)

(Amount Rupees in Crores)

Sl No.	Particulars	As of 31 st March, 2018	For the period 1 st April, 2018 to 31 st August, 2018	Total As of 31 st August, 2018
1	Land	127.99	3.49	131.48
2	Boiler & Turbo Generator (BTG)	3,516.81	24.95	3,541.76
3	Balance of Plant (BOP)	1,459.89	75.76	1,535.65
4	Merry Go Round (MGR)	759.27	115.27	874.54
5	Township & Colony	128.61	6.84	135.45
6	Ash Pond	38.00	9.96	47.96
7	Pre-commissioning Expenses	63.93	23.07	87.00
8	Overheads	241.50	57.58	299.08
9	Hard Cost (1 to 8)	6,336.00	316.92	6,652.92
10	Interest During Construction (IDC) & Financing Cost (FC)	907.19	216.57	1,123.76
11	Total (9 + 10)	7,243.19	533.49	7,776.68

Note:

Capital advance of Rs.271.86 Crore as of 31st March 2018 and Rs. 62.31 crore for the period 1st April 2018 to 31st August 2018, total of which Rs.334.17 crore have been included in the respective heads of expenditure as stated above.





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 31st March 2018, 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 there under.

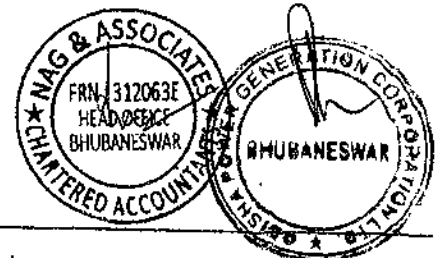
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 statement, 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 observations 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 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Observations

1. No provision is made for the liability of Rs.486.24 lakhs (including penalty of Rs.187 lakhs) towards demand from the Executive Engineer Main Dam, Burla Division for excess drawl of water. In this respect Company has not disputed the claim, but only requested for waiver of the demand. This has resulted in overstatement of Profit for the year by Rs.486.24 Lacs and understatement of Current Liabilities to that extent.
2. No provision for Goods and Service Tax impact over the erstwhile Service Tax/Excise Duty/VAT has been made in the accounts since 01.07.2017 for capital contracts resulting in understatement of CWIP and corresponding liability in the Financial Statements. The amount is not quantified by the Company.

Emphasis of Matter

1. We draw attention to Note No.14,21, 24,25 & 26 to the standalone Ind AS financial statements in respect of balances under Sundry Creditors, Claims Recoverable, Loans & Advances and Other Liabilities which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.
2. It is observed from the index furnished from the MCA portal, that charges have been created in favor of Yes Bank for Rs.153.92 crores on 25.05.2015 and Union Bank of India for Rs.9.99 crores on 07.08.1998 in addition to PFC and REC. It is noticed that there is no liability outstanding in the books of the Company during the Financial Year 2017-18, relating to Yes Bank and Union Bank of India but these charges created are continuing in MCA portal. Existence of such charges is not disclosed by in the Financial Statements and no steps have been taken to satisfy these charges created earlier; in contravention of the provisions of Section 82(1) of the Companies Act, 2013 and Rule 8(1) of Companies



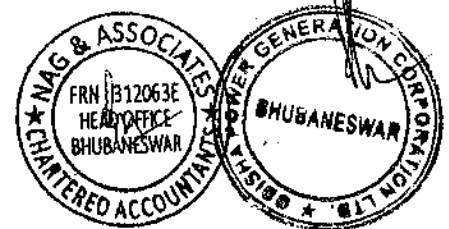
(Registration of Charges) Rules, 2014. The amount of penalty and other consequential liabilities is not quantified by the company.

3. The Company has not disclosed Contingent liability for Rs.977 Lacs towards demand raised by OHPC Limited for compensation against water drawal from Hirakud Reservoir as per Government of Odisha Policy for utilization of water in the reservoirs by Industrial units and as reported to us, the matter is sub judice.
4. We draw attention to Note No.39 (iii) to the Ind AS standalone financial statements in respect of Corporate Guarantee provided by the Company to Axis Bank Ltd. for Odisha Coal and Power Ltd. (OCPL) – a subsidiary Company of OPGC Limited. This guarantee is in the nature of Financial Guarantee as per Appendix-A of Ind AS 109: Financial Instruments and the said Financial Guarantee has not been measured and recognised in the Financial statements as per the requirements of Ind AS 109 by the company.
5. Terms and conditions of appointment and remuneration payable to Managing Director and Director (Operations) for services rendered to OPGC have not been furnished. The managerial remuneration earned by the above directors is not disclosed in the Annual Return as required under section 92 of the Companies Act, 2013.
6. Attention is drawn to note 36 to the Ind AS standalone financial statements in respect of an amount of Rs.11.82 crores paid / provided towards Resource Sharing fees to AES India Pvt. Ltd., a related party. It is explained that there is no agreement between OPGC and AES India Pvt. Ltd. for the purpose and a copy of an unsigned document with the title "Policy On Reciprocal Resource Sharing between OPGC and Strategic Investor" is furnished to us which in our view is not a valid and binding document between the parties. Further, the Company disclosed the payment in the financial statements under note 31 "Employee Benefit Expenses" but Income Tax at source has been deducted under section 194J for rendering professional services.
7. The Company has not implemented the provisions of Employees' Pension Scheme, 1995 and not furnished any document in support of exemption or non applicability of the said scheme. The estimated liability for the default has not been quantified and provided by the Company.
8. The Company has formed its Audit Committee, but terms of reference of the said committee are not furnished to us. In course of audit, it is observed that related party transactions have not been placed to the Audit Committee.

Our opinion is not modified in respect of this matter.


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;
 - (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 there under;
 - (v) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For Nag & Associates
Chartered Accountants
FRN: 312063E


(S.P. Padhi)
Partner
M.No. 053292




Place: Bhubaneswar
Date: 21.09.2018

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

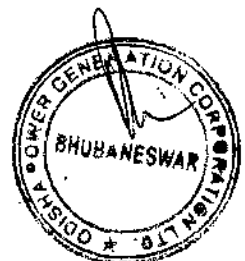
No	Direction	Reply
1	Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of free hold and leasehold and for which title/ lease deeds are not available?	The company is having clear title/lease deeds for entire freehold and lease hold 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.23 lakhs of the disputed dues from GRIDCO and Rs.0.70 lakhs towards unrecoverable travelling advance written off 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


(S.P. Padhi)
Partner
M.No. 053292

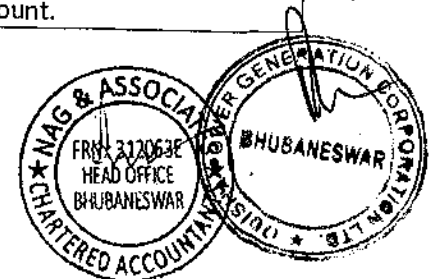


Place: Bhubaneswar
Date: 21.09.2018



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 and Government of Odisha. 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 of the company is abandoned during the year.
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 31.03.2019. As per available information, the ash utilization target stipulated for the company has not been achieved.
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 account.



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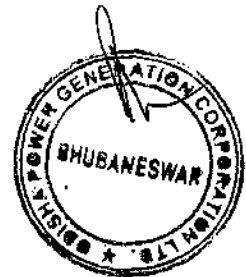
8	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable
9	In the case of hydroelectric projects, the water discharge is as per policy / guidelines issued by 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


(S.P. Padhi)
Partner
M.No. 053292



Place: Bhubaneswar
Date: 21.09.2018



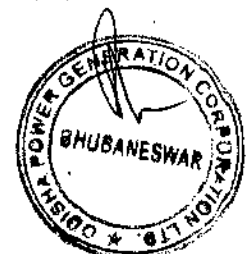
Annexure – C to the Auditor’s Report of Odisha Power Generation Corporation Limited

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 2018, 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 of physical verification, which were not material, have been dealt with in the books of account.



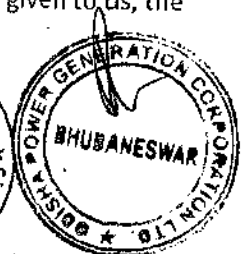
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Hence, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. The Company 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. According to the information and explanations given to us, and as per the records verified by us, the company has complied the provisions of Section 185 and 186.
- 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 2018 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	101.53	151.53	ITAT, Cuttack
The Income Tax Act, 1961	Income Tax	21.11	6.93	CIT(A-I), BBSR
	TOTAL	288.80	173.18	

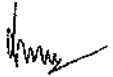
- viii. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to the information 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.

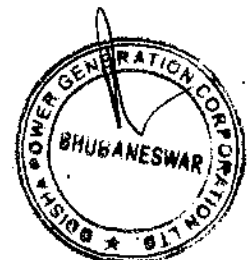
- x. According to the information and explanations given to us, as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by 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 5th 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 him. 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


(S.P. Padhi)
Partner



M.No. 053292
Place: Bhubaneswar
Date: 21.09.2018



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 2018 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

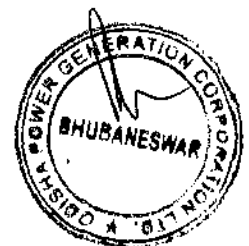
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on 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.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



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

Inherent Limitations of Internal financial Controls over Financial Reporting

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


Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2018:

- a) Inadequate data input validation checks in the SAP system leading to erroneous data capturing;
- b) The Company did not have an appropriate internal control system for procurement and estimation of costs related to procurement. There is no Board approved procurement procedure in the company which could potentially result in the company commit for purchases without establishing reasonable certainty of costs and transparency.
- c) No agreement is executed between OPGC and AES India Pvt. Ltd. a Related Party for resource sharing involving an expenditure of Rs.11.82 crores during the year.

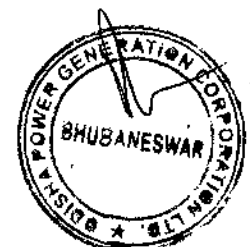
In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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


(S.P. Padhi)
Partner
M.No. 053292



Place: Bhubaneswar
Date: 21.09.2018



Odisha Power Generation Corporation Limited
Balance Sheet as at March 31, 2018


764

		(Rupees in Lakh)		
	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
1	Non-current assets			
	a. Property, Plant and Equipment	4	33,770.29	23,277.48
	b. Capital work-in-progress - Tangible	5	7,53,089.09	5,94,665.59
	c. Other Intangible assets	6	765.91	804.48
	d. Intangible assets under development	7	-	-
	e. Financial Assets			
	(i) Investments	8	15,300.00	10,200.00
	(ii) Loans and Advances	9	551.32	556.06
	f. Other non-current assets	10	28,222.08	87,083.49
	Total non-current assets		8,31,698.69	7,16,587.10
2	Current assets			
	a. Inventories	11	4,413.79	4,268.55
	b. Financial Assets			
	(i) Trade receivables	12	9,850.45	12,775.74
	(ii) Cash and cash equivalents	13	6,769.14	15,533.24
	(iii) Bank Balances other than (ii) above	13	42,563.75	14,407.31
	(iv) Loans	14	182.98	609.70
	(v) Others	15	993.85	25,420.02
	c. Current Tax Assets (Net)	16	2,391.49	2,924.47
	d. Other current assets	17	1,050.31	1,305.69
	Total Current Assets		68,215.77	77,244.72
	TOTAL ASSETS		8,99,914.46	7,93,831.82
	EQUITY AND LIABILITIES			
	EQUITY			
	a. Equity Share capital	18	1,58,049.74	97,521.74
	b. Other Equity	19	1,13,294.89	1,14,765.83
	Total equity		2,71,344.63	2,12,287.57
	LIABILITIES			
1	Non-current liabilities			
	a. Financial Liabilities			
	(i) Borrowings	20	5,48,040.93	3,78,681.12
	(ii) Other financial liabilities	21	1,123.19	511.76
	b. Provisions	22	5,974.83	3,829.39
	c. Deferred tax liabilities (Net)	23	590.23	1,342.41
	Total non-current Liabilities		5,55,729.18	3,84,364.68
2	Current liabilities			
	a. Financial Liabilities			
	(i) Trade and other payables	24	8,418.34	6,253.08
	(ii) Other financial liabilities	25	61,888.54	1,87,841.88
	b. Other current liabilities	26	999.86	1,907.14
	c. Provisions	27	1,320.67	686.92
	d. Current Tax Liabilities (Net)	16	213.24	490.56
	Total Current Liabilities		72,840.65	1,97,179.57
	TOTAL EQUITY AND LIABILITIES		8,99,914.46	7,93,831.82

Notes forming part of the financial statements

1-41

In terms of our report dated
For Nag & Associates
Chartered Accountants


(S. P. Padhi)
Partner


FRN : 312063E

Membership No: 053292

Place : Bhubaneswar

Date : 21.09.2018




(M. R. Mishra)
Company Secretary

For and on behalf of the Board


(Prayakar Mohanty)
Director Finance


(Indranil Dutta)
Managing Director



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Odisha Power Generation Corporation Limited
Statement of Profit and Loss for the Year Ended, March 31, 2018

		(Rupees in Lakh)		
	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations			
II	Other Income	28	60,719.50	72,178.28
III	Total Income (I + II)	29	1,592.10	3,630.73
			62,311.60	75,809.01
IV	Expenses			
	a. Cost of materials consumed	30	41,249.71	47,103.36
	b. Employee benefit expenses	31	8,024.41	5,799.02
	c. Finance costs	32	19.99	977.19
	d. Depreciation and amortization expenses	33	2,528.35	1,351.99
	e. Impairment losses	34		1,106.57
	f. Other expenses	35	9,630.24	8,234.64
	Total expenses (IV)		61,452.70	64,572.77
V	Profit before exceptional items and tax (III - IV)		858.90	11,236.24
VI	Exceptional Items			
VII	Profit before tax (V-VI)		858.90	11,236.24
VIII	Tax Expenses:			
	(i) Current tax		1,110.85	4,220.89
	(ii) Tax of earlier years		71.37	10.85
	(iii) Deferred tax		(802.38)	211.61
	Total tax expenses		379.84	4,443.35
IX	Profit for the year (VII - VIII)		479.06	6,792.90
X	Other Comprehensive Income / (Losses)			
	(i) Items that will not be reclassified to profit and loss			
	Remeasurements of the defined benefit plans		143.70	(1.39)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(50.21)	0.48
	(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)		93.48	(0.91)
XI	Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)		572.55	6,791.99
XII	Earnings per equity share:- Basic and diluted (Rs)	37	4.36	130.44
XIII	Notes forming part of the financial statements	1-41		

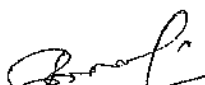
In terms of our report attached
For Nag & Associates
Chartered Accountants


(S. P. Padhi)
Partner




(M. R. Mishra)
Company Secretary

For and on behalf of the Board


(Pravekar Mohanty)
Director Finance


(Indranil Dutta)
Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneswar
Date : 21-09-2018



Odisha Power Generation Corporation Limited
Statement of Cash Flow for the year ended March 31, 2018

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		(Rupees In Lakhs)	
Particulars		Year ended March 31, 2018	Year ended March 31, 2017
A	Cash flows from operating activities:		
	Profit before taxes	858.90	11,236.24
	Adjustments for:		
	Depreciation and amortization expense	3,207.25	1,452.95
	Provision for impairment	-	1,106.57
	(Profit)/loss on sale of Fixed Assets	14.87	15.15
	Trade Receivable written off	23.00	-
	Foreign currency fluctuation gain/(loss)	-	(0.20)
	Interest and finance charges	19.99	977.19
	Interest income from investment & deposits	(1,521.08)	(3,291.05)
	CSR expenditure	142.35	324.33
	Operating profit before working capital changes	2,745.28	11,821.18
	Adjustments for:		
	Trade receivable	2,902.29	(3,785.20)
	Inventory	(145.94)	637.47
Other financial and non financial assets	24,594.66	9,981.05	
Trade and other payables	3,622.25	(2,560.23)	
Other financial and non financial liabilities	(1,25,878.52)	5,214.87	
Cash generated from operations	(92,159.98)	21,309.14	
Taxes Paid	(926.56)	(3,730.34)	
CSR expenditure	(142.35)	(324.33)	
Net cash flow from operating activities	(93,228.89)	17,254.47	
B	Cash flows from investing activities:		
	Payments for purchase of fixed assets	(62,882.67)	(2,41,485.61)
	Sale of property, plant and equipment	0.05	89.61
	Interest received	1,524.10	3,517.60
	Payment for Investment	(5,100.00)	1,109.27
	Repayment of loan and other receivable	-	(168.22)
	Payment for FD	(28,156.44)	-
	Dividend including Dividend Distribution Tax	-	(25,785.77)
	Payment towards capital and other advances	-	(1,101.27)
	Advance payments against leasehold land	-	-
Net cash used in Investing Activities	(94,614.96)	(2,63,824.40)	
C	Cash flows from financing activities:		
	Issue of shares	60,528.00	48,500.00
	Dividends paid on redeemable cumulative preference shares	-	-
	Dividends paid to owners of the Company	(2,043.49)	(3,540.08)
	Interest paid	-	-
	Proceeds from borrowings	1,69,359.81	2,16,515.69
	Interest paid	(48,764.56)	(24,982.12)
	Repayment of other financial liabilities	-	(214.11)
	Net cash flow from financing activities	1,79,079.76	2,36,279.38
	Net Increase/(decrease) in cash or cash equivalents	(8,764.10)	(10,290.55)
Cash and cash equivalents at the beginning of the year	15,533.24	25,823.79	
Cash and cash equivalents at the end of the year	6,769.14	15,533.24	

Notes forming part of the financial statement


Note No. 1-41

- (i) Repayment of loan includes conversion of loan to equity during the year Rs. Nil (Previous Year : Rs 10,197.45 lakhs)
- (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. 2,14,346.07 lakhs (Previous year: Rs 3,83,705.88 lakhs) for expansion project from PFC and REC.

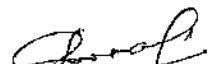
In terms of our report attached.

For Nag & Associates
Chartered Accountants

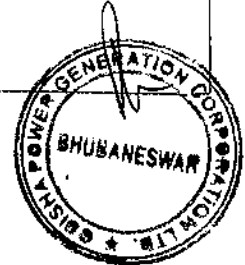
For and on behalf of the Board


(S. P. Padhi)
Partner
FRN : 312063E
Membership.No: 053292
Place : Bhubaneswar
Date : 21.09.2018


(M. R. Mishra)
Company Secretary


(Praveen Mohanty)
Director Finance


(Indranil Dutta)
Managing Director



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Odisha Power Generation Corporation Limited
Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(Rupees in Lakh)		
Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
97,521.74	60,528.00	1,58,049.74

B. Other Equity

Particulars	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2017	5,888.43	8,960.23	99,917.17
Profit for the year			479.06
Other Comprehensive Income			93.48
Total Comprehensive Income			572.55
Dividend (including tax on dividend)			(2,043.49)
Transfer of profits of the year to General Reserve			
Balance as at March 31, 2018	5,888.43	8,960.23	98,446.22

Notes forming part of the financial statement

Note No. 1-41

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



(Signature)
 (S. P. Padhi)
 Partner

(Signature)
 (M. R. Mishra)
 Company Secretary

For and on behalf of the Board

(Signature)
 (Pravakar Mohanty)
 Director Finance

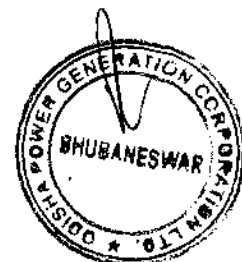
(Signature)
 (Indranil Dutta)
 Managing Director

FRN : 312063E

Membership No: 053292

Place : Bhubaneswar

Date : 21.09.2018



Notes to Financial Statements

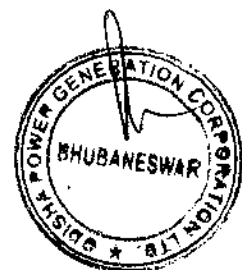
Note 1. General Corporate Information:

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.

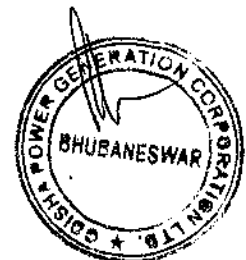
The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

The Accounting Policy to form part of the financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on 12.09.2018



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



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.

3.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018.

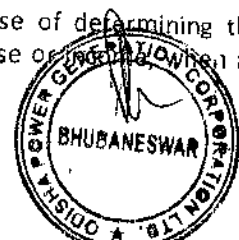
- Ind AS 115 – Revenue from contracts with customers.
- Ind AS 21 – The Effect of Changes in Foreign Exchange Rates.

Ind AS 115 – "Revenue from Contracts with Customers"

Ind AS 115 establishes a single model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard, Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" when it becomes effective and applicable to the entity. The core principle of Ind AS 115 is that, an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The new standard also requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue.

Ind AS 21 – "The Effect of Changes in Foreign Exchange Rates"

The amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency



The company has evaluated the amendments and the effect on the financial statements for the current year and provided such impact wherever applicable in Note on Accounts.

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 of 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 of cash at banks, cash on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value, 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 as defined above is the net of outstanding bank overdrafts. In the balance sheet, the bank overdrafts are shown under 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.



ASSOCIATE - An associate is an entity over which the Company has significant influence. Whereas 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.

3.7 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.

In the case of assets put to use, where final settlement of bills with contractors are yet to be effected, capitalization is done on provisional basis subject to necessary adjustment, if any, in the year of final settlement.

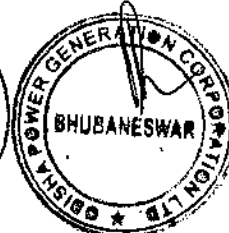
Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

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 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 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.

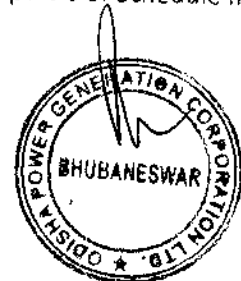
Depreciation & Amortization:

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 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.

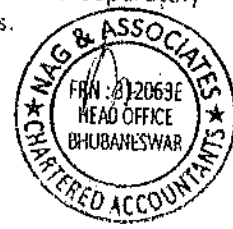
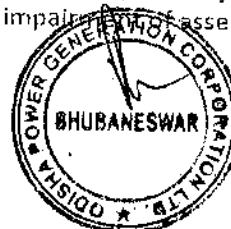
Disposal and derecognition of assets

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 proceeds from disposal, if any 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 over the life of the operation.



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

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.

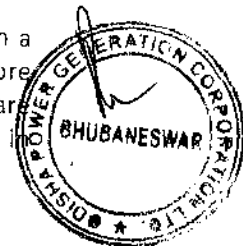
The Company as lessee.

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.

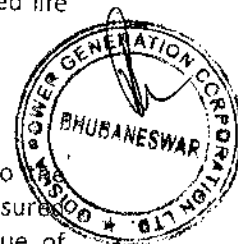
3.13 Trade receivable:

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 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.

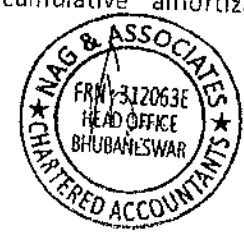
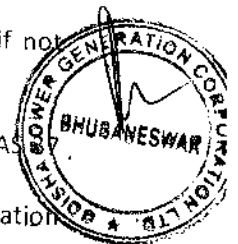
Compound instruments

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.

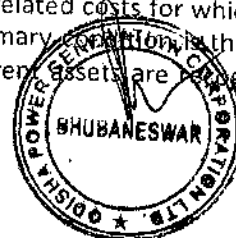
Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

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 purpose 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 within 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 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 include 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) and two months last drawn salary to meet travelling expenses payable in case of retirement on superannuation and death. The



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.

As per the Company's policy, permanent company carder eligible employees are paid six months last drawn salary as one-time financial benefit toward pension on retirement. 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) 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.

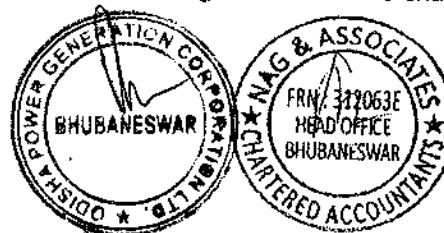
Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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.

Delayed payment surcharge for late payment/ overdue trade receivables against sale of electrical energy and differential revenue due to redetermination of tariff by OERC based upon Appellate/ Judiciary Authority 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.

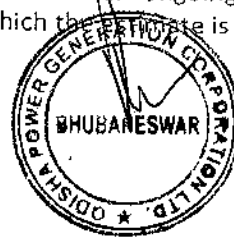
3.21 Restatement of material error / omissions:

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 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 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 Rs 60, 911.49 lakhs (March 31, 2017: Rs. 69, 302.07 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.

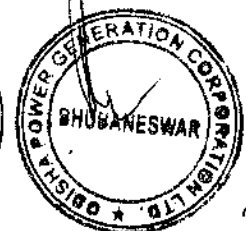
c. Contingent liabilities:

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 obligation but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

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).



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

4. Property, Plant and Equipment.

Carrying amounts of:	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Freehold Land	17.00	15.75
Building	7,902.47	4,452.54
Plant & Equipments	21,694.54	15,239.74
Furniture & Fixture	652.76	566.55
Vehicles	89.07	95.78
Office Equipment	1,109.24	1,129.48
Road Bridge & Culvert	977.01	1,045.64
Water Supply Drainage & Sewerage	616.59	266.25
Power Supply Distribution & Lighting	692.06	443.92
Heavy Mobile Equipment	19.55	21.82
Total	33,770.29	25,277.46

(i) Gross Block of Road, Bridge and Culvert includes assets laid on land not belonging to the Company of Rs 642.25 lakhs.

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2018 are as follows:

Descriptions	Gross block			Depreciation, Amortization and Impairment			Net Block		
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Deduction/ Written Back	As at 31.03.2018	As at 31.03.2017
Land	15.75	1.25	-	17.00	-	-	-	17.00	15.75
Buildings	10,091.73	3,856.09	-	13,947.82	5,629.19	236.16	-	5,865.35	7,902.47
Plant & Equipment	1,33,412.47	8,700.36	(96.80)	1,23,016.03	98,172.72	2,230.69	(81.51)	1,00,321.49	21,694.54
Furniture & Fixtures	945.21	171.89	-	1,117.60	378.12	95.78	-	464.95	652.76
Vehicles	241.74	16.89	-	258.63	145.99	17.38	-	169.37	89.07
Office Equipment	3,797.47	298.48	(0.51)	4,095.43	2,668.02	318.68	(0.49)	2,986.15	1,109.24
Road Bridge & Culvert	2,093.90	31.62	-	2,125.52	1,048.37	92.24	-	1,140.51	977.01
Water Supply Drainage & Sewerage	646.02	391.17	-	1,037.19	379.77	40.84	-	420.60	616.59
Power Supply Distribution & Lighting	939.30	306.44	-	1,245.74	485.78	60.30	-	545.68	692.06
Heavy Mobile Equipment	305.84	-	-	305.84	284.12	2.78	-	286.39	19.55
Total	1,32,470.03	13,591.99	(92.31)	1,45,964.71	1,09,192.55	3,084.37	(82.40)	1,12,194.49	33,770.28
Previous Year	1,27,240.10	5,172.53	(92.81)	1,32,420.02	1,07,208.02	1,758.64	(74.10)	1,05,292.55	23,277.46

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

Descriptions	Gross block			Depreciation, Amortization and Impairment *			Net Block		
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Deduction/ Written Back	As at 31.03.2018	As at 31.03.2017
Operational Units (Unit 1 & 2, HO, MMHP)	1,27,367.02	4,979.66	(97.31)	1,32,179.37	1,08,415.68	2,400.00	(82.40)	1,10,792.34	16,931.34
Expansion Project (Unit - 3 & 4)	5,103.01	8,662.33	-	13,765.34	776.82	624.27	-	1,401.09	12,484.25
Total	1,32,470.03	13,591.99	(97.31)	1,45,964.71	1,09,192.55	3,024.27	(82.40)	1,12,194.49	28,277.48

* Property, Plant and Equipment (MMHP) were impaired during the year 2011-12 amounting to Rs 1,13.36 Lakh as follows:

MMHP, Andharbhangal	104.75	Rs Lakhs
MMHP, Kendupatna	32.12	Rs Lakhs
MMHP, Sribair	36.48	Rs Lakhs
Total	173.36	Rs Lakhs



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

5 Capital work-in-progress - Tangible

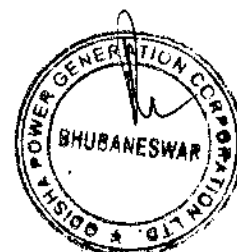
(Rupees in Lakh)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(i) Tangible Assets		
For Operational Power Plants	4,094.38	7,257.48
For Mini Micro Hydel Projects	1,314.76	1,314.76
Less: Accumulated Impairment losses	(1,106.57)	(1,106.57)
For Expansion Power Plants	7,48,786.52	5,87,199.92
TOTAL	7,53,089.09	5,94,665.59
(ii) Intangible Assets under Development		
Software	-	-
TOTAL	-	-

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

Particulars	As at 01.04.2017	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2018
Ash Pond	45.23	1,127.85	-	-	1,173.08
Building	7,415.92	3,177.23	-	(2,720.72)	7,872.43
Consultancy Charges- Power plant	3,149.16	1,390.96	-	-	4,540.12
Inspection Charges - Others	2.58	-	-	-	2.58
MGR	29,270.95	37,950.99	-	-	67,221.95
Plant & Machinery	4,29,881.42	1,04,735.62	-	-	5,34,617.04
Power Supply Distribution lighting	99.71	45.22	-	-	144.93
Road Bridge & Culvert	49.18	50.25	-	-	99.43
Statutory Clearance Fees & Expenses	133.99	9.97	-	-	143.97
Survey and Soil Investigation	5.47	-	-	-	5.47
Water Supply & Arrangements	15.31	-	-	-	15.31
Stock in Transit & Pending Inspection	53,692.18	-	(43,768.86)	-	9,923.32
Expenses During Construction Period	63,438.81	59,588.08	-	-	1,23,026.89
Total	5,87,199.92	2,08,076.18	(43,768.86)	(2,720.72)	7,48,786.52

- (i) Loan from Power Finance Corporation Ltd (PFC) & Rural Electrification Corporation Ltd (REC) is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (660 X 2MW). For details, Refer Note 20.
- (ii) Expenses during construction period included an amount of Rs. 50,282.69 Lakh (Previous Year : Rs 26,321.65 Lakh) towards borrowing costs pending capitalisation of qualifying assets (property, plant and equipment's etc.)
- (iii) Interest during construction attributable to qualifying assets capitalised during the year will be allocated on a systematic basis on completion of the expansion project.
- (iv) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year and there is no indication of impairment is present. Previous year an amount of Rs. 1,106.57 lakh has been charged to statement of profit and loss as an impairment against Rs.1,314.76 lakh was incurred for four Mini Hydel Projects (Harabhangi, Badanala, Banpur and Barborla)



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

6 Intangible Assets

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
(i) Carrying amounts of: Software & SAP licence	765.91	804.48
Total	765.91	804.48

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2018 are as follows:

Descriptions	Gross block				Depreciation			Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Deduction/ Written Back	As at 31.03.2018	As at 31.03.2017
Software	990.90	84.41	-	1,075.31	186.42	122.98	-	765.91	804.48
Total	990.90	84.41	-	1,075.31	186.42	122.98	-	765.91	804.48

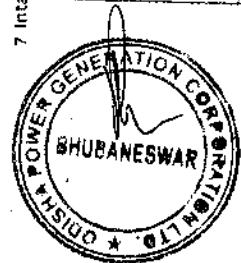
(iii) Details of component of assets of operational units, expansion of power plant are as follows.

Descriptions	Gross block				Depreciation			Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the year	Deduction/ Written Back	As at 31.03.2018	As at 31.03.2017
Operational Units (Unit 1 & 2, HO,MMHP)	907.72	75.46	-	983.18	122.44	104.17	-	756.57	785.28
Expansion Project (Unit - 3 & 4)	83.18	8.95	-	92.13	63.98	18.81	-	9.34	19.20
Total	990.90	84.41	-	1,075.31	186.42	122.98	-	765.91	804.48

Note: Expenses incurred on maintenance of software system payable annually are charged to revenue.

7 Intangible Assets under development

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Carrying amounts of: Intangible assets under development		
Total		



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

8 Non-current Investments

Particulars	(Rupees in Lakh)			
	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amounts	No. of shares	Amounts
UNQUOTED INVESTMENTS CARRIED AT COST				
Equity investment in joint ventures (jointly controlled entities)				
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	15,30,00,000	15,300.00	10,20,00,000	10,200.00
Total		15,300.00		10,200.00

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

Particulars	As at March 31, 2018		As at March 31, 2017	
(a) Unquoted				
Aggregate carrying amount of unquoted investments #		15,300.00		10,200.00
Total carrying amount		15,300.00		10,200.00

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, 2018		As at March 31, 2017	
% of Holding		51%		51%
Place of Business		Manoharpur and Dip-side Manhorpaur		Manoharpur and Dip-side Manhorpaur

(iii) 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 is signed on 21st April 2016.

(iv) Equity Instrument consist of 153,000,000 no. of Shares of Face Value per Share Rs.10 each fully paid up (Previous year 102,000,000 No. of Shares of Face Value per Share Rs.10 each fully paid up). The reporting entity subscribed 510,00,000 shares of its subsidiary company OCPL @ Rs 10 each amounting to Rs 5100 lakh during the year.



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

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9 Non Current-Loans & Advances

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a) Loans to employees		
- Secured, considered good	202.29	210.38
- Unsecured, considered good	220.71	226.19
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
b) Security Deposits	128.32	119.49
Total	551.32	556.06

- (i) Loan to employees includes Rs. 423.00 Lakh (Previous Year : Rs. 436.57 Lakh) on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum
Secured loan represents vehicle loan of Rs 202.29 Lakh (Previous Year : Rs. 210.38 Lakh), which has been hypothecated in the favour of the company.
- (ii) There is no outstanding loans from directors or other officers of the Company.



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

10 Other non-current assets

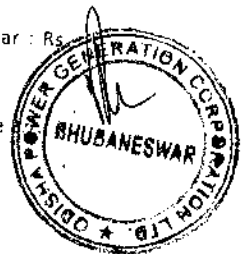
Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Capital Advances		
- Advance for Land Acquisition	12,491.34	11,616.38
- Other Capital Advance	14,484.30	74,173.07
Advances related to Indirect Taxes	45.83	14.77
Prepayments (Leasehold Land)	1,178.30	1,279.27
Prepaid Expenses	22.31	-
Total	28,222.08	87,083.49

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 deposits with IDCO / Govt. of Odisha and 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) Other Capital advance includes advances given to contractors and service providers for execution of power Project Unit 3 & 4 (2x 660 MW).
- (iii) Prepayments (Lease hold land) and the amount shown in Note-17 includes payment for AC.452.00 of Hirakud Reservoir land and AC.226.46 Village Forest land for which the company has received permissible possession.
- (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.

Particulars	Operating Leases	
	Minimum Lease Payments	
	As at March 31, 2018	As at March 31, 2017
Not later than one year		
Later than one year but not later than five years	100.97	100.97
Later than five years	403.90	403.90
Total minimum lease commitments	774.41	875.38
	1,279.27	1,380.25

- (vi) Total operating lease rental recognised in the statement of profit and loss is Rs 100.97 Lakh (Previous Year : Rs 100.97 Lakh).
- (vii) Lease hold land are amortised over the lease period or 30 years which ever is less. Refer Accounting Policy Note
- (viii) Prepaid expenses includes payment made for various insurance coverages.

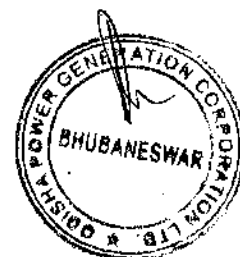


Odisha Power Generation Corporation Limited
Notes forming part of the financial statement

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

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Raw Materials*		
1 Cost	926.74	929.13
2 Less: Provision	-	-
b. Components, Chemicals, Stores & Spares*		
1 Cost	3,574.53	3420.25
2 Less: Provision	91.58	91.58
c. Tools & Tackles		
1 Cost	4.10	10.75
2 Less: Provision	-	-
d. Stock in Transit		
1 Cost	-	-
2 Less: Provision	-	-
Total Inventories	4,413.79	4,268.55

* 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 Lakh)	
	As at March 31, 2018	As at March 31, 2017
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	9,850.45	12,775.74
(c) Doubtful	-	-
Allowance for doubtful debts	-	-
Total	9,850.45	12,775.74

- (i) Trade receivables are dues in respect of sale of energy. This included an amount of Rs Nil (Previous year : Rs 978.60 Lakh) has not been confirmed by the customer.
- (ii) Trade receivable realisable within 12 months from the balance sheet date is classified as current and where, such receivable is expected to be realised beyond twelve months, the same is classified as non-current along with the provision made for the same.
- (iii) Trade receivables are further analysed as :

As at March 31, 2018	(Rupees in Lakh)		
	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	8,863.85	-	8,863.85
One month overdue	-	-	-
Two months overdue	-	-	-
Three months overdue	5.97	-	5.97
Between three to six months overdue	3.44	-	3.44
Greater than six months overdue	977.19	-	977.19
TOTAL	9,850.45	-	9,850.45

As at March 31, 2017	(Rupees in Lakh)		
	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

- (iv) Trade receivable of Rs. 22.81 Lakh (Previous year Rs. 30.10 Lakh) is written off due to non admissibility of claim and recoverable from GRIDCO.
- (v) There is no outstanding loans 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 Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Balances with banks		
Unrestricted Balance with banks		
(i) In Current Account	348.72	609.98
(ii) In Cash Credit Account		
b. Cash in hand	1.87	1.71
c. Term Deposit with original maturity up to three months	6,418.55	14,921.55
Total	6,769.14	15,533.24
d. Deposits with original maturity of more than three months but not more than twelve months	36,840.00	9,060.00
e. Earmarked Balances with Bank towards		
Deposits with banks held as security against guarantee	5,193.32	5,163.34
Fixed Deposits with bank pledged as security or margin money	530.43	183.97
Total	42,563.75	14,407.31
Total Cash and Bank Balances	49,332.89	29,940.55

(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 guarantee as detailed below:

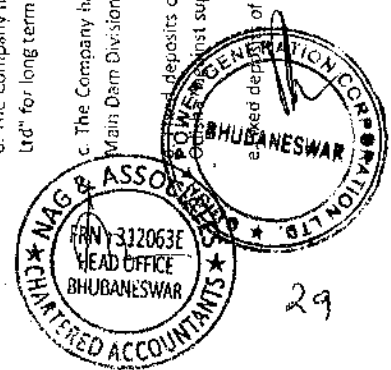
a. The Company has provided security to Axis Bank Ltd in terms of fixed deposits of Rs 1,569.98 Lakh (Previous Year : Rs 1539.20 Lakh) for issuance of performance bank guarantee on behalf of OCP, in favour of "Nominating Authority, Ministry of Coal, Government of India".

b. The Company has provided security to Yes Bank Ltd in terms of fixed deposits of Rs 3,090.00 Lakh (Previous Year : Rs 3,090.00 Lakh) for issuance of bank guarantee in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line.

c. The Company has provided security to Yes Bank Ltd in terms of fixed deposits of Rs 533.34 Lakh (Previous Year : Rs 533.34 Lakh) for issuance of bank guarantee in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir.

d. Fixed deposits of Rs 180.63 Lakh (Previous Year : Rs 177.99 Lakh) has been pledged to Union Bank of India as security deposit in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for supply of water.

e. Fixed deposits of Rs 349.80 Lakh (Previous Year : Nil) has been pledged to Union Bank as security deposit in favour of "Power Grid Corporation Ltd" against Letter of Credit.



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

14 Current Loans

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Loans to employees		
- Secured, considered good	93.34	49.79
- Unsecured, considered good	89.39	97.86
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
b. Loans to Odisha Coal and Power Limited		
- Secured, considered good	-	-
- Unsecured, considered good	-	461.96
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
c. Security Deposits	0.25	0.09
TOTAL	182.98	609.70

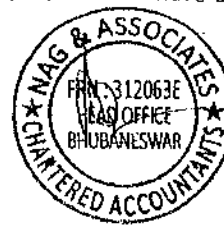
- (i) Loan to employees amounting to Rs. 182.73 Lakh (Previous Year : Rs. 147.64 Lakh) is on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum.
 Secured loan represents vehicle loan of Rs 93.34 Lakh (Previous Year : Rs. 49.79 Lakh), which has been hypothecated in the favour of the company.
- (ii) There is no outstanding loans due from directors or other officers of the Company.
- (iii) Inter Company loan was given to Odisha Coal and Power Ltd. (OCPL), a joint venture company through loan agreement dated 25th April 2015 for Rs 5,600 Lakh and 13th July 2015 for Rs. 4,000 Lakh. The loan was given to meet fund requirement of OCPL for required payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses. Board of Directors approved the above loan of Rs 5,600 Lakh and Rs. 4,000 Lakh to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively. The loan carries interest at the rate charged by Power Finance Corporation Ltd (PFC) to the state sector borrower(category A+) applicable on the date of disbursal.

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 was for a period of 365 days from the date of the agreement and was extended after approval of Board of Directors of the Company on the basis of request from OCPL.

Total inter company loan provided to OCPL during the year is Rs Nil (Previous Year: Rs 461.96 Lakh). Interest accrued and compounded during 2017-18 and 2016-17 are Rs 8.27 Lakh and Rs 640.17 Lakh respectively. Out of total inter company loan including interest accrued, an amount of Rs. Nil (Previous Year : Rs 10,197.45 Lakh) has been converted to equity shares in OCPL as per approval of Board of Directors of the Company dated July 30, 2015 and March 09, 2017.

- (iv) The above inter-company loans to OCPL have been given for business purpose and have since entirely repaid during the year.



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

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15 Other Current Financial Asset

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Advances to others		
Interest accrued on loans and deposits	391.51	394.53
Other Receivables	305.57	292.51
Receivable from related parties	296.77	24,732.98
Total	993.85	25,420.02

- (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 later 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 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 Dip-side 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.
- (ii) Details of amount receivable as prior allottee and other receivable from OCPL as shown above on the reporting date are given below:

Particulars	(Rupees in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Expenditures :		
Tangible & Intangible Assets		118.62
Development Expenses and Capital works in progress		6,915.23
Advance against land acquisition		14,800.08
Other Capital Advances		570.37
Liabilities		22,404.29
Security deposit & Retention money		78.09
Borrowings (Refer Note-4(i))		7,966.33
Accumulated Depreciation		44.51
Net Expenditure Recoverable		8,088.92
		14,315.37

Particulars	(Rupees in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
Other Expenses:		
Interest on borrowed capital utilised for development of coal mine *		2,141.67
Land Advance		51.69
Contract Payment		64.00
Receivable against Statutory Dues (employees)	115.80	174.92
Other Admin Expenses	180.97	19.00
Total	296.77	2,451.28
	296.77	2,451.28

Note: Referring to Note- 20 (i), interest accrued on loan from Power Finance Corporation Ltd (PFC) utilised for development of coal mine w.e.f. April 01, 2015 to 15.10.2017 is accounted as receivable from OCPL.



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

16 Current tax assets and liabilities

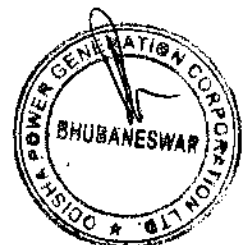
Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Tax refund receivables/Advance Tax	54,195.88	50,436.59
Advance Tax and TDS for the year	897.61	3,730.34
Total	55,093.49	54,166.93
Current tax liabilities		
Income Tax payable	51,804.39	47,512.13
Provision for taxation for the year	1,110.85	4,220.89
Total	52,915.24	51,733.02

Current Tax Assets (Net)	2,391.49	2,924.47
Current Tax Liabilities (Net)	213.24	490.56

17 Other current assets

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Other assets		
Advances to suppliers	240.87	473.94
Less: Allowance for doubtful	708.47	730.78
Prepayments (Leasehold Land)	100.97	100.97
Total	1,050.31	1,305.69

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



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

18 Equity Share Capital

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	1,58,049.74	97,521.74
Total	1,58,049.74	97,521.74
Authorised Share Capital		
300,00,000 nos. of equity shares of Rs 1000/- each (Previous year)	3,00,000.00	1,00,000.00
100,00,000 nos. of equity shares of Rs 1000/- each		
Issued and Subscribed capital comprises :		
1,58,04,974 nos. of equity shares of Rs 1000/- each	1,58,049.74	97,521.74
Total	1,58,049.74	97,521.74

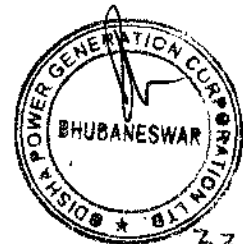
(i) The movement in subscribed and paid up share capital is set out below:

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs. Lakh	No. of shares	Rs. Lakh
Ordinary shares of Rs.1000 each				
At beginning of the year	97,52,174	97,521.74	49,02,174	49,021.74
Shares allotted during the year	60,52,800	60,528.00	48,50,000	48,500.00
Total	1,58,04,974	1,58,049.74	97,52,174	97,521.74

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	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	80,60,537	51.00%	49,73,609	51.00%
AES India Pvt Ltd	7,96,178	5.04%	7,96,178	8.16%
AES OPGC Holding (Incorporated in Mauritius)	69,48,259	43.96%	39,82,387	40.84%
Total	1,58,04,974	100%	97,52,174	100%

(ii) The authorised share capital of the company has been increased from existing Rs 100,000 Lakh to Rs. 300,000 Lakh, consisting of 30,00,000 no. of equity shares of Rs.1000/- each w.e.f August 18, 2017. 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.



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

19 Other Equity

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Share application money pending allotment		
General Reserve		
Retained earnings	8,960.23	8,960.23
Security Premium reserve	98,446.23	99,917.17
Total	5,888.43	5,888.43
(i) General Reserve	1,13,294.89	1,14,765.83

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		
Movements	8,960.23	8,960.23
Balance at the end of the year	8,960.23	8,960.23

(ii) Retained Earnings

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		
Profit attributable to owners of the Company	99,917.17	96,665.25
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	479.06	6,792.91
Payment of dividends on equity shares	93.48	(0.91)
Related income tax on dividend	1,697.85	2,941.30
Balance at the end of the year/period	98,446.23	99,917.17

(iii) Security Premium Reserve

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year/period		
Movement during the year	5,888.43	5,888.43
Balance at the end of the year/period	5,888.43	5,888.43

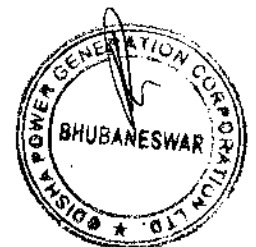
The nature of reserves are follows:

(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 and the balance in the reserve has continued.

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

(iv) Proposed Dividend:

In respect of the year ended 31st March 2018, no dividend is proposed by the Company.



Odisha Power Generation Corporation Limited

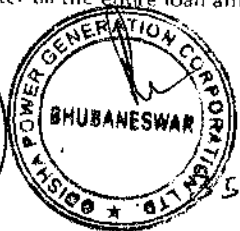
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Notes forming part of the financial statement

20 Non Current- Borrowings

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Secured - at amortised cost		
From Power Finance Corporation Ltd (PFC)	2,67,758.90	2,09,752.24
From Rural Electrification Corporation Ltd (REC)	2,80,282.03	1,68,928.88
Total	5,48,040.93	3,78,681.12

- (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. Nil (Previous Year Rs 10,145.19 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 offloading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of offload), against sanctioned loan made by PFC. Further, on request of OCPL, OPGC has repaid Rs 10,881.08 Lakh on 16.10.2017 to PFC against term loan outstanding related to development of coal mine out of the fund provided by OCPL.
- (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 has offloaded 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 :-**
- The term loan 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 in favour of PFC and REC of all immovable assets of 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. Equitable mortgage of land admeasuring Ac.83.66 dec. related to Power Plant unit 3 & 4 has been created during the year in favour of PFC & REC by deposit of title document with PFC (Trustee for both PFC & REC).
 - 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 lenders.
 - 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 the Union Bank of India has been appointed as Escrow Agent for this purpose.
 - 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:-**
- Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2019 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.
 - The term loan from REC shall be repaid in 60 equal quarterly instalment commencing from 31st March 2020 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.



(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 31.10.2015) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.30% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.2016) on applicable rate subject to interest rate not falling below 10.30% per annum. In case notified/ circular interest rate falls below 10.30% 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.

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

Contractual maturities	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
In one year or less or on demand	5,908.74	4,370.86
Between one & two years	14,053.16	25,595.35
Between two & three years	33,435.05	22,264.51
Between three & four years	33,435.05	22,264.51
Between four & five years	33,435.05	22,264.51
More than five years	4,34,067.79	2,86,697.15
Total contractual cash flows	5,54,334.83	3,83,456.89
Less: Capitalisation of transaction costs	385.16	404.90
Total Borrowings	5,53,949.67	3,83,051.99

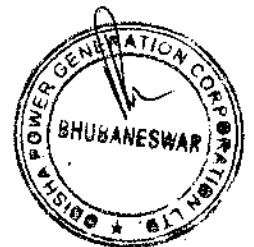
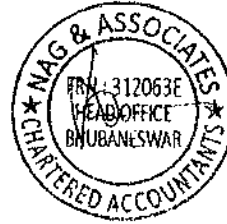


Odisha Power Generation Corporation Limited
Notes forming part of the financial statement

21 Non Current-Other Financial Liabilities

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Capital Creditors	-	-
b. Security Deposits	836.51	134.55
c. EMD and Retention Money	101.10	191.63
d. Payable to Government *	185.58	185.58
Total	1,123.19	511.76

* Payable to Government: Grant of Rs 185.58 Lakh 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 in the Previous year and accordingly grant was reclassified as payable to government. 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 Non Current- Provisions

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Employee Benefits		
- Gratuity	91.07	521.47
- Leave benefits	3,490.11	3,307.92
- One Time Pension benefits	1,409.48	
- Terminal TA benefits	553.01	
Provision for Decommissioning liabilities	431.17	
Total	5,974.83	3,829.39

(i) Provision for employee benefits include Gratuity, Leave Benefits, Sick Leave, One time pension benefit and Terminal TA.

(ii) Movement in provision balances are analysed below:

As at March 31, 2018		(Rupees in Lakh)				
Balance Sheet Analysis	Gratuity	Sick Leave	Leave Benefits	Pension Benefit	Terminal TA	
Present Value of the obligation at end	4,352.10	916.32	2,827.87	1,454.58	566.94	
Fair Value of plan assets	4,168.69					
Unfunded Liability/ provision in Balance Sheet	183.41	916.32	2,827.87	1,454.58	566.94	

As at March 31, 2017		(Rupees in Lakh)				
Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	Pension Benefit	Terminal TA	
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			

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 amount 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. 533.89 Lakh (Previous year Rs 495.70 Lakh). 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. Pension Benefit

The Company in its 204th Board meeting held on 28.05.2018 has approved six months salary as one time financial benefits towards pension to the OPGC cadre employees at the time of retirement with effect from 23.03.2017 and accordingly the Company accounted for the liability for pension benefits payable based on an actuarial valuation.

b. Terminal TA

In accordance with provisions of company Travel Policy, two months last drawn salary is payable to employees on retirement by superannuation to meet travelling expenses. Accordingly the Company accounted for the liability based on actuarial valuation.

c. 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 accounted for the liability for gratuity benefits based on an actuarial valuation.



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

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

	Year ended March 31,2018	Year ended March 31,2017
(a) Discount rate (%)	7.66	7.44
(b) Rate of escalation in salary (%)	8.42	8.40

(vi) The Company expects to contribute Rs. 224.87 Lakh to the plan in fiscal year 2019.

(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, 2018

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.50%	(120.76)
	Decrease by 0.50%	126.71
Salary escalation	Increase by 0.50%	125.21
	Decrease by 0.50%	(120.47)

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.

(viii) Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



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

23 Deferred tax balances

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities		
Less : Deferred Tax Asset	2,843.92	2,798.42
	2,253.68	1,456.02
Net Deferred Tax (Asset)/ Liability	590.23	1,342.41

Income Tax

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

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Income before income taxes	858.90	11,080.68
Tax Calculated based on normal tax rate	300.13	3,834.80
Items not deductible for tax/not liable to tax		
Donation & CSR Expenses	49.74	144.64
Non deduction of tax at source on expenses	0.35	7.38
Impairment loss		382.96
Others	29.61	73.57
Income tax expense reported	379.84	4,443.35

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2018 is as follows:

Particulars	(Rupees in Lakh)			
	Opening balance as at April 1, 2017	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Closing balance as at March 31, 2018
Deferred tax assets				
Provisions	1,416.98	865.61		
Others	39.03	(17.72)	(50.21)	2,232.38
Total	1,456.01	847.89	(50.21)	2,253.68
Deferred tax liabilities				
Property, plant and equipment and intangible assets	2,798.42	45.50		
Total	2,798.42	45.50		2,843.92
Net Deferred tax (assets)/liabilities	1,342.41	(802.39)	50.21	2,843.92
				590.23



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

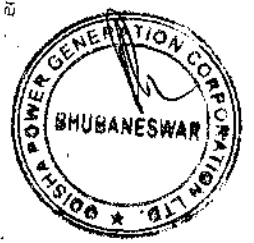
24 Current- Trade and other Payables

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	4.38	3.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,929.45	913.30
Other Payables		
Liabilities for Expenses Payable to employees	4,090.03	4,553.79
	1,394.48	782.34
Total	8,418.34	6,253.08

(i) 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 Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. The principal amount remaining unpaid to supplier as at the end of the year		
b. The interest due thereon remaining unpaid to supplier as at the end of the year	4.38	3.66
c. 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		
d. The amount of interest accrued during the year and remaining unpaid at the end of the year		

(ii) Trade Payables includes Rs 211.64 Lakh (Previous year Rs 211.64 Lakh) (net) in MCI 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

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Interest accrued on borrowings	5,908.74	4,370.86
b. Others:		
Deposits & Retention Money	2,939.90	2,473.23
Capital Creditors	53,039.90	1,80,997.79
Total	61,888.54	1,87,841.88

26 Other Current Liabilities

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Advances from Customers & others	184.96	139.18
b. Statutory Dues Payables *	814.90	1,767.96
Total	999.86	1,907.14

* Statutory dues includes payables in respect of service tax, sales tax, VAT, GST, tax deducted at source among others.

27 Current-Provisions

Particulars	(Rupee: in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Employee Benefits #		
- Gratuity	92.35	
- Leave benefits	254.08	173.16
- One Time Pension benefits	45.09	
- Terminal TA benefits	13.94	
- Pay revision	915.22	513.76
Total	1,320.67	686.92

Details in terms of Note-22



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

28 Revenue from Operations

Particulars	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Power	60,719.50	72,178.28
Total	60,719.50	72,178.28

(i) Sale has been accounted for in accordance with the tariff approval by Odisha Electricity Regulatory Commission (OERC).

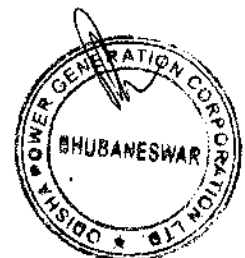
(ii) Sale does not include internal consumption of 330.55 MU including transformer loss of 25.372 MU (previous year 349.211 MU including transformer loss of 11.994 MU), the cost of which has been determined at Rs 7,557.63 Lakh (previous year Rs 6910.87 Lakh) approximately.

(iii) In absence of power purchase agreement, 0.392 MU net (previous year 0.293 MU net) of energy generated from Mini Hydel Projects Kendupatana and Biribatl has not been accounted.

(iv) The company has a Power Purchase Agreement (PPA) with GRIDCO which is an identifiable contract for supply of power. The company recognised revenue in the books of accounts as per Ind AS 18. The company examined the impact of Ind AS 115 on the revenue for the current year. On the basis of such examination, it is observed that there is no difference in the items of income that are recognised as turnover between Ind AS 18 and Ind AS 115. There will be no impact of standalone selling price as the reporting entity books its revenue on the basis of the tariff order of OERC.

(v) Particulars of Generation, Auxillary Consumption and Sale of power

Particulars	(Rupees in Lakh)	
	2017-18	2016-17
Generation (MU)		
Sale (MU)	2,842.35	3,234.88
Internal consumption (MU)	2,511.80	2,885.67
Sale (Net) (Rs in Lakh)	330.55	349.21
Internal consumption (Rs in Lakh)	60,719.50	72,178.28
	7,557.63	6,910.87



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

29 Other Income

		(Rupees in Lakh)	
Sl	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a	Interest Income		
	Interest Income from Bank Deposits at amortised Cost	1,202.54	2,552.63
	Interest income from loans to related parties at amortised cost	8.27	711.28
	Others	310.27	27.14
		1,521.08	3,291.05
b	Other non-operating income (net of expenses directly attributable to such income)		
	Sale of Scrap / residual materials	59.28	120.53
	Miscellaneous Incomes	313.63	252.57
	Exchange Gain		0.20
	Gain/Loss on Physical Inventory	30.24	
	Liability/Provision written back	4.34	12.80
		407.49	386.10
c	Other gains and losses		
	Gain /(loss) on disposal of PPE		
	Total (a+b+c)	1,928.57	3,677.15
d	Less :		
	Amount included in the cost of qualifying assets	336.47	46.42
		336.47	46.42
	Total	1,592.10	3,630.73

(i) Miscellaneous income includes

(a) Township recoveries of Rs. 40.91 Lakh (previous year Rs 20.73 Lakh).

(b) Rs. 42.05 Lakh (previous year Rs 29.77 Lakh) liquidated damage and penalty recovered from contractors and others.

(c) Rs Nil (previous year Rs 8.18 Lakh) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

		Year ended March 31, 2018	Year ended March 31, 2017
(ii)	Excess Provision written back related to		
	Provision for Debtor		
	Obsolete stores/spares		
	Employee benefits and expense	2.74	10.74
	Generation and other expenses	0.96	1.67
	Administrative expenses	0.65	0.39



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

30 Cost of raw material consumed

(Rupees in Lakh)

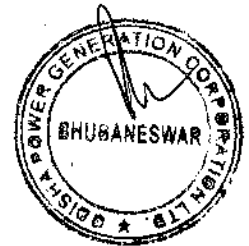
Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
Imported		
Indigenous	41,249.71	47,103.35
Total	41,249.71	47,103.35

Particulars of raw materials consumed

(Rupees in Lakh)

Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
Coal	40,640.50	46,747.01
FO / LDO	609.21	356.33
Total	41,249.71	47,103.35

- (i) Excess of coal of 1559.96 MT amounting to Rs. 36.63 Lakh (Previous year shortage of 1,287.35 MT amounting to Rs. 24.10 Lakh) found during physical verification has been charged to cost of raw material consumed as per the policy Note No-3.12.



31 Employee Benefit Expenses

Particulars	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	11,147.22	8,176.86
Contribution to provident and other funds	826.13	664.33
Staff Welfare expenses	850.12	667.73
Total (A)	12,823.47	9,508.92
Less :		
Allocated to fuel cost	569.53	489.52
Amount included in the cost of qualifying assets	4,229.53	3,220.38
Total (B)	4,799.06	3,709.90
Net (A-B)	8,024.41	5,799.02

- (i) The Company has recognised in the statement of profit and loss, an amount of Rs 53.80 Lakh (previous year: Rs 44.66 Lakh) as expenses with respect to key managerial personnel. The details of such expenses are as below:

Particulars	Year ended March 31,	
	2018	2017
(a) Short term employee benefits	42.00	37.89
(b) Post employment benefits	11.80	6.77
(c) Other long term employee benefits	-	-

- (ii) It includes Rs. 1182.13 Lakh (previous year Rs. 976.35 Lakh) towards resource sharing fees of AES India Pvt. Ltd for deployment of resources in the company.
- (iii) It includes an amount of Rs 915.22 Lakh (previous year 513.75 Lakh) towards provision for 7th Pay revision of employees as per Govt. Notification No 26342 dated 07.09.2017.
- (iii) It includes an amount of Rs. 847.22 Lakh (previous year Rs 729.36 Lakh) towards provision for Variable Pay of the employees under approved performance management system of the company.
- (iv) 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 as applicable) for each completed year of service or part thereof in excess of six months 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.

D. Pension: The Company in its 204th Board meeting held on 28.05.2018 has approved six months salary as one time financial benefits towards pension to the OPGC cadre employees at the time of retirement with effect from 23.03.2017, accordingly the Company accounted for the liability for pension benefits payable based on an actuarial valuation.

E. Retirement TA: In accordance with provisions of company Travel Policy, two months last drawn salary is payable to employees on retirement by superannuation to meet travelling expenses. Accordingly the Company accounted for the liability based on actuarial valuation.

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



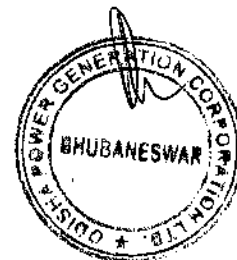
Odisha Power Generation Corporation Limited
Notes forming part of the financial statement

32 Finance Costs

(Rupees in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest Expense		
Interest on term loan	50,302.44	26,345.53
Interest on short term loans from scheduled bank		
Interest on Decommissioning and Construction liability	19.99	
(b) Other Borrowing Cost		
Guarantee Commission		977.19
Total Finance Cost	50,322.43	27,322.72
Less: amount included in the cost of qualifying assets	50,302.44	26,345.53
Total	19.99	977.19

- (i) Interest on Decommissioning and Construction liability represents future decommissioning liability of Ash Pond 'A' amounting to Rs. 19.95 Lakh and Ash pond 'C' amounting to Rs. 0.04 Lakh (Previous year: Nil).
- (ii) Other borrowing cost represents Rs. Nil (Previous year Rs. 977.19 Lakh) paid to Govt of Orisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.



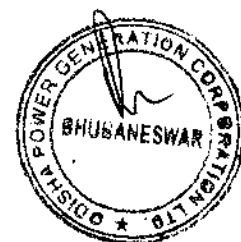
Odisha Power Generation Corporation Limited
Notes forming part of the financial statement

33 Depreciation & amortisation expenses

Particulars	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation & amortisations	3,207.25	1,882.61
Less :		
Allocated to fuel cost	35.56	21.31
Amount included in the cost of qualifying assets	643.35	509.31
Total	2,528.35	1,351.99

34 Impairment losses

Particulars	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Impairment of CWIP (Mini Micro Hydel Projects). Refer Note- 6	-	1,106.57
Total	-	1,106.57



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

35 Other Expenses

Particulars	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Generation Expenses:		
Consumption of Stores, spares & chemicals	1,668.66	1,240.23
Electric Power, Electricity Duty and Water	4,211.43	2,403.64
Contract Job outsourcing expenses	2,106.38	1,154.20
Insurance	1,088.30	1,053.05
Other generation expenses	423.58	360.15
Repairs to buildings	294.06	284.29
Repairs to Machinery	58.82	46.74
	9,851.22	6,542.31
Selling and Distribution Expenses:		
Rebate in the nature of cash discount to customer	976.04	1,096.77
Administrative Expenses:		
Rent	304.07	269.06
Lease Premium	100.97	100.97
Professional Fees and expenses	23.52	48.70
General expenses	1,955.12	1,702.88
Management Service Charges	31.72	29.84
Rate, Taxes & Cess	43.56	48.84
Other Repairs	60.79	61.73
Travelling expenses	304.41	271.33
Watch and Ward expenses	585.17	494.08
Township development expenses	380.90	353.66
	3,790.24	3,381.09
Other Expenses		
Payment to Auditors	12.93	11.59
Peripheral development expenses	12.34	2.51
Donation	-	93.60
Trade Receivables Written Off (Net)	23.00	30.10
Loss on Sale of Fixed Assets	14.87	15.15
Advances written off	0.70	1.30
	63.84	154.25
Corporate Social Responsibility	142.35	324.33
Less: Allocated to Fuel Cost	887.47	695.61
Amount included in the cost of qualifying assets	4,305.98	2,568.50
	5,193.45	3,264.11
Total	9,630.24	8,234.64

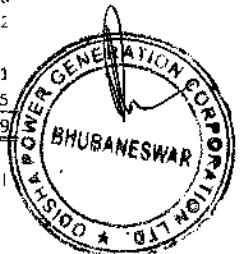
(i) Payment to Auditors:

	2017-18	2016-17
a. Statutory Audit		
Statutory Audit Fees	9.02	6.33
Statutory Audit expenses	0.78	1.13
b. Tax Audit fees	1.19	1.06
c. Certification fee	0.18	1.52
d. Cost Audit		
Cost Audit Fees	1.42	1.21
Cost Audit expenses	0.35	0.35
TOTAL	12.93	11.59

(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 350.09 Lakh during the reporting year.

(iii) Out of Rs 350.09 Lakh, the company spent as follows during the year

Particulars	In Cash	Yet to be paid in		Total
		Cash		
Construction / acquisition of any asset	-	-	-	-
On purpose other than (i) above	122.81	19.54	-	142.35
Total	122.81	19.54	-	142.35



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

Cost of Qualifying Assets (Unit 3 & 4)			
Particulars	2017-18		2016-17
A. EMPLOYEE BENEFIT EXPENSES			
Salaries & Wages	3,998.36		3,077.96
Contribution to Provident fund	112.60		87.15
Gratuity fund	34.17		
Staff Welfare Expenses	84.40	4,229.53	55.27
			3,220.38
B. FINANCE COST			
Interest Expenses	50,282.69		26,321.35
Other borrowing Cost	19.75	50,302.44	24.18
			26,345.53
C. DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation	643.35	643.35	509.31
			509.31
D. Water Charges	1,854.40	1,854.40	642.27
			642.27
E. Insurance	1,021.09	1,021.09	979.81
			979.81
F. ADMINISTRATIVE AND OTHER EXPENSES			
Rent	111.47		109.88
General expenses	1,036.65		839.23
Rate, Taxes & Cess	10.42		17.04
Travelling expenses	88.72		77.86
Watch and Ward expenses	147.87		89.65
Township development expenses	23.02		10.24
Peripheral development expenses	12.34		2.50
Donation		1,430.19	
			946.41
CSR expenditure in compliance to Environmental Clearance	443.25	443.25	327.53
Total		59,924.55	32,971.25

OTHER INCOME			
Interest Income	229.91		
Other non-operating income (net of expenses directly attributable to such income)	105.17		46.22
Other gains and losses	1.39		0.20
		316.47	46.42

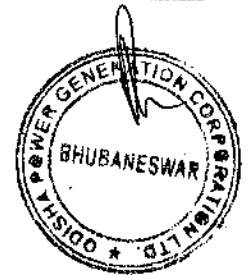


Odisha Power Generation Corporation Limited
Notes forming part of the financial statements

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 (5.04%) and AES OPGC Holding (Incorporated in Mauritius) (43.96%) as on March 31, 2018. The Company's related parties principally consist of GoO, OPGC Ltd Provident Fund Trust, AES India Pvt Ltd, AES OPGC Holding and Odisha Coal and Power Ltd (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.

Transactions	OCPL	AES India Pvt. Ltd	AES OPGC holding	Key Management Personnel	Relatives of Key Management Personnel	PF Trust	Government of Odisha
Finance provided							
FY 2017-18	5,100.00						
FY 2016-17	10,659.41						
Interest on loan given							
FY 2017-18	8.27						
FY 2016-17	711.28						
PF Contribution							
FY 2017-18						951.74	
FY 2016-17						921.66	
Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources							
FY 2017-18		1,182.13					
FY 2016-17		946.52					
Management Services Charges							
FY 2017-18		31.72					
FY 2016-17		29.84					
Remuneration							
FY 2017-18				53.80			
FY 2016-17				44.66			
Dividend paid							
FY 2017-18		138.61	693.33				865.91
FY 2016-17		963.53	477.71				1,500.07
Guarantee commission paid							
FY 2017-18							977.19
FY 2016-17							
Equity share capital received							
FY 2017-18			29,658.72				30,869.28
FY 2016-17			23,765.00				24,735.00
Guarantee outstanding							
FY 2017-18	6,279.94						
FY 2016-17	6,281.00						
Outstanding receivable							
FY 2017-18	296.77						
FY 2016-17	24,732.98						
Outstanding payables							
FY 2017-18						10.15	
FY 2016-17						93.34	



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 Lakh)	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax	479.06	6,792.90
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit attributable to ordinary shareholders - for Basic & Diluted EPS	479.06	6,792.90
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	1,10,00,053	52,07,790
Nominal value of Ordinary Shares (Rs)	1,000.00	1,000.00
Basic & Diluted Earnings per Ordinary Share (Rs)	4.36	130.44

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 1,55,862.68 Lakh (Previous Year : Rs 3,25,000.16 Lakh).

(ii) Contingencies

a. Contingent Liabilities:

Particulars	Opening balance as on April 01, 2017	During the year 2017-18		Balance as on March 31, 2018
		Additions	Reversal	
a. Claims against the Company not acknowledged as debt				
(i) Income tax demands	1,081.21	20.50	(829.61)	272.90
(ii) Indirect tax demands	15.90	-	-	15.90
(ii) Claims of contractors & others	1,036.21	11.67	-	1,047.88
b. Outstanding letter of credit and guarantees	5,340.52	383.43	-	5,723.95
c. Other money for which the Company is contingently liable	6,281.00	-	(1.06)	6,279.94
Total	13,754.63	415.60	(829.67)	13,340.36

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

(ii) A demand of Rs 977 Lakh was raised by OHPC Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.3849 dtd July 06, 2018 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 6,279.94 Lakh and outstanding letter of credit and guarantees includes pledge of fixed deposit of Rs 1,569.98 Lakh given to Axis Bank as security for issue of performance bank guarantee for Rs 15,392.00 Lakh in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary company i.e. Odisha Coal and Power Ltd.

b. Contingent Assets:

While determining the tariff for Ib TPS (Unit 1&2), OERC had computed the tariff in terms of OERC Tariff Regulation. The Company aggrieved over such issue, had filed appeals with the Appellate Tribunal for Electricity (APTEL) and subsequently before Hon'ble Supreme Court against the tariff orders issued by the OERC. Vide its judgement dated 9th April 2018, Hon'ble Supreme Court reversed the decision of OERC and remanded the matter to OERC for a fresh determination of tariff based on the provisions of Power Purchase Agreement dated 13th Aug 1996 entered with GRIDCO. Accordingly, the Company has filed petition before OERC for redetermination of tariff for FY 2016-17 and 2017-18. Pending with outcome of the decision of OERC, in absence of proper estimation and confirmation of the receipt of the same, the financial effect has not been accounted for.

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 a 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, 2018

As at March 31, 2018	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
(Rupees in Lakh)							
Financial assets							
Cash and bank balances							
Trade receivables					49,332.89	49,332.89	49,332.89
Loans	9,850.45					9,850.45	9,850.45
Other financial assets	734.30					734.30	734.30
Total					993.85	993.85	993.85
Financial liabilities					60,911.49	60,911.49	60,911.49
Trade and other payables							
Borrowings					8,418.34	8,418.34	8,418.34
Other financial liabilities	5,48,040.93					5,48,040.93	5,48,040.93
Total					63,011.72	63,011.72	63,011.72
					6,19,470.99	6,19,470.99	6,19,470.99

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
(Rupees in Lakh)							
Financial assets							
Cash and bank balances							
Trade receivables					29,940.55	29,940.55	29,940.55
Loans	12,775.74					12,775.74	12,775.74
Other financial assets	1,165.76					1,165.76	1,165.76
Total					25,420.02	25,420.02	25,420.02
Financial liabilities					69,302.07	69,302.07	69,302.07
Trade and other payables							
Borrowings					6,253.08	6,253.08	6,253.08
Other financial liabilities	3,78,681.12					3,78,681.12	3,78,681.12
Total					1,88,353.64	1,88,353.64	1,88,353.64
					5,73,287.84	5,73,287.84	5,73,287.84

(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 amortised 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, 2018 and March 31 2017.

(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. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- By achieving greater predictability to earnings and determining the financial value of the expected earnings in advance.
- 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
- 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.
- 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



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

(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.


Non-derivative financial liabilities	As at March 31, 2018 (Rupees in Lakh)				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings including interest thereon	5,53,949.67	5,53,949.67	5,523.58	1,14,358.29	4,34,067.79
Trade payables	8,418.34	8,418.34	8,418.34	-	-
Other financial liabilities	63,011.72	63,011.72	61,888.54	1,123.19	-
Total non-derivative financial liabilities	6,25,379.73	6,25,379.73	75,830.46	1,15,481.48	4,34,067.79

Non-derivative financial liabilities	As at March 31, 2017 (Rupees in Lakh)				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings including interest thereon	3,83,051.98	3,83,051.98	3,965.95	92,388.88	2,86,697.15
Trade payables	6,253.08	6,253.08	6,253.08	-	-
Other financial liabilities	1,88,353.54	1,88,353.54	1,87,841.88	511.76	-
Total non-derivative financial liabilities	5,77,658.70	5,77,658.70	1,98,060.92	92,900.64	2,86,697.15

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.

Previous year figures have been reclassified/ regrouped wherever necessary

For Nag & Associates
Chartered Accountants


(S. P. Padhi)
Partner

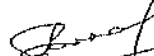
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Membership No: 053292
Place : Bhubaneswar

Date : 21.09.2018

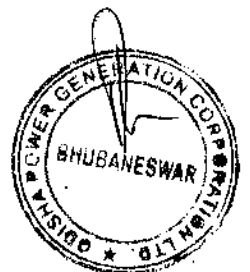



(R. Mishra)
Company Secretary

For and on behalf of the Board


(Praveen Mohanty)
Director Finance


(Indranil Dutta)
Managing Director



Annexure – 14



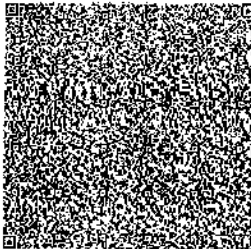
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INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

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Certificate No. : IN-DL85956932076066N
 Certificate Issued Date : 30-Mar-2015 10:56 AM
 Account Reference : IMPACT (IV) d1712203/ DELHI/ DL-DLH
 Unique Doc. Reference : SUBIN-DL71220368788416911881N
 Purchased by : KSHIROD CHANDRA BRAHMA
 Description of Document : Article 5 General Agreement
 Property Description : Not Applicable
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : THE PRESIDENT OF INDIA
 Second Party : ODISHA COAL AND POWER LTD
 Stamp Duty Paid By : ODISHA COAL AND POWER LTD
 Stamp Duty Amount(Rs.) : 500
 (Five Hundred only)

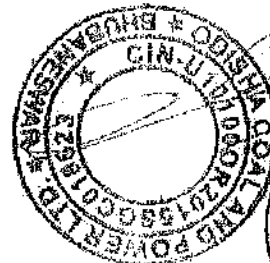


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**THE ALLOTMENT AGREEMENT BY AND BETWEEN THE PRESIDENT OF INDIA
 AND ODISHA COAL AND POWER LIMITED IN RESPECT OF
 MANOHARPUR AND DIPSIDE MANOHARPUR COAL MINE**

This Stamp-paper forms an integral part of this deed of Allotment Agreement.

Nivak Bharadwaj



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Allotment Agreement for Mamoharpur and Dipside Mamoharpur Coal Mine

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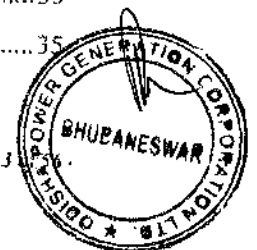
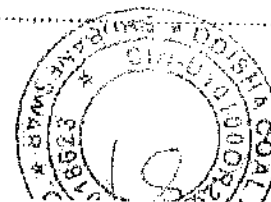


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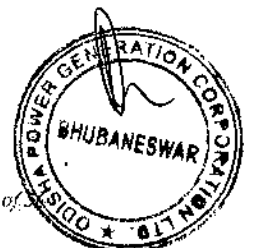
Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

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Allotment Agreement for Manoharpur and Dipshik Manoharpur Coal Mine

This Allotment Agreement is made by and between following:

PARTIES:

1. **The President of India**, acting through the Central Government represented by the Nominated Authority appointed under Section 6 of the Coal Mines (Special Provisions) Ordinance, 2014 read with Coal Mines (Special Provisions) Second Ordinance, 2014 (the "Nominated Authority").
2. **Odisha Coal and Power Limited** incorporated in India under the Companies Act, 2013 with corporate identity number U10100OR2015SGC018623, whose registered office is at Plot No. N-3/135, IRC Village, Nayapalli, Bhubaneswar, Odisha - 751015, India (the "Allottee").

BACKGROUND:

- A. The Supreme Court of India through its judgment dated August 25, 2014 read with its order dated September 24, 2014 (collectively the "Supreme Court Judgment") had cancelled allotment of 204 coal blocks.
- B. Subsequent to the Supreme Court Judgment, the Coal Mines (Special Provisions) Ordinance, 2014 read with Coal Mines (Special Provisions) Second Ordinance, 2014 (collectively the "Ordinance") were promulgated and the Coal Mines (Special Provisions) Rules, 2014 (the "Rules") were framed for auction and allotment of all blocks which were subject to cancellation pursuant to the Supreme Court Judgment.
- C. The Coal Mine (as defined in Clause 1.1.18) was included in the list of such 204 coal blocks and accordingly, its allotment to the Prior Allottee (as defined in Clause 1.1.40) was cancelled pursuant to the Supreme Court Judgment, with effect from the 'appointed date' (as defined in the Ordinance).
- D. Thereafter, the Central Government issued an order under Rule 8(2) of the Rules, dated December 18, 2014, as amended, to the Nominated Authority for allotment of the Coal Mine pursuant to Section 5 of the Ordinance. In such order, generation of power was the "Specified End Use" with respect to the Coal Mine.
- E. Pursuant to an allotment process conducted in accordance with the Ordinance, the Rules, the Allotment Document, dated February 18, 2015 and receipt of a direction from the Central Government under Rule 11(9) of the Rules, the Allottee has become entitled to enter into an agreement with the Nominated Authority pursuant to Rule 13(5) of the Rules with respect to allocation of the Coal Mine to the Allottee for use in the Specified End Use Plant (as defined in Clause 1.1.45).
- F. Accordingly, the Nominated Authority and the Allottee are entering into this Agreement.



Allotment Agreement for Manoharpur and Dipsik, Manohar pu Coal Mine

with respect to matters related to allocation of the Coal Mine, including without limitation development of the Coal Mine and production and utilisation of coal from the Coal Mine.

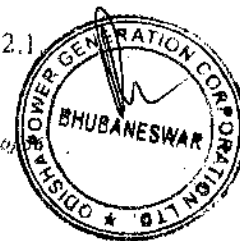
NOW THEREFORE, in consideration of the mutual covenants, terms and conditions and understandings set forth in this Agreement, and other good and valuable consideration (the adequacy of which are hereby mutually acknowledged), the Parties with the intent to be legally bound hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation in this clause apply in this Agreement.

1.1. Definitions

- 1.1.1. "Acceptable Bank" shall mean a Scheduled Bank as listed in the Second Schedule of the Reserve Bank of India Act, 1934 excluding those listed under the headings of Gramin Banks, Urban Co-operative Banks and State Co-operative Banks.
- 1.1.2. "Agreement" means this Allotment Agreement and all attached annexure, schedules, exhibits and instruments supplemental to or amending, modifying or confirming this Agreement in accordance with the provisions of this Agreement.
- 1.1.3. "Agreement Date" shall mean the date on which execution of this Agreement by both the Allottee and the Nominated Authority is completed.
- 1.1.4. "Allotment Conditions" shall have the meaning given to such expression in Clause 3.1.
- 1.1.5. "Allotment Date" shall have the meaning given to such expression in Clause 4.3.
- 1.1.6. "Allotment Document" shall have the meaning given to it under the Rules and shall include the Allotment Document dated February 18, 2015 for allotment of the Coal Mine.
- 1.1.7. "Allotment Order" shall have the meaning given to such expression in the Ordinance and the Rules.
- 1.1.8. "Applicable Law" shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or court or other law, rule or regulation approval from the relevant Governmental Authority, government resolution, directive, or other government restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law in India.
- 1.1.9. "Appropriation Event" shall have the meaning given to such expression in Clause 6.2.1



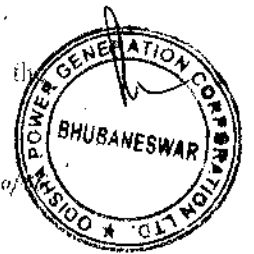
Allotment Agreement for Manoharpur and Dipdi Manoharpur Coal Mine

- 1.1.10. "Arrangement" shall have the meaning given to such expression in Clause 8.3.1.
- 1.1.11. "Arrangement Application" shall have the meaning given to such expression in Clause 8.3.1.
- 1.1.12. "Authorised Representative" shall have the meaning given to such expression in Clause 4.4.
- 1.1.13. "Business Day" shall mean a day which is not a Saturday, Sunday or any other day declared as a public holiday by the Central Government.
- 1.1.14. "Central Government" shall mean the Government of India, acting through the Ministry of Coal.
- 1.1.15. "CIL" shall mean Coal India Limited (a Government of India undertaking).
- 1.1.16. "CIL Notified Price" shall mean the prevailing notified price of relevant grade(s) of coal by CIL or any of its subsidiaries, as may be territorially relevant to the Coal Mine, as on the date of sale of coal.
- 1.1.17. "Claim" shall have the meaning given to such expression in Clause 15.3.
- 1.1.18. "Coal Mine" shall mean the coal mine as more particularly described in SCHEDULE A.
- 1.1.19. "Companies Act" means the Companies Act, 1956 or the Companies Act, 2013, as applicable, as now enacted or as the same may from time to time be amended, re-enacted or replaced.
- 1.1.20. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- 1.1.21. "Commencement Plan" shall have the meaning given to such expression in Clause 5.1.
- 1.1.22. "Designated Bank Account" shall mean the following bank account of the Nominated Authority:
- Name of the bank: State Bank of India
 Account number: 34823879210
 Name of the account holder: Nominated Authority, Account -II (Allotment), Ministry of Coal, Government of India
 IFSC Code: SBIN0003771
- 1.1.23. "Diversion Notice" shall have the meaning given to such expression in Clause 8.4.1.



Allotment Agreement for Manikpur and Dipshih Manikpur Coal Mine

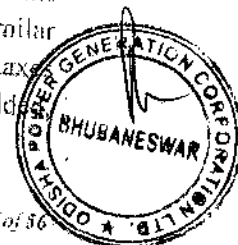
- 1.1.24. "Efficiency Parameters" shall have the meaning given to such expression in Clause 10.1.
- 1.1.25. "Eligibility Conditions" shall mean the eligibility conditions specified in the Ordinance and the Rules including all the eligibility conditions listed in Clause 3.2 of the Allotment Document.
- 1.1.26. "Encumbrances" means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same.
- 1.1.27. "Governmental Approval" means any authorization, approval, consent, licence or permit required from any Governmental Authority.
- 1.1.28. "Governmental Authority" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 1.1.29. "Event of Force Majeure" shall have the meaning given to such expression in Clause 23.1.
- 1.1.30. "Good Industry Practice" means, in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Person engaged in the same type of undertaking under the same or similar circumstances.
- 1.1.31. "Indemnified Party" shall have the meaning given to such expression in Clause 18.1.
- 1.1.32. "Mine Plan" shall mean a plan which has been approved in accordance with the Applicable Laws in relation to the Coal Mine.
- 1.1.33. "Mining Lease" shall have the meaning given to such expression in Clause 5.3.1.
- 1.1.34. "Monthly Payment" shall have the meaning given to such expression in Clause 9.1.1.
- 1.1.35. "Ordinance" shall have the meaning given to such expression in Clause 6 of the



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

Background.

- 1.1.36. "Other Plants" shall have the meaning given to such expression in Clause 3.4.1.
- 1.1.37. "Parties" means and refers to the Nominated Authority and the Allottee collectively and "Party" refers to any one of them.
- 1.1.38. "Performance Security" shall have the meaning given to such expression in Clause 6.1.1.
- 1.1.39. "Person" means any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability company, joint venture, Governmental Authority or trust or any other entity or organization.
- 1.1.40. "Prior Allottee" shall have the meaning given to it in the Ordinance and for the purposes of the Coal Mine, the Prior Allottee shall be Odisha Power Generation Corporation incorporated in India under the Companies Act with corporate identity number U40104OR1984SGC001429, whose registered office is at Zone-A, 7th Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar, Odisha -751023, India.
- 1.1.41. "Reference Index" shall have the meaning given to such expression in Clause 9.2.1.
- 1.1.42. "Reserve Price" shall mean INR 100/Tonne (Indian Rupees One hundred/Tonne).
- 1.1.43. "Rules" shall have the meaning given to such expression in Clause 3 of the Background.
- 1.1.44. "Selectee" shall have the meaning given to such expression in Clause 19.3.3(h).
- 1.1.45. "Specified End Use Plant" shall mean the plant engaged in generation of power situated at Banharpali, Jharsuguda, Odisha, India, as prescribed for the Coal Mine under Rule 8(2) of the Rules, as more particularly described in SCHEDULE B.
- 1.1.46. "State Government" shall mean the Government of the state where the Coal Mine is located.
- 1.1.47. "Substitution Notice" shall have the meaning given to such expression in Clause 19.3.3(b).
- 1.1.48. "Supreme Court Judgment" shall have the meaning given to such expression in Clause A of the Background.
- 1.1.49. "Taxation" (including with correlative meaning, the terms "Tax" and "Taxes") means (a) any and all taxes, assessments and other charges, duties, impositions and similar liabilities imposed by any Governmental Authority, including without limitation tax based upon or measured by gross receipts, income, profits, sales and value added.



withholding, payroll, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; (b) any liability for the payment of any taxes, assessments and other charges, duties, impositions and similar liabilities by the Allottee as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (c) any taxes, assessments and other charges, duties, impositions and similar liabilities for the payment of any amount by the Allottee as a result of any express obligation to indemnify any other Person or as a result of any obligation under any agreement or arrangement with any other Person with respect to such amounts and including any liability for Taxes of a predecessor entity

1.1.50. "Third Party" means any Person that is not a signatory to this Agreement.

1.1.51. "Term" shall have the meaning given to such expression in Clause 24.2.

1.1.52. "Termination Event" shall have the meaning given to such expression in Clause 24.3.1.

1.1.53. "Upfront Amount" shall mean an amount equal to INR 62,17,03,926 (Indian Rupees Sixty Two Crore Eleven Lakh Sixty Three Thousand and Ninety) payable by the Allottee in terms of Clause 5.2.

1.1.54. "Warranties" shall have the meaning given to such expression in Clause 17.1.

1.2. Interpretation

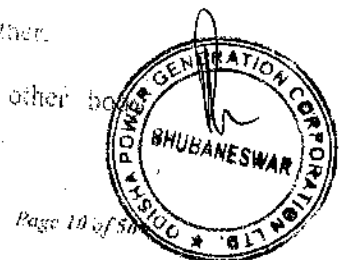
1.2.1. Any reference to any statute or statutory provision shall include:

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement prior to the Agreement Date and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;

1.2.2. Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

1.2.3. References to the masculine, the feminine and the neuter shall include each other.

1.2.4. References to a "company" shall include a company, corporation or other body

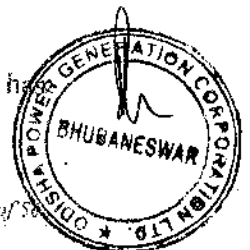
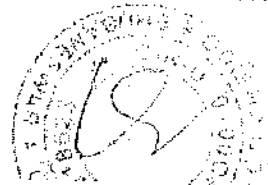


Allotment Agreement for Manoharpur and Dipside Intercolliery Coal Mine

- corporate, wherever and however incorporated or established.
- 1.2.5. The recitals and schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any recitals and schedules to it. Any references to clauses and schedules are to clauses and schedules to this Agreement. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the schedule in which the reference appears.
- 1.2.6. A reference to **this Agreement** or any other document shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time.
- 1.2.7. A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs.
- 1.2.8. A reference to a party shall include that party's representatives, successors and permitted assigns.
- 1.2.9. Each of the representations and warranties provided in this Agreement is independent of other representations and warranties and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause.
- 1.2.10. Headings to Clauses, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Agreement.
- 1.2.11. A reference to "in writing" includes any communication made by letter or fax but not e-mail (unless otherwise expressly provided in this Agreement).
- 1.2.12. Unless otherwise specified, any reference to a time of day is to Indian Standard Time.
- 1.2.13. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.2.14. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.2.15. References to a document in agreed form are to that document in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.2.16. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

2. ALLOCATION OF THE COAL MINE

- 2.1. The Allottee hereby represents and warrants to the Nominated Authority that it has



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

complied with all the terms and conditions of the Ordinance, the Rules, the Allotment Document and other Applicable Laws, as were required to be complied with by the Allottee, with respect to allotment process for the Coal Mine and the Allottee is eligible in all respects to receive allocation of the Coal Mine. The Allottee also represents and warrants to the Nominated Authority that it is in compliance with all the Eligibility Conditions and would continue to be in compliance with all the Eligibility Conditions during the Term.

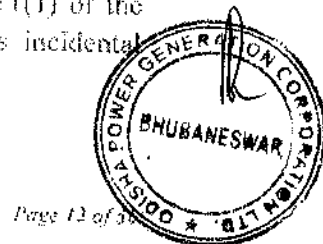
2.2. Relying on the representations and warranties of the Allottee and the information, documents and other undertaking provided by the Allottee, including the Warranties provided under Clause 17, the Nominated Authority is pleased to enter into this Agreement with the Allottee for allocation of the Coal Mine to the Allottee subject to terms and conditions specified in this Agreement.

3. **CONDITIONS FOR ALLOTMENT**

3.1. **Allotment Conditions**

The issuance of the Allotment Order in favour of the Allottee shall be subject to satisfaction of the following conditions (collectively the "Allotment Conditions"):

- (a) the Allottee continuing to be in compliance with all the Eligibility Conditions;
- (b) the Allottee having paid the first instalment of the Upfront Amount in accordance with Clause 5.2.1;
- (c) the Allottee having furnished the Performance Security;
- (d) the Allottee having deposited an amount equal to INR 0 (Indian Rupees Zero), being the Fixed Amount, in the Designated Bank Account;
- (e) only in the event that the Allottee is a Prior Allottee for the Coal Mine or any other Schedule I coal mine (as defined in the Ordinance), the Allottee having paid the Additional Levy within the due date for payment of such Additional Levy as specified in Rule 18 of the Rules; and
- (f) The Allottee having provided a written intimation to the Nominated Authority in substantially the same form as provided in SCHEDULE C regarding: (i) the movable property which the Allottee has not negotiated to own or utilise and which it intends to move and store under Section 10(4) of the Ordinance; (ii) the contracts which the Allottee is desirous of adopting under Section 11(1) of the Ordinance, including contracts with secured creditors; and matters incidental thereto.



Allotment Agreement for Manoharpur and Dipu's Idanipur Coal Mine

3.2. Completion of Allotment Conditions and Notice

3.2.1. Upon satisfaction of each of the Allotment Conditions specified in Clause 3.1, the Allottee shall provide a written notice to the Nominated Authority in substantially the same format as provided in SCHEDULE D (the "Completion Notice")

3.2.2. In the event the Allottee does not provide a Completion Notice with respect to each of the Allotment Conditions listed in Clauses 3.1(a); 3.1(b); 3.1(c); 3.1(d); 3.1(e) (in cases where the Allottee is a Prior Allottee for the Coal Mine or any other Schedule I coal mine (as defined in the Ordinance)) and Clause 3.1(f), within 30 Days of the Agreement Date, then the Nominated Authority may terminate this Agreement without incurring any liability whatsoever by providing a written notice to the Allottee. It is clarified that in such event the Allottee shall not be entitled to receive the Allotment Order and the Nominated Authority shall be entitled to dispose the Coal Mine in the manner provided in the Ordinance and the Rules, including through re-auction/re-allotment or through appointment of a designated custodian.

3.2.3. If the Allottee does not provide a Completion Notice with respect to 3.1(i) and fails to provide a written intimation in substantially the same form as provided in SCHEDULE C within 30 Days of the Agreement Date, then it shall be deemed that the Allottee is not desirous of owning or utilising any movable property or continuing any contract. In such cases, without prejudice to Clause 3.2.2, the Nominated Authority may elect to issue the Allotment Order without including aforementioned particulars in the Allotment Order; if all other Allotment Conditions have been satisfied by the Allottee and corresponding Completion Notice have been provided to the Nominated Authority.

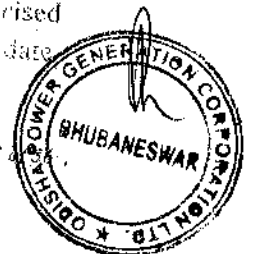
4. THE ALLOTMENT ORDER

4.1. Upon receipt of the Completion Notice evidencing compliance with each of the applicable Allotment Conditions, the Nominated Authority may issue the Allotment Order, subject to the Ordinance, the Rules, the Allotment Document and other Applicable Laws, in the manner provided in this Clause 4.

4.2. The Allotment Order shall be issued by the Nominated Authority in substantially the same format as specified by the Central Government.

4.3. Prior to issuance of the Allotment Order, the Nominated Authority shall provide a written notice to the Allottee specifying the date of the Allotment Order (the "Allotment Date") and the date and time on which and place from where the Allotment Order may be collected by the Allottee.

4.4. The Allottee shall depute an authorised representative of the Allottee ("Authorised Representative") to receive the Allotment Order on behalf of the Allottee on the date



Allotment Agreement for Manoharpur and Dipahimra Coal Mine

time and place specified by the Nominated Authority under Clause 4.3.

- 4.5. The Authorised Representative shall be provided the Allotment Order in duplicate and shall be required to acknowledge the receipt of the Allotment Order. In the event, the Authorised Representative is not present on the date and time specified by the Nominated Authority under Clause 4.3, then the Nominated Authority shall dispatch the Allotment Order by registered post with acknowledgment due, to the registered office of the Allottee.
- 4.6. The Allottee shall, within seven Business Days of the receipt of the Allotment Order through the Authorised Representative or through registered post, as the case may be, sign and return the duplicate copy of the Allotment Order in acknowledgement thereof. In the event the duplicate copy of the Allotment Order duly signed by the Allottee is not received by the aforementioned date, the Nominated Authority may, unless it consents to extension of time for submission thereof, appropriate the Performance Security and other payments made by such Allottee as damages and also terminate this Agreement and cancel and withdraw the Allotment Order.

5. POST ALLOTMENT OBLIGATIONS

5.1. Commencement Plan

5.1.1. Within 30 Business Days of the date of the Allotment Order, the Allottee shall be required to submit a detailed plan (the "Commencement Plan") towards commencement of mining operations at the Coal Mine. The Commencement Plan shall include all actions that the Allottee may be required to perform to commence mining operations at the Coal Mine and shall include such information as may be required by the Nominated Authority, including without limitation, information regarding the following:

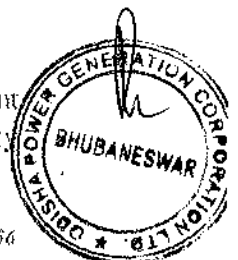
- (a) the Governmental Approvals, including the Mining Lease which shall be required for commencement of mining operations at the Coal Mine and the time within which the Allottee would make applications for such Governmental Approvals; and
- (b) revisions to the Mine Plan if any, as may be proposed by the Allottee.

5.1.2. The Commencement Plan shall be prepared by the Allottee to ensure strict compliance with the Efficiency Parameters.

5.2. Payment of the Upfront Amount

5.2.1. First Instalment of fifty per cent

The first instalment of fifty per cent of the Upfront Amount being an amount equal to INR 31,05,81,545 (Indian Rupees Thirty One Crore Five Lakh Eighty



Allotment Agreement for Manufacturing and Dispatch of Coal Mine

One Thousand Five Hundred and Forty Five), shall be deposited by the Allottee in the Designated Bank Account in the manner provided in Clause 5.1(b) as an Allotment Condition.

5.2.2. *Second Instalment of twenty five per cent*

The second instalment of twenty five per cent of the Upfront Amount being an amount equal to INR 15,52,90,772.50 (Indian Rupees Fifteen Crore Fifty Two Lakh Ninety Thousand Seven Hundred Seventy Two and Fifty Paise), shall be deposited by the Allottee in the Designated Bank Account, on or prior to expiry of 15 Business Days from the date of execution of the Mining Lease by the relevant State Government.

5.2.3. *Third Instalment of twenty five per cent*

The third instalment of twenty five per cent of the Upfront Amount being an amount equal to INR 15,52,90,772.50 (Indian Rupees Fifteen Crore Fifty Two Lakh Ninety Thousand Seven Hundred Seventy Two and Fifty Paise), shall be deposited by the Allottee in the Designated Bank Account, on or prior to expiry of 15 Business Days from the date of grant of mine opening permission from the state pollution control board of the relevant State where the Coal Mine is located.

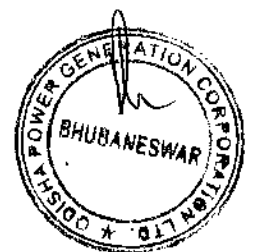
5.2.4. *Failure to pay the Upfront Amount*

In the event the Allottee fails to pay the second instalment or the third instalment of the Upfront Amount within the time specified in Clause 5.2.2 or Clause 5.2.3, respectively, then the Nominated Authority shall be entitled to appropriate the Performance Security in the manner stipulated in Clause 5 (PERFORMANCE SECURITY) and such failure may also result in termination of this Agreement as provided in Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

5.3. **The Mining Lease**

5.3.1. Pursuant to Section 8(4)(b) and Section 8(8), read with Section 8(12) of the Ordinance, the Allottee shall become entitled to the mining lease with respect to the Coal Mine (the "Mining Lease") to be granted by the State Government upon issuance of the Allotment Order.

5.3.2. The Allottee shall promptly upon issuance of the Allotment Order make an application to the State Government for grant of a Mining Lease in the name of the Allottee.



Allotment Agreement for Manoharpur and Chhachhi Coal Mines

6. PERFORMANCE SECURITY AND APPROPRIATION

6.1. Performance Security

6.1.1. The Allottee shall provide an irrevocable and unconditional guarantee from an Acceptable Bank payable at Delhi for an amount equal to INR 153,92,00,000 (Indian Rupees One Hundred Fifty Three Crore and Ninety Two Lakh) (the "Performance Security") in substantially the same form as provided in SCHEDULE F for the performance of its obligations within such time as specified in Clause 3.2.2.

6.1.2. The Performance Security shall be an amount which is equal to aggregate of (a) one year royalty calculated on the basis of peak rated capacity of the Coal Mine as per the approved Mine Plan, payable to respective State Government with respect to the Coal Mine; and (b) the annual peak rated capacity of the Coal Mine as per the approved Mine Plan multiplied by the Reserve Price.

6.1.3. In case of any revision in the Mine Plan in accordance with Clause 14, the amount of Performance Security shall be revised accordingly.

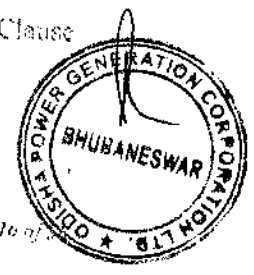
6.1.4. In such case, bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the enhanced value issued in accordance with this Clause 6, within a period of 15 Business Days of receipt of approval for revision to the Mine Plan.

6.1.5. The Performance Security should remain valid until such time when the Coal Mine achieves the annual peak rated capacity.

6.2. Events for appropriation of the Performance Security

6.2.1. The Performance Security may be appropriated by the Nominated Authority upon occurrence of any of the following events (the "Appropriation Event"), to be determined by the Nominated Authority in its sole discretion:

- (a) failure of the Allottee to provide the duly acknowledged duplicate copy of the Allotment Order as required under Clause 4.6;
- (b) failure of the Allottee to make payment of the first instalment, second instalment or the third instalment of the Upfront Amount within the time specified in Clause 3.1(b), Clause 5.2.2 or Clause 5.2.3, respectively;
- (c) failure of submission of Commencement Plan within the time specified in Clause 5.1.1;



Allotment Agreement for Manoharpur and Dipsik Manoharpur Coal Mine

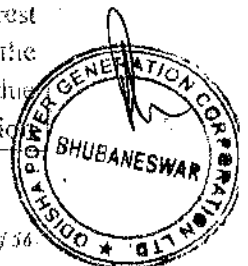
- (d) failure of the Allottee to comply with the Efficiency Parameters as required under Clause 10;
- (e) any change in Control or transfer of right, title or interest in the Coal Mine which is not in conformity with Clause 13;
- (f) failure to make payment of the Monthly Payment in accordance with this Agreement;
- (g) any utilisation of coal which is not in conformity with Clause 5, or
- (h) any other breach or non-compliance of any of the provisions of this Agreement including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever.

6.2.2. Provided however that in the event an Appropriation Event has occurred solely on account of an Event of Force Majeure as provided in Clause 23, which could not have been mitigated by the Allottee through Good Industry Practice, then the Performance Security shall not be appropriated for such specific Appropriation Event.

6.3. Manner of appropriation of the Performance Security

6.3.1. Upon occurrence of an Appropriation Event, to be determined by the Nominated Authority, the Nominated Authority shall have the unconditional right to appropriate the Performance Security by providing a written notice to the Allottee, in the following proportion:

#	Appropriation Event	Amount of the Performance Security to be appropriated
1.	Failure of the Allottee to provide the duly acknowledged duplicate copy of the Allotment Order as required under Clause 4.6	Entire Performance Security.
2.	Failure of the Allottee to make payment of the first instalment, second instalment or the third instalment of the Upfront Amount within the time specified in Clause 3.1(b), Clause 5.2.2 or Clause 5.2.3, respectively	An amount equal to the first instalment, and/or second instalment and/or third instalment of the Upfront Amount together with 12% per annum simple interest on such amount starting from the date on which such amount was due and until the date of appropriation.

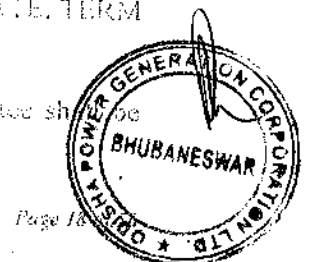


Allotment Agreement for Manoharpur and Dipsate Manoharpur Coal Mine

#	Appropriation Event	Amount of the Performance Security to be appropriated.
		of the Performance Security.
3.	Failure of submission of Commencement Plan within the time specified in Clause 5.1.1	An amount equal to 10% of the Performance Security
4.	Failure of the Allottee to comply with the Efficiency Parameters as required under Clause 10	Such per cent of the Performance Security for each failure to comply with the Efficiency Parameters as specified in SCHEDULE E.
5.	Any change in Control or transfer of right, title or interest in the Coal Mine which is not in conformity with Clause 13	Entire Performance Security.
6.	Any utilisation of coal which is not in conformity with Clause 8	Entire Performance Security.
7.	Failure of the Allottee to make payment of the Monthly Payment	The amount of Monthly Payment due and payable, along with a simple interest of twelve per cent per annum, starting from the date on which such amount was due and until the date of appropriation of the Performance Security.
8.	Any other breach or non-compliance with any of the provisions of this Agreement, including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever.	Such proportion as may be determined by the Nominated Authority in its sole discretion.

6.3.2. Any Appropriation Event resulting in appropriation of the entire Performance Security shall be a Termination Event for the purposes of Clause 24 (DEFINITION OF DATE, TERM AND TERMINATION).

6.3.3. In the event of a part appropriation of the Performance Security, the Allottee shall



Allotment Agreement for Manufacturing and Mining at the Coal Mine

required to: (i) rectify the Appropriation Event; and (ii) top-up the bank guarantee constituting the Performance Security within fifteen Business Days of receipt of a notice under Clause 6.3.1, failure to do so shall be a Termination Event for the purposes of Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION). Appropriation Event, except as mentioned in clause 6.2.1(d), shall be rectified within seven Business Days of receipt of a notice under Clause 6.3.1. Appropriation Event mentioned in clause 6.2.1 (d) shall be rectified within the time specified in SCHEDULE E.

6.3.4. In the event that on account of one or more Appropriation Events, an amount equal to hundred per cent of the Performance Security is appropriated in aggregate in one or more instances, the same shall be a Termination Event for the purposes of Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

7. INFORMATION

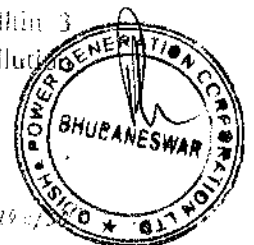
7.1. In addition to information that may be required to be provided in accordance with Applicable Laws, the Allottee shall provide periodic reports to the Nominated Authority (or such other Governmental Authority as may be specified by the Nominating Authority) regarding mining operations at the Coal Mine, including compliance with the Efficiency Parameters, in accordance with the following provisions:

(a) Pre-Commencement Report

Prior to commencement of mining operations at the Coal Mine, the Allottee shall provide a written intimation ("Pre-commencement Report") to the Nominated Authority and the Central Government once every thirty calendar days regarding the following:

- (i) the actions taken by the Allottee towards commencement of the mining operations at the Coal Mine, including compliance with the Commencement Plan;
- (ii) any deviations from the Commencement Plan, the reasons for such deviations and the steps taken by the Allottee to rectify such deviation; and
- (iii) whether in the opinion of the Allottee, it shall be able to commence mining operations at the Coal Mine within the time mentioned in the Commencement Plan.

The Allottee shall also inform the Nominated Authority in writing within 3 Business Days of receipt of the mine opening permission from the state pollution control board of the relevant State where the Coal Mine is located.



(b) Commencement Report

Within three Business Days of the commencement of mining operations at the Coal Mine, the Allottee shall provide a written intimation to the Nominated Authority confirming commencement of mining operations at the Coal Mine (the "Commencement Report").

(c) Monthly Report

Subsequent to the Commencement Report, the Allottee shall provide a written intimation ("Monthly Report") to the Coal Controller's Organisation within seven Business Days of end of each calendar month comprising: (i) a declaration regarding compliance with the Efficiency Parameters in the immediately preceding calendar month. In the event of a non-compliance with the Efficiency Parameters, complete particulars of the same, including the reasons for such non-compliance, and the corrective steps proposed to be undertaken; and (ii) such other information as may be required to be provided by the Nominated Authority.

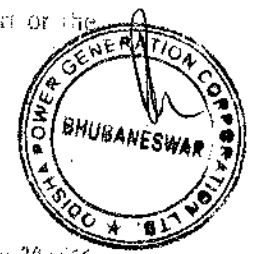
(d) Yearly Report

Within seven Business Days of conclusion of the annual general meeting of the Allottee, it shall provide the following information to the Coal Controller's Organisation:

- (i) two certified copies of its balance sheets, cash flow statement and profit and loss account, along with a report thereon by its statutory auditors; and
- (ii) such other information as may be required to be provided by the Nominated Authority.

7.2. The Pre-Commencement Report, the Commencement Report, the Monthly Report and the Yearly Report shall be provided to the Nominated Authority or the Coal Controller's Organisation as attachments to an email addressed to the following e-mail address: (i) nomauthority.mcc@nic.in in case of the Nominated Authority; or (ii) coalcont-wb@nic.in in case of the Coal Controller's Organisation. Such attachments must be digitally signed by the Allottee using a Class III digital signature certificate issued by a certifying authority in India.

7.3. The Nominated Authority shall have the right to seek such further information regarding the Pre-Commencement Report, the Commencement Report, the Monthly Report or the Yearly Report and also seek independent verification of the same.



8. UTILISATION OF COAL

8.1. Utilisation of Coal in the Specified End Use Plant

Except as otherwise provided in this Clause 8, the coal extracted from the Coal Mine shall be utilised by the Allottee strictly in the Specified End Use Plant; and shall not be utilised for any other purpose whatsoever, either directly or indirectly.

8.2. Middling or washery rejects

8.2.1. The Allottee shall adhere to Good Industry Practice with respect to mining of coal and make best efforts to reduce generation of middling or washery reject, and utilise the same in any captive power plant of the Allottee. In any case the middling or washery rejects generated from the Coal Mine shall not exceed normative limits.

8.2.2. Any middling or washery rejects generated from the Coal Mine may be sold by the Allottee and the Allottee shall maintain separate records for the middling or washery rejects generated, utilised and sold. However, the middling or washery rejects generated from the Coal Mine should in no event, exceed the normative limits.

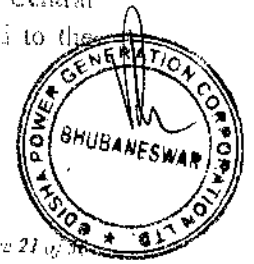
8.3. Arrangements for optimal utilisation

8.3.1. In terms of Section 20 of the Ordinance and Rule 19 of the Rules, the Allottee shall be permitted to enter into arrangements for optimum utilisation of the Coal Mine (the "Arrangement"). In the event the Allottee is desirous of entering into an Arrangement, it shall make an application (the "Arrangement Application") to the Central Government in accordance with Rule 19 of the Rules.

8.3.2. The Arrangement Application shall be filed by the Allottee prior to undertaking any Arrangement and no Arrangement shall be given effect to until the Arrangement Application has been approved by the Central Government.

8.3.3. The Arrangement Application shall be made in writing and shall include complete particulars of the proposed Arrangement, including the particulars required to be provided under Rule 19(2) of the Rules i.e. (a) parties to the proposed Arrangement; (b) the proposed Arrangement; (c) the manner in which such Arrangement would achieve optimal utilisation of the relevant coal mines and cost efficiencies.

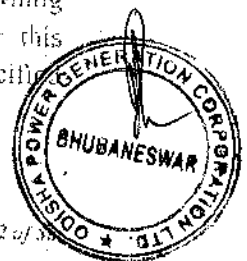
8.3.4. In the event that the Central Government grants its approval to the Arrangement, then prior to implementation of the Arrangement, the Allottee shall provide to the Central Government duly certified copy of all agreements and other documents related to the Arrangement.



Allocation Agreement for Aktrachorpar and Dispute at Aktrachorpar Coal Mine

8.4. Utilisation in any other plant of the Allottee

- 8.4.1. In the event that the Allottee is desirous of utilising the coal extracted from the Coal Mine in any other plants of the Allottee or its subsidiary company (in terms of the Companies Act, 2013) engaged in the same specified end use as the Specified End Use Plant ("Other Plant(s)") pursuant to Section 20(2) of the Ordinance, then the Allottee shall provide a written intimation ("Diversion Notice") to the Central Government.
- 8.4.2. In accordance with Rule 20(2) of the Rules, the Diversion Notice shall be provided at least thirty Business Days prior to the intended date of such utilisation.
- 8.4.3. In the event that, upon submission of the Diversion Notice the Central Government seeks further information regarding the aforementioned utilisation, then the Allottee shall provide the same within seven Business Days. The Allottee shall not utilize the coal extracted from the Coal Mine in any Other Plant(s) if: (i) the Central Government determines in its sole discretion that such utilisation is not in accordance with Section 20(2) of the Ordinance or Rule 20(2) of the Rules; or the information regarding compliance with Section 20(2) of the Ordinance or Rule 20(2) of the Rules with respect to such utilisation is not provided to the Central Government in the manner stipulated under this Clause 8.4.
- 8.4.4. The Diversion Notice shall include complete particulars of the proposed utilisation of coal extracted from the Coal Mine in any Other Plant, including without limitation:
- (i) name and address of the Other Plant(s);
 - (ii) the ownership of the Other Plant(s). It is clarified that such Other Plant(s) should be owned solely by the Allottee or its subsidiary company (in terms of the Companies Act, 2013) to be eligible to get coal in terms of Section 20(2);
 - (iii) the mechanism for transportation of coal from the Coal Mine to the Other Plant(s);
 - (iv) the requirement of coal of the Other Plant(s), the source from which such requirement is being met; and the per cent of such requirement being proposed to be met from the Coal Mine; and the manner in which such diversion would affect the Specified End Use Plant originally associated with the Coal Mine.
- 8.4.5. In the event that coal extracted from the Coal Mine is being diverted to any Other Plant(s) pursuant to this Clause 8.4, then the Allottee or any of its subsidiary company owning such Other Plant(s) shall also be required to adhere to the stipulations under this Agreement with respect to the utilisation of coal from the Coal Mine and the Specified End Use and any Applicable Law.



Allocation Agreement for Monoharpur and Dipwadi Monoharpur Coal Mine

8.5. Sale to CIL.

8.5.1. Any coal extracted from the Coal Mine which is in excess of the requirements of coal for the Specified End Use Plant and the Other Plant(s) shall be required to be supplied to CIL at the CIL Notified Price.

8.5.2. It is clarified that for the purposes of sale of coal to CIL, the determination of grade of coal shall be based on joint analysis of coal carried out by the Allottee and CIL. It is further clarified that, the Allottee shall continue to make Monthly Payments with respect to the coal extracted from the Coal Mine as per Clause 9 including on the coal sold to CIL.

8.5.3. All Taxes applicable on such sale of coal shall be payable additionally.

9. MONTHLY PAYMENTS AND ESCALATION

9.1. Monthly Payment

9.1.1. The Allottee shall be required to make monthly payments (the "Monthly Payment") with respect to the coal extracted from the Coal Mine on the basis of the Reserve Price (as escalated in accordance with Clause 9.2).

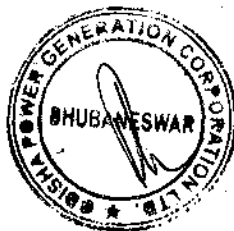
9.1.2. The Monthly Payment is required to be made in the Designated Bank Account within 20 calendar days of expiry of each month with respect to coal extracted from the Coal Mine in such calendar month.

9.1.3. All payments required to be made by the Allottee shall be made net of all applicable Taxes. In the event, Taxes are payable, the Allottee shall gross-up the amount payable and make payment of the aggregate amount.

9.2. Escalation

9.2.1. For the purposes of computation of the Monthly Payment, the Reserve Price shall be subject to an escalation on a year-on-year basis every financial year on the basis of the pre-specified escalation formula that is prescribed in the relevant Standard Bidding Document for Design, Build, Finance, Own and Operate (DBFOO) bidding as formulated by Ministry of Power for escalation of fuel cost from captive mines (the "Reference Index"), and the Reserve Price shall stand increased by the per cent increase of the Reference Index on a year-on-year basis. It is clarified that for the purposes of escalation in a subsequent financial year, the escalated Reserve Price of the immediately preceding year shall be considered. The last published Reference Index shall be used for computing the escalation. The subject escalation would be applicable after the issuance of the Allocation Order.

9.2.2. In the event that the failure of the Allottee to make payment of the Monthly Payment



Allotment Agreement for Monoharpur and Ingaide Coal Mines

exceeds for more than three instances, such non-compliance may also result in termination of this Agreement as provided in Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

- 9.3. It is clarified that in addition to the aforementioned payments any royalty payable under Applicable Laws shall be payable additionally.

10. EFFICIENCY PARAMETERS

- 10.1. The conduct of mining operations at the Coal Mine shall be subject to the milestones listed in SCHEDULE E (the "Efficiency Parameters").
- 10.2. The Allottee would provide periodic information to the Nominated Authority and the Central Government regarding compliance with the Efficiency Parameters in the manner stipulated in Clause 7 (INFORMATION).
- 10.3. Any non compliance with the Efficiency Parameters would result in appreciation of the Performance Security in the manner stipulated in Clause 6 (PERFORMANCE SECURITY) and in case where such non-compliance exceeds for more than five instances, such non-compliance may also result in termination of this Agreement as provided in Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

11. GENERAL RIGHTS AND OBLIGATIONS

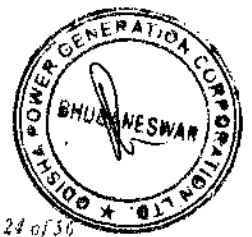
11.1. Limited Mining Rights

The Allottee shall be entitled to receive a Mining Lease for conduct of mining operations only in the Coal Mine and shall not be entitled to conduct the mining operations in any other area pursuant to this Agreement. The rights granted to the Allottee herein to conduct mining operations are exclusive within the Coal Mine. The Government undertakes not to grant any rights to mine coal in the Coal Mine to any Third Party during the Term.

11.2. Authorisations

The Allottee shall obtain and maintain all Governmental Approvals required for conducting the mining operations at the Coal Mine and performing its obligations under this Agreement. The Government undertakes, on a no-obligation basis, to expeditiously provide all necessary approvals and assistance for conducting mining operations and as otherwise may be reasonably required by the Allottee in relation to the rights granted to it under this Agreement.

11.3. Geological and Archaeological Finds

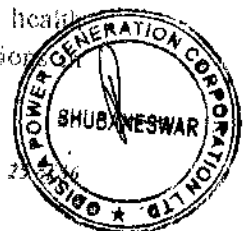


Allotment Agreement for Monoharpur and Dholakhandi Monoharpur Coal Mine

It is expressly agreed that other than rights to mine for coal (as may be granted under any Mining Lease pursuant hereto), geological or archeological rights do not form part of the rights granted to the Allottee under this Agreement and the Allottee hereby acknowledges that except in relation to coal (as may be granted under any Mining Lease pursuant hereto), it shall not have any mining rights or interest in the underlying minerals, metals (including gold, silver etc.), gas, oil, fossils, antiquities, structures or other remnants or things either of particular geological or archeological interest and in such rights, interest and property on or under the Coal Mine shall vest in and belong to the relevant Central/ State Government or the concerned Governmental Authority. The Allottee shall take all reasonable precautions to prevent its workmen or any other person from removing or damaging such interest or property and shall inform the relevant Central/ State Government forthwith of the discovery thereof and comply with all instructions as the concerned Governmental Authority may reasonably give for the removal of such property.

11.4. Health, Safety, Welfare, Social Security and Minimum Wage:

- 11.4.1. The Allottee shall comply with all Applicable Laws and observe Good Industry Practice for the protection of the general health, safety, welfare, social security and minimum wages of employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement.
- 11.4.2. Without prejudice to the generality of the foregoing, the Allottee shall ensure payment of minimum wages to the employees engaged at the Coal Mine and in related activity including employees of any contractor or sub-contractor.
- 11.4.3. The Allottee shall install and utilize such recognized modern safety devices and observe such recognized modern safety precautions as are provided and observed under Good Industry Practice. The Allottee shall maintain in a safe and sound condition for the duration of this Agreement all infrastructure and equipment constructed or acquired in connection with mining operations and required for ongoing operations.
- 11.4.4. The Allottee shall train employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement, in accordance with the Good Industry Practice.
- 11.4.5. The Allottee shall construct, maintain, and operate health programs and facilities to serve the employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement, which programs and facilities shall install, maintain and use modern health devices and equipment and shall practice modern health practices and prevention.



Allotment Agreement for Monoharpur and Dipside Mines, Coal Mine

accordance with Good Industry Practice.

11.4.6. Without prejudice to the generality of the foregoing, in the event the Allottee provides housing, the same shall be built to a standard that provides suitable living environments adequate for health and well-being, and which meet applicable sanitation standards in terms of Good Industry Practice.

12. CONTRACTORS AND SUB-CONTRACTORS

12.1. In the event the Allottee enters into any agreement with any contractor in relation to the mining operations at the Coal Mine, then a duly certified copy of such agreement shall also be submitted to the Nominated Authority within fifteen Business Days of its execution.

12.2. Any Agreement between the Allottee and its contractors shall contain appropriate terms by which the contractor shall acknowledge and comply with the terms of this Agreement and the contractor shall also cause its sub-contractors to acknowledge and comply with the same.

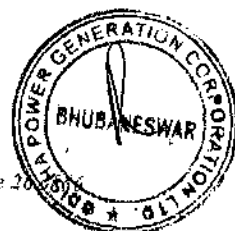
12.3. Nothing in this Agreement shall exempt the Allottee from any and all obligations under this Agreement despite the delegation of such obligations to a contractor or its subcontractors.

12.4. Terms and Conditions for appointment of contractor(s) in relation to coal mining operations may be formulated in line with the terms and conditions specified in the Auction by Competitive Bidding of Coal Mines Rules, 2012 (as amended by notification dated 27.12.2012) framed under Sec. 11A of the MMDR Act. The terms and conditions may be as follows:

12.4.1. In case the Coal Mine is developed through contractor(s), the selection of the contractor(s) in relation to coal mining operation shall be through a competitive bidding process and the Allottee company shall inform the State Government concerned, the Central Government and the Nominated Authority about the engagement of such contractor(s) and the terms and conditions of such engagement, as soon as it is finalised.

12.4.2. The Allottee shall ensure that the criteria of bidding for engagement of the contractor(s) are not linked to CIL Notified Price.

12.4.3. The contractor(s) shall maintain all records as required to be maintained and shall provide such records for the inspection by the Allottee, the State Government concerned, the Central Government and the Nominated Authority.



Allocation Agreement for Manoharpur and Lakshe Manoharpur Coal Mine

13. CHANGE IN CONTROL AND TRANSFER

13.1. Change in Control of the Allottee

13.1.1. Change in Control of the Allottee or any transfer of the Specified End Use Plant along with the rights in relation to the Coal Mine, shall be permissible with prior intimation to the Nominated Authority and the Central Government if:

- (a) such change in Control does not result in the Allottee becoming non compliant with any of the Eligibility Conditions or the transferee is also compliant with the applicable Eligibility Conditions, as the case may be. It is clarified that no company other than a Government company or corporation shall be permitted to hold more than twenty-six per cent of the paid up share capital in the Allottee, either directly or through any of its subsidiary company or associate company; and
- (b) such change in Control or transfer does not require any prior consent, approval, no-objection certificate or the like under any Applicable Law.

13.1.2. In the event that any change in Control of the Allottee or any proposed transfer of the Specified End Use Plant along with the rights in relation to the Coal Mine requires prior Governmental Approval under any Applicable Laws, then such Governmental Approval shall be granted (in addition to any other requirement under Applicable Law) only if:

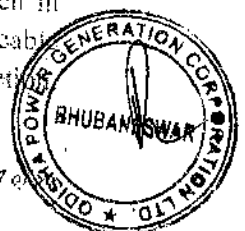
- (a) the transferee of such right, title or interest of the Allottee subsequent to change of Control, as the case may be, also meets all the applicable Eligibility Conditions; or
- (b) the Allottee continues to meet all the applicable Eligibility Conditions, as the case may be.

13.2. Change in Control in case of a joint venture

13.2.1. In the cases where allotment has been made to a joint venture of any two or more Government companies or corporations, such companies shall be prohibited from alienating or transferring any interest, except for taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a Third Party.

13.3. Consequences of default

13.3.1. In the event of any change in Control or any transfer of right, title or interest in the Coal Mine which is not in conformity with this Agreement or any Applicable Law, then in addition to any rights, remedy or consequences as may be applicable under Applicable Laws, the Nominated Authority or the Central Government may, in its sole discretion



Allotment Agreement for Mahanadi and Pipriwa Bhabaneswar Coal Mine

appropriate the Performance Security, disqualify the Allottee from participating in any further auction or allotment process conducted by the Nominated Authority, terminate this Agreement; and/or terminate and withdraw the Allotment Order as the case may be.

13.3.2. Any transfer of right, title or interest which is not in conformity with this Agreement or Applicable Laws shall be deemed to be void *ab-initio*.

14. MINE PLAN

14.1. The Mine Plan approved in relation to the Prior Allottee, if any shall also be applicable to the Allottee.

14.2. Upon allocation of Coal Mine, the Allottee may revise the Mine Plan for extraction of more coal as compared to the Mine Plan being subject to revision in accordance with the provisions of Applicable Law and the Agreement.

14.3. The Allottee may increase mine production to the maximum possible extent and utilize the coal in accordance with Clause 8. Subject to Applicable Laws, the Allottee may apply for coal linkages or participate in auction/ allotment for the Specified End Use Plant three years prior to the exhaustion of extractable reserves in the Coal Mine.

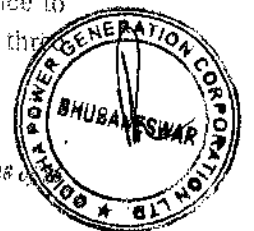
15. MINE CLOSURE

15.1. Upon exhaustion of the extractable coal reserves at the Coal Mine the Coal Mine shall be closed, in the manner provided in the mine closure plan and Applicable Laws.

16. COMPLIANCE AND RECORD KEEPING

16.1. The Allottee shall keep at its normal place of business detailed, accurate and up to date records and books of account showing all payments made by the Allottee in connection with this Agreement, the development of the Coal Mine, mining operations and matters incidental thereto and the steps taken by the Allottee to comply with Applicable Laws. Such records and books of accounts shall be required to be maintained for a period of six years. The Allottee shall ensure that such records and books of accounts are sufficient to enable verification of the Allottee's compliance with its obligations under this Agreement.

16.2. The Allottee shall permit the Nominated Authority and its representatives to access and take copies of the Allottee's records and any other information held at the Allottee's premises and to meet with the Allottee's personnel to check the Allottee's compliance with its obligations under this Agreement. Such such right shall continue for three years after termination of this Agreement. The Allottee shall give all necessary assistance to the conduct of such audits during the Term of this Agreement and for a period of three year after termination of this Agreement.

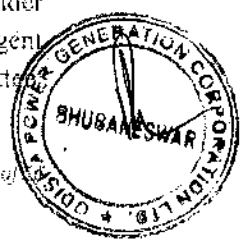


17. REPRESENTATIONS AND WARRANTIES

- 17.1. The Allottee represents and warrants to the Nominated Authority (save as otherwise disclosed to the Nominated Authority in writing), as of the Agreement Date, in the manner as detailed in SCHEDULE G ("Warranties").
- 17.2. None of the representations, warranties and/ or statements contained in this Agreement shall be treated as qualified by any actual or constructive knowledge on the part of the Nominated Authority or the Central Government or any of its respective agents, representatives, officers, employees or advisers.
- 17.3. In the event that any of the representations or warranties made or given by the Allottee ceases to be true or stands changed, the Allottee shall promptly notify the Nominated Authority of the same. The Allottee hereby waives all its rights to invoke and shall not invoke the Nominated Authority's knowledge (actual, constructive or imputed) of a fact or circumstance that might make a statement untrue, inaccurate, incomplete or misleading as a defence to a claim for breach of Warranties or covenant or obligation of the Allottee.

18. INDEMNITIES

- 18.1. In this clause, a reference to the Nominated Authority shall include the Nominated Authority; the Government of India; any of the departments or ministries of Government of India; and of the officers, employees, staff, advisors, representatives or agents of the Government of India (collectively the "Indemnified Party") and the provisions of this Clause shall be for the benefit of the Indemnified Party, and shall be enforceable by each such Indemnified Party.
- 18.2. The Allottee shall indemnify the Indemnified Party against all liabilities, costs, expenses, damages and losses (including but not limited to any interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Indemnified Party arising out of or in connection with:
 - (a) any breach of the Warranties
 - (b) Allottee's breach or negligent performance or non-performance of this Agreement;
 - (c) the enforcement of this Agreement;
 - (d) any claim made against the Indemnified Party for actual or alleged infringement of a Third Party's rights arising out of or in connection with mining operations at the Coal Mine or performance or non performance of any of the obligations under this Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Agreement by the Allottee.



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Allocation Agreement for Manoharpur and Dipside Manoharpur Coal Mine

its employees, agents or contractors:

- (e) any claim made against the Indemnified Party by a Third Party for death, personal injury or damage to property arising out of or in connection with mining operations at the Coal Mine or performance or non performance of any of the obligations under this Agreement;
- (f) any loss or damages caused on account of breach of any Applicable Law by the Allottee, including without limitation any costs incurred by the Nominated Authority in cleaning or rectifying of any environmental damages caused by the Allottee on account of lack of Good Industry Practice; breach, negligent performance or failure or delay in performance of this Agreement; or non-compliance with Applicable Law.

18.3. If any Third Party makes a claim, or notifies an intention to make a claim, against the Indemnified Party which may reasonably be considered likely to give rise to a liability under this indemnity (a "Claim"), the Indemnified Party shall as soon as reasonably practicable, give written notice of the Claim to the Allottee, specifying the nature of the Claim in reasonable detail.

18.4. Subject to the Allottee providing security to the Indemnified Party, to the Indemnified Party's sole and absolute satisfaction against any claim, liability, costs, expenses, damages or losses which may be incurred, the Allottee may take such action as it may reasonably deem fit to avoid, dispute, compromise or defend the Claim.

18.5. Payments of the amount of Claim shall become due and payable within thirty Business Days of receipt of notice of Claim. If a payment due from the Allottee under this clause is subject to Tax (whether by way of direct assessment or withholding at its source), the Indemnified Party shall be entitled to receive from the Allottee such amounts as shall ensure that the net receipt, after Tax, to the Indemnified Party in respect of the payment is the same as it would have been were the payment not subject to Tax.

19. ASSIGNMENT, SECURITY FOR FINANCING

19.1. Prohibition on Assignment

19.1.1. Except as provided in this Clause 19, the Allottee shall not assign this Agreement, either directly or indirectly, save and except with the prior consent in writing of the Nominated Authority, which consent the Nominated Authority shall be entitled to decline without assigning any reason.

19.1.2. Subject to compliance with provisions of Clause 19.2, this Agreement may be assigned by the Allottee in the following events:



- (a) upon occurrence of a change in Control or transfer which is permissible in terms of Clause 13, to the transferee; or
- (b) upon occurrence of an enforcement event, to a transferee as may be determined by a bank or financial institution in terms of Clause 19.3.

19.2. Assignment Conditions

Assignment of this Agreement shall also be subject to the following conditions precedent:

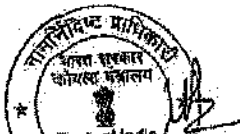
- (a) the proposed assignee must meet the applicable Eligibility Conditions;
- (b) the proposed assignee must agree to unconditionally and irrevocably adhere to the provisions of this Agreement and must enter into a deed of adherence in the manner as prescribed by the Nominated Authority;
- (c) the proposed assignee must have furnished the Performance Security, to substitute any subsisting Performance Security provided by the Allottee;
- (d) the proposed assignee must have paid any other amount due from the Allottee and agree to indemnify and hold the Nominated Authority harmless in all respects against any claims from any Third Party or the Allottee with respect to such assignment.

19.3. Security for financing, enforcement Event

19.3.1. Subject to Applicable Laws, the Allottee shall be entitled to create security over the Coal Mine through mortgage for the purposes of availing financing from a bank or financial institutions for the purposes of financing of the Specified End Use Plant or mining operations at the Coal Mine and such security creation shall not require prior approval by the Nominated Authority or the Central Government. It is clarified that the Allottee shall be permitted to enter into any agreement with bank or financial institutions with respect to assignment of this Agreement in terms of this Clause 19 and in such case the assignment conditions mentioned in Clause 19.2 shall not be applicable and the conditions specified in Clause 19.3 shall be applicable.

19.3.2. The Allottee shall keep the Nominated Authority promptly informed about: (i) any default in its obligation under any arrangement with any bank or financial institution; (ii) any security interest created over the Coal Mine; and (iii) any action initiated by the bank or financial institution regarding enforcement of security.

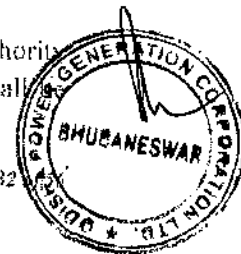
19.3.3. In the event of a default, the banks or financial institutions, as the case may be shall be entitled to enforce their security interest, provided that the conditions listed in Clause 19.2 are met, in the manner provided below:



Allotment Agreement for Manoharpur and Dhyasidhi Manoharpur Coal Mine

- (a) the security interest shall be exercised in accordance with the provisions of Applicable Laws and any inter-se agreement between the secured creditors, if any.
- (b) the lead secured creditor (in case of consortium lending) or the secured creditor with the highest exposure (in case of multiple banking), shall be entitled to seek a substitution of the Allottee by providing a written notice (the "Substitution Notice") to the Nominated Authority;
- (c) the Substitution Notice shall contain complete particulars of the proposed transferee (the "Selectee"), particulars of compliance of the Selectee with all the Eligibility Conditions, particulars of the debt due and such data and information as would be necessary and relevant for the Nominated Authority to decide as to the acceptability of the Selectee;
- (d) the Nominated Authority may require such other information as it may deem fit regarding the suitability of the Selectee to receive rights and obligations with respect to the Coal Mine;
- (e) the Substitution Notice must be accompanied by an unconditional undertaking of the Selectee to the effect that it shall upon acceptance by the Nominated Authority observe, comply with, perform and fulfil the residual terms, conditions and covenants of this Agreement as if the Selectee had been the Allottee under this Agreement and to assume, discharge and pay the debt due on the terms and conditions agreed to by the Selectee with the secured creditors. The Selectee shall also undertake to enter into such documents and agreements with Nominated Authority as may be necessary or required to give effect to the substitution of the Allottee by the Selectee;
- (f) the Nominated Authority shall convey its acceptance or otherwise of the Selectee within sixty Business Days of (a) the date of receipt of the Substitution Notice; or (b) the date of receipt of the additional information and clarifications requested in respect of any data, particulars or information comprised in the Substitution Notice, whichever is later.
- (g) In the event that the Nominated Authority fails to communicate its acceptance or otherwise or the objections if any it has to the acceptance of the Substitution Notice, within the time specified in sub-clause (f) above, the Nominated Authority shall be deemed to have accepted the Substitution Notice and the Selectee.

19.3.4. Upon acceptance of the Selectee by the Nominated Authority or the Nominated Authority having been deemed to have accepted the Substitution Notice, this Agreement shall



Allotment Agreement for Manoharpur and Lalpada Manoharpur Coal Mine

deemed to be assigned in favour of the Selectee without any further act or deed of the Allottee.

20. INSURANCE

- 20.1. At all times during the Term hereof, the Allottee will maintain, and cause its contractors and sub-contractors to maintain, with financially sound and reputable insurers, insurance against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is consistent with Good Industry Practice.

21. ACCOUNTS AND AUDIT

21.1. Audited Accounts

The Allottee shall maintain books of accounts recording all its receipts, income, expenditure, payment, assets and liabilities in accordance with Good Industry Practice and Applicable Laws.

21.2. Appointment of Auditors

The Nominated Authority shall have the right, but not the obligation, to appoint at its cost, from time to time and at any time, an auditing firm or an auditor to audit and verify all those matters, expenses, costs, realizations and things with respect to the Coal Mine or which the statutory auditors are required to do, undertake or certify pursuant to this Agreement.

21.3. Certification of claims by Statutory Auditors

Any claim or document provided by the Allottee to the Nominated Authority in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, and any matter incidental thereto shall be valid and effective only if certified by its statutory auditors.

22. GOVERNMENT INSPECTION

- 22.1. The Nominated Authority, through its authorized representatives shall have the right to free ingress and egress within any part of the Coal Mine at any time to inspect works or activities being undertaken or implemented by the Allottee in order to monitor and verify compliance with the terms of this Agreement and all Applicable Laws.

- 22.2. The Nominated Authority, through its authorized representative, shall have access to the Allottee's financial and other records and transactions (retainable to any period) at any time upon reasonable advance notice, the right to copy therefrom, for the purpose of assessing the performance and compliance of the Allottee with the terms of the



Page 13 of 13



Allotment Agreement for Photovoltaic and Diesel/ Gas powered Grid Mini

Agreement and all Applicable Laws, rules and regulations or to aid in the enforcement of the same.

- 22.3. The Nominated Authority shall have the right to conduct, either directly or indirectly through any Third Party, a performance audit to verify compliance by the Allottee, of its obligations hereunder.

23. EVENT OF FORCE MAJEURE

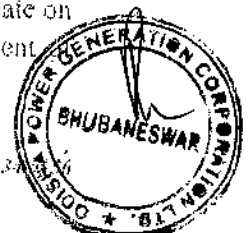
- 23.1. Event of Force Majeure means any of the following events or circumstances or combination of the following events or circumstances which are beyond the reasonable control of the Allottee, which could not have been prevented by Good Industry Practice or by the exercise of reasonable skill and care and which or any consequences of which, have a material and adverse effect upon the performance by the Allottee of its obligations or enjoyment of its rights:

- (i) acts of God, flood, drought, earthquake or other natural disaster;
- (ii) epidemic or pandemic;
- (iii) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (iv) nuclear, chemical or biological contamination or sonic boom;
- (v) collapse of buildings, fire, explosion or accident;
- (vi) any labour or trade dispute, strikes, industrial action or lockouts (other than those solely affecting Allottee claiming the same as an Event of Force Majeure and attributable to such Allottee's policies regarding labour, compensation or employment or labour related conditions).

- 23.2. Provided it has complied with Clause 23.3, if the Allottee is prevented, hindered or delayed in or from performing any of its obligations under this Agreement by an Event of Force Majeure, the Allottee shall not be in breach of this Agreement or otherwise liable for any such failure or delay in the performance of such obligations.

- 23.3. Upon occurrence of an Event of Force Majeure, the Allottee shall:

- (i) as soon as reasonably practicable after the start of the Event of Force Majeure but no later than thirty Business Days from its start, notify the Nominated Authority and the Central Government in writing of the Event of Force Majeure, the date on which it started, its likely or potential duration, and the effect of the Event.



Allotment Agreement for Manbhanpur and Dipside Microbhanpur Coal Mines

Force Majeure on its ability to perform any of its obligations under this Agreement; and

- (ii) use all reasonable endeavours to mitigate the effect of the Event of Force Majeure on the performance of its obligations including following of Good Industry Practice.

23.4. If an obligation is suspended by reason of an Event of Force Majeure for more than one month continuously, the Parties shall enter into good faith negotiations to revise the terms of this Agreement to reflect the changed circumstances; provided that this Agreement shall remain in effect during the period during which the Parties are negotiating the terms of any such revision.

23.5. Notwithstanding Clause 23.4, in the event that performance of obligations under this Agreement remain suspended for a period of: (a) six months continuously; (b) or nine months over a period of one year, then the Nominated Authority may in its sole discretion terminate this Agreement in the manner provided in Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

24. EFFECTIVE DATE, TERM AND TERMINATION

24.1. Effective Date

This Agreement shall come into effect on the Agreement Date. It is clarified that the provisions of this Agreement shall also be included in the Mining Lease.

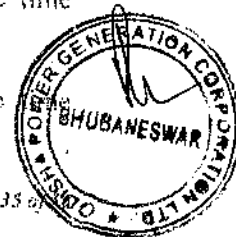
24.2. Term

This Agreement shall commence on the dates mentioned in Clause 24.1 and shall continue for the period of validity of the Mining Lease granted to the Allottee ("Term"), unless agreed otherwise by the Parties and unless this Agreement is terminated earlier in accordance with its terms prior to the expiry of the Term.

24.3. Termination

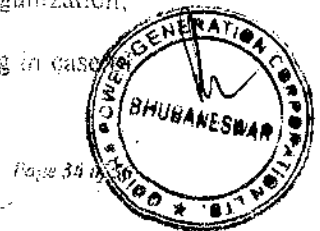
24.3.1. This Agreement may be terminated upon occurrence of any of the following events (each a "Termination Event"):

- (a) failure of the Allottee to make payment of the Upfront Amount in the manner provided in Clause 5.2;
- (b) failure of the Allottee to complete the Allotment Conditions within the time specified in Clause 3.2;
- (c) failure of the Allottee to make payment of additional levy within the



specified under Rule 18 of the Rules, if required to be paid;

- (d) occurrence of any Appropriation Event resulting in appropriation of the entire Performance Security or on account of one or more Appropriation Events, an amount equal to hundred per cent of the Performance Security being appropriated in aggregate (in one or more instances) as provided in Clause 6.3;
- (e) failure of the Allottee to replenish the Performance Security within a period of 15 Business Days, in the event that a part of the Performance Security has been appropriated;
- (f) non compliance of the Allottee with the Efficiency Parameters for more than five instances (in aggregate and not over a specified period) as provided in Clause 10.3;
- (g) suspension of obligations on account of an Event of Force Majeure for a period longer than as specified in Clause 23.5;
- (h) failure to make payment of the Monthly Payment for more than three instances (in aggregate and not over a specified period) in terms of Clause 9.2.2;
- (i) failure to provide any information requested by the Nominated Authority in terms of this Agreement;
- (j) failure of the Allottee to ensure continued compliance with the Eligibility Conditions;
- (k) in case the Allottee is a joint venture company, alienation or transfer of any interest, except the taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a Third Party;
- (l) a company other than a Government company or corporation holding more than twenty-six per cent of the paid up share capital of the Allottee, either directly or through any of its subsidiary company or associate company (such expressions having meaning ascribed under the Companies Act, 2013);
- (m) the Allottee dissolves, liquidates, becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of creditors, petitions or applies to any tribunal for the appointment of a trustee or receiver for itself, or commences any proceedings concerning itself under a law concerning bankruptcy, or insolvency other than for the purposes of corporate reorganization;
- (n) any other breach of any of the provisions of this Agreement (including in case



Allotment Agreement for Manoharpur and Pipalik Manoharpur Coal Mine

the Warranties being untrue or misleading or incorrect in any manner whatsoever), which is not cured by the Allottee within Fifty Business Days of becoming aware of the same, on its own accord or upon receipt of a notice from the Nominated Authority;

- (o) surrender of the Coal Mine by the Allottee;
- (p) cessation of coal mining operation exceeding a period of one year continuously, or 18 months over a period of two years without occurrence of any Event of Force Majeure;
- (q) termination of the Mining Lease granted to the Allottee; or
- (r) in the opinion of the Central Government, it is expedient in public interest to terminate this Agreement.

24.3.2. Upon occurrence of a Termination Event, the Nominated Authority may elect to terminate this Agreement by providing a 15 Business Days written notice to the Allottee. The determination of the Nominated Authority regarding occurrence of a Termination Event shall be final and binding on the Allottee.

24.3.3. In case the Nominated Authority elects to terminate this Agreement, then the Performance Security and all other payments made by the Allottee shall be forfeited and the Allottee shall not be entitled to any benefits under this Agreement but would continue to be liable towards any antecedent liability, all obligations accrued before the effective date of the surrender/termination and also for the obligations that must be fulfilled after termination.

24.4. Retention of Books and Records

Upon termination of this Agreement, the Allottee shall retain all documents, books and records related to the Coal Mine for a period of three years or such longer period as may specified under Applicable Law. It is clarified that the Allottee may also retain such books and records in electronic form if permitted under Applicable Laws.

25. GOVERNING LAW AND DISPUTE RESOLUTION

25.1. This Agreement and all questions of its interpretation shall be construed in accordance with the laws of India, without regard to its principles of conflicts of laws.

25.2. Any dispute, controversy or claim arising out of or relating to or in connection with the Agreement including a dispute as to the validity or existence of this Agreement, or any breach or alleged breach thereof, shall be settled through mutual discussions between the Parties. In this regard, the Allottee shall nominate an officer not below the rank of director to participate in the discussions on its behalf.



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

- 25.3. In the event that the Allottee fails to nominate an officer in the manner required under Clause 25.2; or the Parties are unable to resolve any dispute in accordance with Clause 25.2 within a period of 30 Business Days starting from the date on which the first notice of dispute was provided by either Party, such dispute shall be resolved in accordance with Section 27 of the Ordinance.
- 25.4. It is expressly agreed between the Parties, that any existence of a dispute shall not affect in any manner any of the rights of the Nominated Authority under this Agreement, including without limitation the right to appropriate Performance Security or terminate this Agreement, until a final determination in this regard is made.
- 25.5. The provisions contained in this Clause 25 shall survive the termination of this Agreement.

26. MISCELLANEOUS

26.1. Time of Essence

Each of the Parties hereby agrees that, with regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

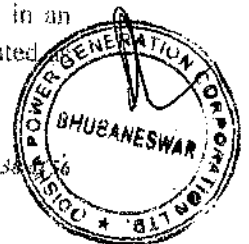
26.2. Publicity

The Allottee shall not issue any information, document or article for publication in any news or communications media or make any public statement in relation to this Agreement without the prior written consent of the Nominated Authority unless required to do so by Applicable Law, provided that prior to any disclosure of any such information required by Applicable Law, the Allottee must first notify the Nominated Authority, who shall then have the opportunity to respond to and/or dispute such intended disclosure.

26.3. Severability

26.3.1. If any term, provision, covenant or restriction of this Agreement or the application thereof to any Person or circumstance shall be held invalid, void or unenforceable by a court of competent jurisdiction or other Governmental Authority to any extent, the remainder of the terms, provisions, covenants and restrictions of this Agreement and the application thereof to Persons or circumstances (other than those as to which any portion of this Agreement is held invalid, void or unenforceable) shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

26.3.2. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated.



Allocation Agreement for Steamgenerator and Turbine Manufacture on Credit Line

originally contemplated to the fullest extent possible.

26.4. Costs and Expenses

26.4.1. The Allottee shall bear its own costs in connection with the negotiation, preparation and execution of this Agreement.

26.4.2. The stamp duty payable for this Agreement shall be borne by the Allottee.

26.5. Further Assurance

The Allottee shall cooperate with the Nominated Authority and execute and deliver to the Nominated Authority such instruments and documents and take such other actions as may be requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

26.6. Legal And Prior Rights

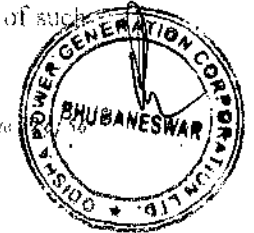
All rights and remedies of the Nominated Authority hereto shall be in addition to all other legal rights and remedies belonging to the Nominated Authority and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies aforesaid and it is hereby expressly agreed and declared by and between the Parties hereto, that the determination of this Agreement for any cause whatsoever shall be without prejudice to any and all rights and claims of the Nominated Authority, which shall or may have accrued prior thereto.

26.7. Waiver

26.7.1. The waiver of any default or breach under this Agreement by the Nominated Authority shall not constitute a waiver of the right to terminate this Agreement for any substantial default of a similar nature or under any other terms and conditions of this Agreement.

26.7.2. No failure or delay by the Nominated Authority in exercising any right or remedy provided by Applicable Law under or pursuant to this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy. The rights and remedies of the Nominated Authority under or pursuant to this Agreement are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights and remedies under Applicable Law.

26.7.3. Submission of any document, information, report or notice, which contains any information or reference to any default or breach under this Agreement or any Applicable Law, to the Nominated Authority shall not be construed to be a signed approval of such



Allotment Agreement for Manoharpur and Dipade Manoharpur Coal Mine

breach or default and the Nominated Authority may exercise any rights or remedies with respect to such default at any time.

26.8. Amendments

No amendment of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of each of the Parties to it. The expression "amendment" shall include any amendment, variation, supplement, deletion or replacement however effected. Unless expressly agreed, no amendment shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of amendment, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so amended.

26.9. Counterparts

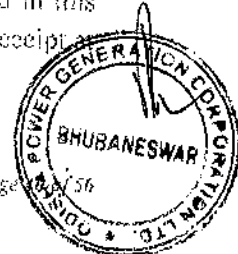
This Agreement may be executed in two counterparts each of which will be deemed an original, with the same effect as if the signatures thereto and thereto were upon the same instrument, but all of which together will constitute one and the same instrument.

26.10. No Agency or partnership

The Parties agree that nothing in this Agreement shall be in any manner interpreted to constitute an agency for and on behalf of any other Party. None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party or shall be deemed to be the agent of the other Party in any way.

26.11. Notices

All notices, requests, demands or other communication ("Notice") required or permitted to be given under this Agreement and the provisions contained herein shall be written in English and shall be deemed to be duly sent by registered post with acknowledgment due, or transmitted by facsimile transmission to the other Parties at the address indicated in SCHEDULE H hereof or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified to the Party giving the same in the manner provided in this Clause, unless such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents. Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this Clause 26.11 shall be deemed to have been given and received on the day of its receipt at such address.



A copy of the Notice sent by registered post with acknowledgment due, or transmitted by facsimile transmission may also be sent through email to the email addresses specified in SCHEDULE II solely for the information of the recipient and shall take effect only when the registered post is actually delivered or the fax is received by the recipient, as the case may be.

26.12. Entire Agreement

This Agreement (including all such deeds and documents issued or executed pursuant hereto or referred to herein) and the Allotment Document constitutes and represents the entire agreement between the Parties with regard to the rights and obligations of each of the Parties and cancels and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the subject matter hereof or in respect of matters dealt with herein. In the event of a conflict between this Agreement and the Allotment Document, the provisions of this Agreement shall prevail to the extent of the conflict.

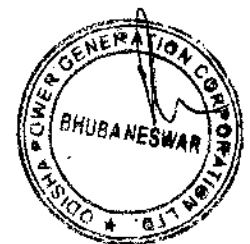
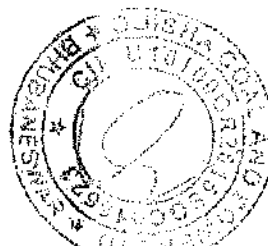
26.13. Specific Performance of Obligations

The Nominated Authority shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to seek or enforce specific performance of this Agreement, in addition to any other legal rights and remedies, without the necessity of demonstrating the inadequacy of monetary damages.

26.14. Power of the Central Government

The Allottee acknowledges that for the purposes of this Agreement, the Central Government is acting through the Nominated Authority pursuant to the Ordinance and the Rules. However, for the purposes of exercise of rights and obligations hereunder and any Applicable Law, the Central Government shall be entitled to act through any of its relevant departments, ministries or any Governmental Agencies and all such relevant departments, ministries or any Governmental Agencies shall be entitled to exercise rights and obligations under this Agreement as if such relevant departments, ministries or any Governmental Agencies were a Party hereto.

[Remaining part of this page intentionally left blank, schedules follow.]



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

SCHEDULE A - PARTICULARS OF THE COAL MINE

Name of Coal Mine	Manoharpur and Dipside Manoharpur
Latitude	Manoharpur: 21°56'19" N to 21°58'04" N
Longitude	Manoharpur: 83°46'00" E to 83°47'36" E
Coalfield	Ib Valley
Villages	Manoharpur, Ghumundasa
Tehsil/Taluka	Hemgiri
District	Sundergarh
State	Odisha



Allocation Agreement for Manoharpur and Dapsid, Manoharpur Coal Mine

SCHEDULE B - PARTICULARS OF THE SPECIFIED END USE PLANT

S. No.	Name of Specified End Use Plant	Address	Configuration	Capacity
1.	Odisha Power Generation Corporation Ltd., Expansion Power Project (Unit 3, 4, 5 and 6)	Thermal Power Station, Banharpali, Bhubaneswar, Odisha	4 X 660 MW	2640 MW

**MW stands for Mega Watt*



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

SCHEDULE C - FORMAT OF INTIMATION TO THE NOMINATED AUTHORITY

To
The Nominated Authority
[address]

[date]

Sub: Intimation under Clause 3.1(f) of the Allotment Agreement (the "Agreement").

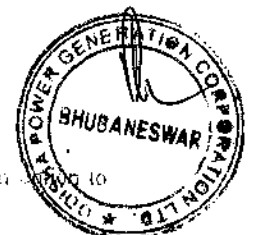
Dear Sir,

We write with reference to Clause 3.1(f) of the Agreement read with the Ordinance and the Rules, including Section 10 and Section 11 of the Ordinance in terms of which we intend to own and utilise certain movable property of the Prior Allottee and also adopt certain contracts as detailed below:

- (a) particulars of movable property along with the details of the current owner, the terms of negotiations, related documentation and other details, which we intend to own and use in terms of Section 10(1) of the Ordinance is enclosed as Annexure A;
- (b) particulars of movable property along with the details of the current owner, the terms of negotiations, related documentation and other details, which we do not intend to own and use and which we intend to move in terms of Section 10(4) of the Ordinance is enclosed as Annexure B;
- (c) the list of contracts (including contracts with secured creditors¹) which we intend to adopt and continue, along with complete particulars of such contracts is enclosed as Annexure C;
- (d) the list of contracts (including contracts with secured creditors) which we do not intend to adopt and continue, along with complete particulars of such contracts is enclosed as Annexure-D.

Apart from the particulars of the movable property and the contracts listed in this letter, we do not intend to own, use, continue or adopt any other movable property or contracts, as the case may be and do hereby relinquish our rights with respect to the same. We acknowledge that any information not provided in this letter may not be included by the Nominated Authority in the Allotment Order.

¹ Not applicable if the Allottee is the Prior Allottee in which case the secured creditors shall have an option to continue in terms of Section 12(1) of the Ordinance.



Allocation Agreement for Manoharpur and Dipsta Manoharpur Coal Mine

Yours Sincerely,

.....

(Authorised Signatory)

Name:

Designation:

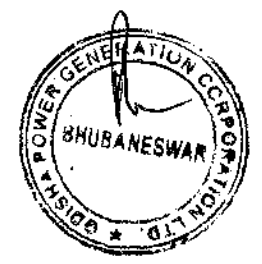
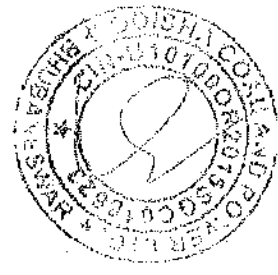
Enclosed: As Above

Annexure A

Annexure B

Annexure C

Annexure D



Allotment Agreement for Manoharpur and Dipsikil Manoharpur Coal Mine

SCHEDULE D - FORMAT OF THE COMPLETION NOTICE

To
The Nominated Authority
[address]

[date]

Sub: Completion Notice under Clause 3.2.1 of the allotment agreement (the "Agreement").

Dear Sir,

We write with reference to Clause 3.2.1 of the Agreement. We have completed each of the Allotment Conditions specified in Clause 3.1 of the Agreement and the particulars of the same are provided below:

- (a) We continue to be in compliance with all the Eligibility Conditions;
- (b) we have paid the first instalment of the Upfront Amount, in accordance with Clause 5.2.1 through [particulars of payment to be mentioned];
- (c) we have furnished the Performance Security through [particulars of performance security and its manner of delivery to be mentioned];
- (d) we have paid the Fixed Amount through [particulars of payment to be mentioned];
- (e) Additional Levy as was required to be paid has been paid through [particulars of payment to be mentioned]; and
- (f) we have provided a written intimation as was required under Clause 3.1(f) of the Agreement through a letter dated [particulars to be mentioned].

Documentary evidence with respect to completion of each of the Allotment Conditions is enclosed.

Yours Sincerely,

.....
(Authorised Signatory)

Name:

Designation:

Enclosed: As Above



.....
* Applicable if the Allottee is not the Prior Allottee.



Allotment Agreement for Manoharpur and Dipside Manoharpur Coal Mine

SCHEDULE E - EFFICIENCY PARAMETERS

S. No.	Milestone	Time Limit in Months (From the date of the Allotment Order)	
		Dipside Manoharpur	Manoharpur
1	Prospecting License	4	0
2	Completion of Exploration and Preparation of Geological Report (GR)	22	0
	Events after preparation of GR	Time Limit in Months (From the date of preparation of GR)	
3	Mining Lease Application	3	3
4	Submission of Mining Plan	6	6
5	Mining Plan Approval	11	11
6	Previous Approval Application	12	12
7	Previous Approval	13	13
8	Forest Clearance Application	11	11
9	Forest Clearance	21	21
10	Environment Clearance Application	11	11
11	Environment Clearance	21	21
12	Grant of Mining Lease	24	24
13	Land Acquisition (To reach rated capacity)	36/42 (in case of forest land)	36/42 (in case of forest land)
14	Opening of Escrow Account	37/43 (in case of forest land)	37/43 (in case of forest land)
15	Application for Opening Permission	37/43 (in case of forest land)	37/43 (in case of forest land)
16	Grant of Opening Permission	38/44 (in case of forest land)	38/44 (in case of forest land)
17	Schedule of Production/ Reaching Rated Capacity	As per approved Mining Plan	As per approved Mining Plan
18	EUP Synchronisation	As per approved Mining Plan	As per approved Mining Plan

(a) The percentage for appropriation of Performance Security shall be calculated in proportion to the failure/ delay in compliance with the timelines mentioned for achievement of Efficiency Parameters which shall be broadly based on the weightages prescribed in the recommendations of Inter-Ministerial Group.

(b) In case of non-compliance with the Efficiency Parameters mentioned above, the Successful Bidder shall be required to rectify the same within such time as may be prescribed.



SCHEDULE F - FORMAT OF PERFORMANCE SECURITY

[Reference number of the bank] [date]

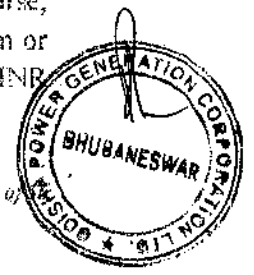
To
The Nominated Authority
[address]

WHEREAS

- A. [Name of the Allottee] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Allottee], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] (the "Allottee") is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security for a period of [period of performance bank guarantee].
- B. The Performance Security is required to be provided to The President of India, acting through the Central Government represented by the Nominated Authority appointed under Section 6 of the Coal Mines (Special Provisions) Ordinance, 2014 read with Coal Mines (Special Provisions) Second Ordinance, 2014 (the "Nominated Authority") for discharge of certain obligations under the Allocation Agreement dated [date] (the "Agreement").
- C. We, [name of the bank] (the "Bank") at the request of the Allottee do hereby undertake to pay to the Central Government an amount not exceeding INR [figures] (Indian Rupees [words]) to secure the obligations of the Allottee under the Agreement on demand from the Nominated Authority on the terms and conditions herein contained herein.

NOW THEREFORE, the Bank hereby issues in favour of the Nominated Authority this irrevocable and unconditional payment bank guarantee (the "Guarantee") on behalf of the Allottee in the amount INR [figures] (Indian Rupees [words]).

- 1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the Nominated Authority without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the Nominated Authority, a sum or sums (by way of one or more claims) not exceeding in the aggregate the amount of INR



Allotment Agreement for Shares for and to be paid for in the Coal Mine

[figures] (Indian Rupees [words]) without the Nominated Authority needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the Nominated Authority and Allottee on any matter whatsoever. The Bank unconditionally to pay to the Nominated Authority any money so demanded notwithstanding any dispute or disputes raised by the Allottee in any suit or proceeding pending before any court or tribunal relating thereto the Bank's liability under this present being absolute and unequivocal.

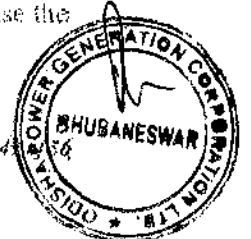
2. The Bank acknowledges that any such demand by the Nominated Authority of the amounts payable by the Bank to the Nominated Authority shall be final, binding and conclusive evidence in respect of the amounts payable by Allottee to the Nominated Authority under the Agreement.
3. The Bank hereby waives the necessity for the Nominated Authority from demanding the aforesaid amount or any part thereof from the Allottee and also waives any right that the Bank may have of first requiring the Nominated Authority to pursue its legal remedies against the Allottee, before presenting any written demand to the Bank for payment under this Guarantee.
4. The Bank further unconditionally agrees with the Nominated Authority that the Nominated Authority shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to:
 - (i) vary and/or modify any of the terms and conditions of the Agreement,
 - (ii) extend and / or postpone the time for performance of the obligations of the Allottee under the Agreement, or
 - (iii) forbear or enforce any of the rights exercisable by the Nominated Authority against the Allottee under the terms and conditions of the Agreement.

and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the Nominated Authority or any indulgence by the Nominated Authority to the Allottee or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.

5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, impost, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever and by whom ever imposed; and where any withholding on a payment is required to pay, the Bank shall comply with such withholding obligations and shall pay the additional amount in respect of such payment such that the Nominated Authority receives the full amount due hereunder as if no such withholding had occurred. It is agreed that in such case the



[Handwritten signature]

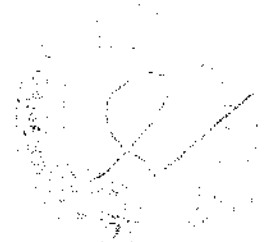


Allocation Agreement for Manchharpur and Dhapdi Manchharpur Coal Mine

obligation of the Bank shall not in any manner exceed in the aggregate the amount of INR [figures] (Indian Rupees [words]).

6. The Bank agrees that Nominated Authority at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Alotee.
7. The Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Alotee under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the Nominated Authority certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Alotee and accordingly discharges this guarantee. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the [date of expiry of bank guarantee] the Bank shall be discharged from all liability under this guarantee thereafter.
8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the Nominated Authority shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at Delhi.
10. The Bank has the power to issue this Guarantee in favour of the Nominated Authority. This guarantee will not be discharged due to the change in the constitution of the Bank.
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Nominated Authority in writing.
12. The Nominated Authority may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the President of India. The Nominated Authority may also assign this Guarantee in favour of the Governor of a State, with prior intimation to the Bank. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.

Dated the [day] day of [month] [year] for the Bank.



SCHEDULE C – WARRANTIES**1. INFORMATION**

- 1.1. The information, provided to the Nominated Authority during the allotment process and any time thereafter, including but not limited to the information contained in this Agreement, by the Allottee is true, accurate and not misleading in any manner whatsoever.
- 1.2. Neither this Agreement nor any of the information and documents provided during the allotment process exercise contains any untrue statement of fact, or omits to state a material fact necessary to make the statements herein or thereon not misleading. The documents provided to the Nominated Authority and/or its advisors during the conduct of the allotment process, are true and complete copies of such documents and none of the information provided to the Nominated Authority and/or its advisors during the allotment process was incorrect, inaccurate or misleading in any manner whatsoever.

2. AUTHORITY

- 2.1. The Allottee has full legal capacity to enter into this Agreement and to perform its obligations under it and has taken all action necessary to authorise such execution and delivery and the performance of such obligations.
- 2.2. This Agreement has been duly executed and delivered by the Allottee, and (assuming due authorisation, execution and delivery and performance by the Parties), constitutes a legal, valid and binding obligation of the Allottee, enforceable against the Allottee in accordance with the terms of the Agreement.
- 2.3. The Allottee has obtained requisite corporate authorisation, including passing of all necessary resolutions to execute this Agreement and carry out all transactions and actions contemplated under this Agreement and do all necessary acts incidental to this Agreement.
- 2.4. The execution and delivery of this Agreement by the Allottee and the performance of the obligations under it do not and shall not
- (a) conflict with or violate any provision of the memorandum of association or articles of association of the Allottee;
 - (b) require on the part of the Allottee, any filing with or permission, authorisation, consent or approval of, any Governmental Authority;
 - (c) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in favour of any party any right to terminate, modify or require any



Allotment Agreement for Manoharpur and Dipstick Manoharpur Coal Mine

notice, consent or waiver under any contract or instrument to which the Allottee is party or by which it is bound or to which its assets are subject;

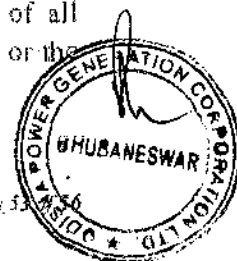
- (d) violate, conflict with or constitute a default under any Applicable law, law, lease, judgement, award, ordinance, order, writ, injunction, decree, statute, rule or regulation or any other restriction of any kind or character applicable to the Allottee or its properties or assets;

2.5. No person is entitled to any brokerage, finder's, or other similar fee or commission in connection with the transactions contemplated by this Agreement.

3. GENERAL

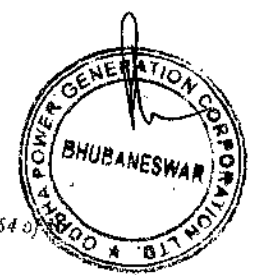
The Allottee

- (a) is a Government company duly organised, validly existing and in good standing under the laws of India;
- (b) meets all the Eligibility Conditions prescribed under the Ordinance read with the Rules and the Allotment Document;
- (c) has the financial standing and capacity to undertake mining operations at the Coal Mine in accordance with the Efficiency Parameters;
- (d) is subject to civil and commercial laws of India with respect to this Agreement and it hereby expressly and irrevocably waives any immunity in any jurisdiction in respect thereof;
- (e) there are no actions, suits, proceedings or investigations pending or to the Allottee's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi judicial or other authority, the outcome of which may constitute an event of default hereunder;
- (f) has neither violated or defaulted nor has knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Governmental Authority;
- (g) has complied with all Applicable Laws and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities;
- (h) except as set forth in any Mining Lease, all rights and interests of the Allottee in and to the Coal Mine shall pass to and vest in the relevant Governmental Authority on the date of termination or expiry hereof, free and clear of all Encumbrances without any further act or deed on the part of the Allottee or the Central Government;



Allotment Agreement for Manoharpur and Lipside Manoharpur Coal Mine

- (i) no bribe or illegal gratification or any other illegal amount has been paid or will be paid in cash or kind by or on behalf of the Allottee to any Person to procure the rights granted hereunder; and
- (j) Without prejudice to any express provision contained in this Agreement, the Allottee acknowledges that prior to the execution of this Agreement, the Allottee has after a complete and careful examination made an independent evaluation of the Coal Mine and the information provided by the Nominated Authority, and has determined to its satisfaction the nature and extent of risks and hazards as are likely to arise or may be faced by the Allottee in the course of performance of its obligations hereunder. The Allottee also acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth above and hereby confirms that the Nominated Authority and any Governmental Authority shall not be liable for the same in any manner whatsoever to the Allottee.



Allotment Agreement for Manchhapur and Deputy Manoharpur Coal Mine

SCHEDULE II - ADDRESS FOR PROVIDING NOTICE

A. Notice to the Nominated Authority

Address	Nominated Authority, Ministry of Coal, World Trade Tower, Ground Floor, Barakhamba Lane, New Delhi - 110001
Telephone	011-23414136
Fax	011-23414136
E-mail (only for information)	nomauthority.moc@nic.in

With CC to the Central Government

Address	Ministry of Coal, Shastri Bhawan, New Delhi - 110001
Telephone	011-23073933
Fax	011-23381678
E-mail (only for information)	soca3.moc@nic.in

B. Notice to the Allottee

Address	Plot No. N-3/135, IRC Village, Nayapalli, Bhubaneswar, Odisha - 751015, India
Telephone	0674-2300478
Fax	0674-2303756
E-mail (only for information)	ocpltd@gmail.com



Allotment Agreement for Manoharpur and Lalpali Manoharpur Coal Mine

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorised representatives on the date and year written below, at New Delhi:

Signatories

The Nominated Authority

Odisha Coal and Power Limited

Vivek Bharadwaj

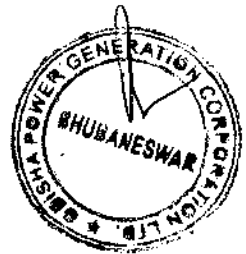
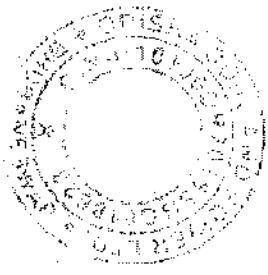


Name: Vivek Bharadwaj
Date: March 30, 2015

Kshirod Chandra Brahma

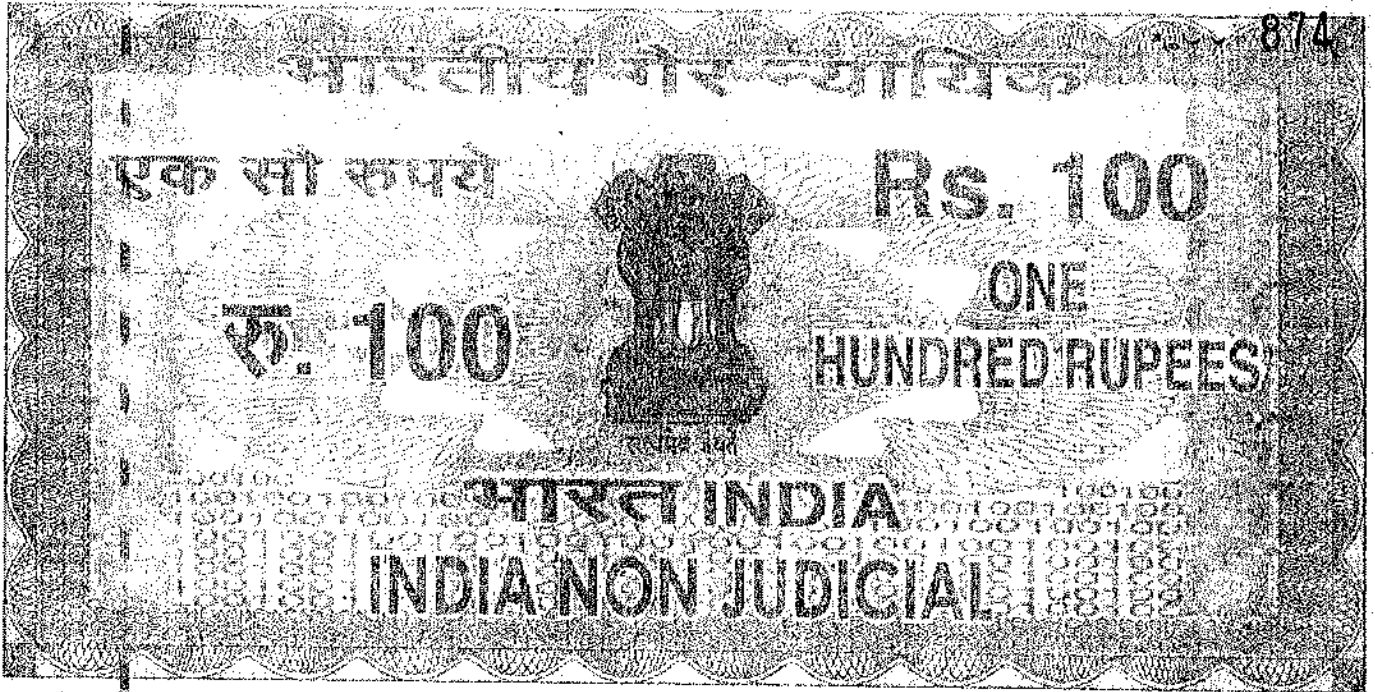
Name: Kshirod Chandra Brahma
Designation: General Manager (Mines) Odisha Coal and Power Ltd.
Date: March 30, 2015

Duly authorized to execute this Agreement pursuant to resolution passed by the board of directors of the Odisha Coal and Power Limited.



Annexure – 15

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MEMORANDUM OF UNDERSTANDING (MOU) FOR BRIDGE LINKAGE

BETWEEN

This Memorandum of Understanding is made on the 12th day of June 2017 at Burla, Sambalpur (Place of signing) between MAHANADI COALFIELDS LIMITED (MCL), a company registered under the Companies Act, 1956 and having its registered office at At/Po- Jagrili Vihar District- Sambalpur, Odisha, Pin-768020 hereinafter called the "Seller" (which expression shall unless excluded by or repugnant to the subject or context, include its legal representatives, successors and permitted assigns) of the one part,

AND

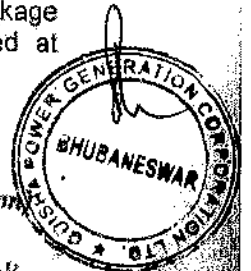
M/s. Odisha Power Generation Corporation Ltd., a company registered under the Companies Act, 1956/ State Electricity Board and having its registered office at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023, Odisha hereinafter called the "Purchaser" (which term shall unless excluded or repugnant to the subject or context include its legal representatives, successors and permitted assigns) of the other part

Whereas Purchaser is engaged in the generation and sale of electric energy and has established Thermal Power Plant of 2x660 MW (Unit III & IV) capacity IB TPP, located at Banharpali, Dist- Jharsuguda, Odisha.

WHEREAS

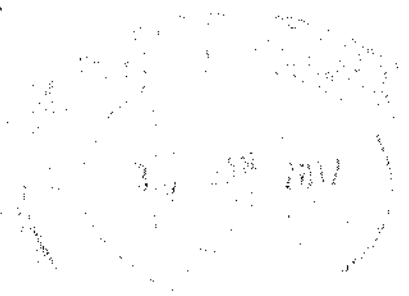
SLC (LT) in its Special Meeting held on 18.03.2016. Minutes of which circulated vide MOC letter no. 23014/2/2016-CPD dated 11.04.2016, has recommended Bridge Linkage to the purchaser having 2x660 MW capacity (Unit- III & IV) IB TPP, located at Banharpali, Dist- Jharsuguda, Odisha.

Director (Operations)
OPGC Ltd,
ITPS, Banharpali.



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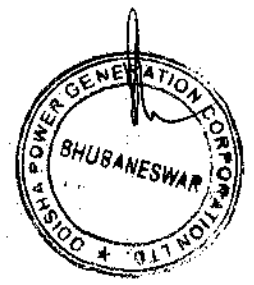
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2. CIL vide letter no. [CIL/S&M:Power/301 dated 01st July, 2016 after due approval of Competent Authority, has conveyed the directions contained in MOC letter no. 23021/3/2015-CPD dated 08 February, 2016
3. The policy guidelines for Bridge Linkage issued by MOC letter no. 23021/3/2015-CPD dated 08 February, 2016 is annexed as Schedule I

(Conditions if any approved by CIL)

4. The purchaser has conveyed their willingness to sign MOU for supply of coal to their units of TPP of 2x660 MW capacity (Unit III & IV), IB TPP located at Banharpali, Dist- Jharsuguda, Odisha.
5. The Seller has agreed to the request of Purchaser for supply of coal to Purchaser on **BEST EFFORT BASIS** and on mutually agreed terms and conditions set forth herein

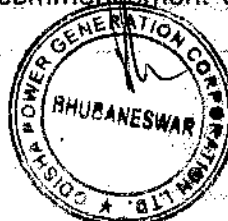
NOW, THEREFORE in consideration of the premises and covenants herein under the parties (Seller and Purchaser) hereto agree as follows:

1.0 TENURE OF AGREEMENT

- 1.1 This Memorandum of Understanding (MOU) shall have a validity upto **30.08.2018** (Date of expiry of Bridge Linkage) i.e. a period of three years from the Date of Allotment (DOA) of attached coal block/mine/mine.
- 1.2 Notwithstanding to the above, on receipt of direction/information from MOC/CCO etc., tenure of the MOU may be regularized/amended/terminated.
- 1.3 Seller shall reserve the right to terminate/ modify this MoU at any point of time.

2.0 QUANTITY

- 2.1 MoU quantity shall be for Unit III (2017-18- 0.931 MT, 2018-19- 1.170 MT) for Unit IV (2018-19- 1.170 MT)* per annum of G12/G13 Grades(s) [Agreed Requirement as quantified by Coal Controller Organization, as per the policy guidelines of Bridge Linkage (Schedule - I) issued by MOC] shall henceforth be referred as Annual Agreed Quantity* (AAQ) (Schedule- II). Seller's decision regarding computation of eligible quantity shall be final and binding.
- 2.2 The AAQ* shall be divided into 12 equal monthly proportions to derive the MAQ* (Monthly Agreed Quantity).
- 2.3 Coal shall be offered as per MAQ* as per grade wise source wise coal availability. The annual quantity supplies to the Purchaser shall not exceed AAQ* in any case. For part of year, the quantity shall be prorated accordingly.
- 2.4 The Purchaser every month before applying for release of coal will submit an undertaking to the effect that production from the linked coal block/mine had not been commenced and in case, there is commencement of coal supply from the



Director (Operation)
OPGC Ltd,
ITPS, Banharpali

- 2.5 Notwithstanding to the above, on receipt of direction/ information from MOC/CCO etc., quantity under MOU may be regularized/amended/terminated.

**Coal is to be supplied at 75% of the 'Agreed Requirement' (year wise coal requirement) as quantified by Coal Controller Organization in terms of clause (vii) of the MOC office Memorandum No. 23021/3/2015-CPD dated 08.02.2016 (Schedule-I) for the policy guidelines of Bridge Linkage.*

3.0 SOURCE OF COAL SUPPLY

Coal shall be supplied from **any source/coalfield** of the Seller on month-to-month basis by Rail/ Road/Road-cum-Rail or by any other mode. The Purchaser shall lift the coal from the designated point by its own arrangement.

4.0 COMMENCEMENT OF COAL SUPPLY

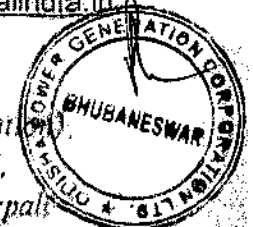
- 4.1 Coal for the purpose of pre-commissioning activities, involving carpeting, trial run etc., of the plant shall be supplied as per recommendation of Central Electricity Authority (CEA).
- 4.2 Regular Coal supply under the MOU shall be made effective from the date of achievement of Commercial Operation Date (COD) of the plant (s). COD shall be certified by CEA and DISCOM (s).
- 4.3 Coal Supply shall commence on completion of following formalities:
- 4.3.1 Submission of valid 'consent to operate' certificate issued by Pollution Control Board (as applicable), factory license and Boiler certificate.
- 4.3.2 Submission of Commissioning certified by Certified Chartered Engineer.

5.0 PRICE OF COAL

The price of coal shall be kept at notified price plus 10% addition. However, price to be realized may be only notified price in case of supply from higher grade sources, i.e. upto G5 grade and from WCL sources. All statutory and other applicable charges shall be borne by the purchaser.

6.0 WEIGHMENT OF COAL

The provisions regarding weighment, as prevalent in the Fuel Supply Agreement applicable for SEB/ State GENCO available on public domain of CIL i.e. www.coalindia.in



7.0 METHOD OF ORDER BOOKING AND DELIVERY OF COAL

The provisions regarding order booking by Rail/ Road/ Rail-cum-Road or by any other mode, as prevalent in the Fuel Supply Agreement applicable for SEB/ State GENCO available on public domain of CIL i.e. www.coalindia.in, shall be applicable for the MoU. Any subsequent amendment in the provisions shall also be applicable for this MoU. No dispatch will be made without firm financial coverage.

8.0 MODALITIES FOR BILLING, CLAIMS & PAYMENT

- 8.1 Coal shall be supplied on 100% advance payment.
- 8.2 Regarding other modalities for billing, claims & payment, the provisions as prevalent in the Fuel Supply Agreement applicable for SEB/ State GENCO available on public domain of CIL i.e. www.coalindia.in, shall be applicable for the MoU. Any subsequent amendment in the provisions shall also be applicable for this MoU.
- 8.3 Purchaser shall not be entitled for any claim/ compensation on any account, except price adjustment on account of quality and balance/ excess coal value, if any.
- 8.4 In the event of delay in payment/adjustment of any amount payable/recoverable pursuant to the provisions of this Agreement, the Seller/the Purchaser shall be entitled to charge interest on such sum remaining outstanding for the period after the due date till such time the payment is made. The interest charged by the Seller/ Purchaser shall mean the repo rate of Reserve Bank of India (RBI) as applicable on the due date of payment by the Purchaser plus 3% (three percent).

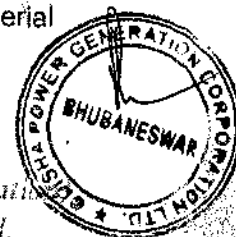
9.0 QUALITY/SAMPLING

The provisions regarding quality/ sampling, as prevalent in the Fuel Supply Agreement applicable for SEB/ State GENCO available on public domain of CIL i.e. www.coalindia.in, shall be applicable for the MoU. Any subsequent amendment in the provisions shall also be applicable for this MoU.

10.0 END- USE OF COAL:

The total quantity of Coal supplied pursuant to this Memorandum of Understanding (MOU) is meant for use at IB TPP, 2X660 MW (Unit- III & IV), located at Banharpali, Dist- Jharsuguda, Odisha. The Purchaser shall not sell/divert and/or transfer the Coal to any third party for any purpose whatsoever and the same shall be treated as material breach of Memorandum of Understanding (MOU).

[Signature]
Director (Operations)
OPGC Ltd.
ITPS, Banharpali



11.0 SUSPENSION OF COAL SUPPLIES

11.1 In the event of any violation of terms and conditions of this MOU by the Purchaser, the Seller shall be entitled to regulate and/or suspend further delivery of Coal.

11.2 MoU may also be suspended as per provisions stated herein.

12.0 TRANSFER OF TITLE AND RISK OF LOSS

Seller warrants that title of all coal delivered/consigned to the Purchaser hereunder will be good and marketable, its transfer lawful and that such coal will be free and clear of any lien, claim, demand, security, interest or other encumbrances. Title to and risk of loss with respect to the coal purchased and sold under this Coal Supply Memorandum of Understanding (MOU) shall pass from the Seller to the Purchaser upon delivery to the Purchasers Container at the designated Delivery Point in the designated Coal mine of the Seller. Thereafter the Seller shall in no way be responsible or liable for the security or safeguard of the Coal so transferred. Seller shall have no liability, including towards increased transportation costs, for whatever causes.

13.0 SETTLEMENT OF DISPUTES AND ARBITRATION


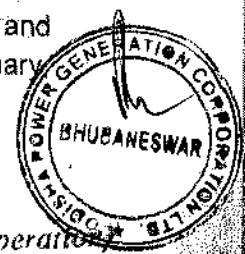
The Parties shall resolve any dispute, disagreement or difference arising out of, or in connection with this MOU, in good faith through negotiations.

If no settlement is reached, the dispute and or differences shall be resolved by Arbitration in terms of Office Memorandum (OM) No. 4 (1)/2011-DPE (PMA)-GL dated 12th June 2013 issued by Govt. of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises as enforced from time to time. The arbitration shall be conducted as per the aforesaid Office Memorandum.

In the event MOU is cancelled or otherwise becomes not applicable to both the parties, any difference or dispute shall then be resolved by referring the dispute to an Arbitrator for resolving the difference or dispute, as the case may be, to be appointed mutually by both the parties and if such appointment fails, in that event the party seeking for Arbitration can approach the appropriate forum of law asking/praying for appointment of an Arbitrator to arbitrate on the issue so raised. For the purpose of Arbitration, the Arbitration and Conciliation Act, 1996 would be the law.

14.0 ENTIRE UNDERSTANDING

This MOU together with any documents referred to in it contains the entire understanding between parties and supersedes all prior or contemporaneous oral or written commitments or understandings for communications heretofore made with respect to subject matter hereof. In case of any apparent contradiction between the MOU and contents and spirit of the Office Memorandum No. 23021/3/2015-CPD dated 08 February 2016 being annexure/Schedule I, the later shall prevail.



Director (Operations)
OPGC Ltd,
ITPS, Baniharpali

15.0 GOVERNING LAWS AND JURISDICTION

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This MOU shall be governed and interpreted by and construed in accordance with the laws of India and the courts/tribunals of (concerned State) shall have exclusive jurisdiction of all matters under this MOU.

16.0 LIMITATION OF LIABILITY

The parties agree that except as otherwise expressly agreed in this Memorandum of Understanding (MOU), neither Party shall have any right or entitlement to any consequential losses, costs or damages, loss of profit of market, as a result of a breach by the other Party of this Memorandum of Understanding (MOU).

17.0 NOTICE

Notice or other communication required or permitted to be given or made hereunder shall be written in English and delivered personally or sent by prepaid registered airmail or by legible fax addressed to the intended recipient at its address set out below or to such other address or fax number as any Party may from time to time notify to the other.

18.0 This MOU will not be construed as a pre-cursor nor will it confer any right upon the purchase for a permanent commitment for supply of coal from **MAHANADI COALFIELDS LIMITED** under LOA/FSA.

19.0 GRADE OF COAL SUPPLY AND TOP SIZE OF COAL

Grade G12 & G13 & Size - ROM/ (-) 250, / (-) 100 mm


20.0 IMPLEMENTATION OF THE MEMORANDUM OF UNDERSTANDING:


The Head of the Station or his nominated representative shall be authorized to act for and on behalf of the Purchaser.

GM (M&S) or any representative duly authorized by the seller shall act for and on behalf of the Seller.

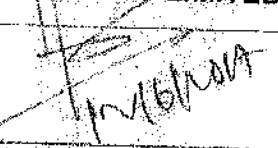
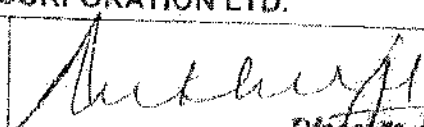
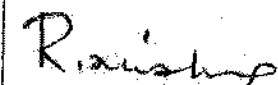

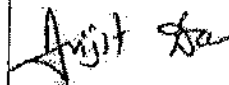
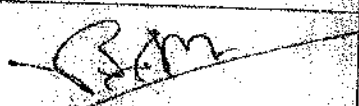
Any other nomination of authorized representative shall be informed in writing, by the Seller and the Purchaser, as the case may be, within one month of signing of this Agreement or by giving 30 (thirty) days' notice.

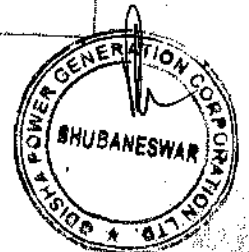
It shall be the responsibility of the parties to ensure that any change in the address for service or in the particulars of the designated representative is notified to the other Party and all other concerned, before effecting a change and in any case within two Business Days of such change.


Director (Operations)
OPGC Ltd,
ITPS, Banharpali



IN WITNESS WHEREOF, both the Seller and the Purchaser hereto have executed this MoU on 12th day of June 2017 date in presence of the witnesses mentioned hereunder:

MAHANADI COALFIELDS LIMITED		ODISHA POWER GENERATION CORPORATION LTD.	
Signature:		Signature:	
Name:	J. P. SINGH	Name:	ALOK MUKHERJEE <i>Director (Operation)</i>
Designation:	Director (Tech. /Operations) <i>Director (Tech. /Operations)</i>	Designation:	Director (Operation) <i>OPGC Ltd, ITPS, Banharpali</i>
Address:	At /Po. Jagriti Vihar, Burla District: Sambalpur-768020 Odisha	Address:	Odisha Power Generation Corporation Ltd. ITPS, Banharpali, Dist. Jharsuguda, Pin - 768234
Telephone:	0663-2542772	Telephone:	06645 - 222252
Fax:	0663-2542844	Fax:	06645 - 222230
Mobile:	+91 - 9437573359	Mobile:	+91 - 9937000131
1. Witness:		1. Witness:	
Signature:		Signature:	
Name:	RAJESH MISHRA	Name:	SUKANT MAHAPATRA
Designation:	H.O.D. (M&S)	Designation:	General Manager (O&M) Incharge
Address:	At /Po. Jagriti Vihar, Burla District: Sambalpur-768020 Odisha	Address:	Odisha Power Generation Corporation Ltd. ITPS, Banharpali, Dist. Jharsuguda, Pin - 768234
Mobile:	+91 - 9438493524	Mobile:	+91 - 9937022575
2. Witness:		2. Witness:	
Signature:		Signature:	
Name:	AVIJIT DAS	Name:	BIRENDRA SAH
Designation:	Asst. Manager (M&S)	Designation:	Dy. General Manager (E/M)
Address:	At /Po. Jagriti Vihar, Burla District: Sambalpur-768020 Odisha	Address:	Odisha Power Generation Corporation Ltd. ITPS, Banharpali, Dist. Jharsuguda, Pin - 768234
Mobile:	+91 - 9438877268	Mobile:	+91 - 9778350001



भारत सरकार

कोयला प्रबन्धनालय

कोयला नियंत्रक का कार्यालय

Government of India

Ministry of Coal

Office of the Coal Controller

1, Council House Street, Kolkata - 700 001

1, काउंसिल हाउस स्ट्रीट, कोलकाता - 700 001

टेलीफोन / Ph: 033 22489812 to 16; Fax: 033 22482459

ई-मेल / E-mail: coalcont-wb@nic.in

सं. No. CC/MCBA/POLICY/BRIDGE LINKAGE/2016-17

दिनांकित / Dated: 02.06.2016

882

To

General Manager (S&M),

Coal India Ltd.,

Coal Bhawan,

Premise No.-04 MAR,

Plot No. - AF-III, Action Area-1A,

Newtown, Rajarhat,

Kolkata - 700 156.

Sub: Coal quantification of the power plants granted Bridge Linkage.

- Ref:- (i) MOC's O.M. No. 23021/3/2015-CPD dated 08.02.2016.
(ii) Minutes of the special meeting of the SLC(LT) held on 18.03.2016 vide No. 23014/2/2016-CPD dated 11.04.2016.
(iii) Letter No. FU-35/2014-IPC dated 15.01.2015 of Ministry of Power.
(iv) CIL's letter No. CIL/S&M/Power/185 dated 16.05.2016 and another letter no. CIL/S&M/Power/188 dated 17.05.2016 followed by Corrigendum vide letter No. CIL/S&M/Power/207 dated 27.05.2016.

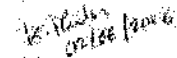
Sir,

In reference to the above, I am directed to state that Coal India Ltd. has sent offer of coal supply under Bridge Linkage to different power plants. But for each power plant they have offered a range of Grade of Coal. As such for each unit of a power plant, 'Agreed requirement of Coal' i.e., 90% of 'Normative Requirement' have been calculated for each grade of coal (within the offered range of grade of coal) separately considering supply of total quantity of coal of that particular grade only and not that all the quantities mentioned against each grade of coal for a particular unit of a plant are to be supplied. For example, in Sl. No. 1, in case of Unit 8 of Koradi TPP, the Agreed Requirement of Coal has been calculated as 1.624709 MT if G8 grade coal supplied **OR** 1.730678 MT if G9 grade coal supplied **OR** 1.851379 MT if G10 grade coal is supplied **and not that** 1.624709 MT of G8 grade + 1.730678 of G9 grade + 1.851379 MT of G10 grade coal is to be supplied. Accordingly yearly quantities under bridge linkage have been calculated for all the cases.

Therefore, based on the above mentioned letters of CIL, Ministry of Power and minutes of the special meeting of SLC(LT) held on 18.03.2016 the statement for quantification of 'Bridge Linkage' is enclosed herewith as Annexure - I for your kind perusal and necessary action please.

Encl: As above.

Yours faithfully,



OSD (Project)

CCO(HQ), KOLKATA

Copy to:

1. Joint Secretary (Coal), Ministry of Coal, Shastri Bhawan, New Delhi - 110 001.
2. Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi.
3. Managing Director, U.P. Rajya Vidyut Utpadan Nigam Ltd., 8th Floor, Shakti Bhawan Extra, Ashok Marg., Lucknow - 226001.
4. Managing Director, Odisha Power Generation Corporation Ltd., Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023, Odisha.
5. CMD, Mahagenco, Prakashgad, Plot No. G-9, Bandra (East), Mumbai-400032.
6. Shri Pili Ravi Kumar, Under Secretary to the Govt. of India, Ministry of Coal, Shastri Bhawan, New Delhi - 110 001.



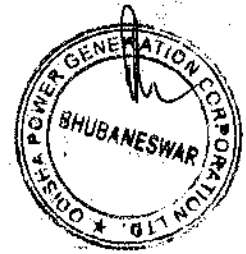
Quantification & Regularisation of Bridge Linkage

ANNEXURE

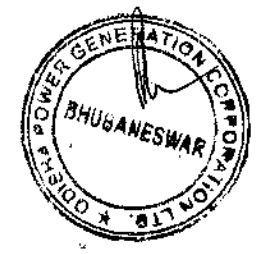
Sl. No.	Name of the Coal Block	State	Name of the Company	Date of agreement	Expected date of Production of coal from Block	Details of Specified EUP	Expected date of Commissioning of EUP	Capacity (MW)	Grade of Coal	Source of supply	SARSE	Annual and consumption limit (MMT) at 35% PLF (As per L1C no. 43/2015-16) i/c dated 18.01.2015 of Ministry of Power)	Completed Grade	Respective requirement of coal (MMT)	Adjusted requirement of coal (80% of NRI (MMT))	Quantity of Coal in MT			Remarks													
																1st Year	2nd Year	3rd Year														
1	Bani Pahra Sector II	Chhattisgarh	Maharashtra State Power Generation Company Limited	31/08/2015		3400 MW Koradi TPP (Unit 8, 9 & 10), Koradi Village, Nigadi Dist, Maharashtra	Unit 8 16.12.2015	800	G8 to G10	WCL	80%	3418	G8	1,895,232	1,870,71	3,164	1,82	1,870	From 01.09.15 to 30.08.16	From 31.08.16 to 30.08.17	From 01.09.17 to 30.08.18	As per minutes circulated by CIL vide its No. CIL/S&M/Power/17-4 dated 04.05.2016, the percentage allocation of coal from CIL will be 80% and 20% to the SPC.										
																			3642	G9	1,922,875		1,735,89	1,340	1,731	1,731						
																			3096	G10	2,057,928		1,85,102	1,321	1,851	1,851						
																			3418	G8	1,895,232		1,870,71	0,658	1,025	1,025						
																			3642	G9	1,922,875		1,735,89	0,731	1,731	1,731						
																			3096	G10	2,057,928		1,85,138	0,782	1,851	1,851						
																			3418	G8	1,895,232		1,870,71	0,400	1,025	1,025						
																			3642	G9	1,922,875		1,735,89	0,433	1,731	1,731						
																			3096	G10	2,057,928		1,85,138	0,463	1,851	1,851						
																			3418	G8	1,7095		1,83665	0,658	1,539	1,539						
																			3642	G9	1,821		1,6329	0,692	1,639	1,639						
																			2	Bani Pahra Sector II	Chhattisgarh		Maharashtra State Power Generation Company Limited	31/08/2015		2450 MW Chandrapur TPP (Unit 8 & 9), Chingapur Village, Chhindwara Dist., Maharashtra	Unit 8 31.03.2016	500	G8 to G10	WCL	100%	3418
3886	G10	1,641	1,7532	0,584	1,751	1,751																										



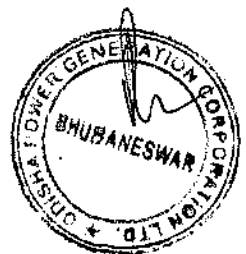
Sl. No.	Name of the Coal Block	State	Name of the Company	Date of Allocation	Expected date of Production of Coal from Block	Details of Specified EUP	Expected date of Commissioning of EUP	Capacity (MTPA)	Grade of Coal	Source of supply	Sulphur	Annual total Consumption Tonne/Kilowatt-hour at 85% PLP per ton net FCU based on PLP dated 15.01.2015 of Ministry of Power	Considered Grade	Normalise (percentage) of coal (M/T)	Agreed requirement of coal (MTPA) (M/T)	Quantity of Coal (M/T)			Remarks			
																1st Year	2nd Year	3rd Year				
3	Tatalpa	Chhattisgarh	NTPC Limited	09/08/2015	Nov. 2019	Lara, 2x800 MW, STPP, Stage - I, Dist. Raigarh, Dist. Chhattisgarh	Unit 1, December, 2016	800	G12 to G13	MCL	80%	4528	G12	2.89792	2.89813	0.000	From 08.09.16 to 07.09.18	0.000	2.620	2.631	G4 grade is considered as G3 as it is not provided in MOU's later dated 14.01.2015	
									G5 to G6	SECL (KRN)	20%	2746	G4	0.43936	0.39542	0.000	0.304	0.305				
									G5 to G6	SECL (KRN)	20%	2889	G5	0.45224	0.41802	0.000	0.374	0.375				
									G12 to G13	MCL	80%	4928	G12	2.89792	2.89813	0.000	0.710	2.658				
									G12 to G13	MCL	80%	4928	G13	3.15302	2.89853	0.000	0.775	2.650				
									G3 to G5	SECL (KRN)	20%	2746	G4	0.43936	0.39542	0.000	0.108	0.348				
4	Dulanga	Odisha	NTPC Limited	09/05/2015	Nov. 2019	2x800 MW, Dist. Daspur, STPP Dist. Sundergarh, Odisha	Unit 1, February, 2018	800	G12 to G13	MCL	80%	4528	G12	2.89792	2.89813	0.000	From 08.09.16 to 07.09.18	0.000	From 08.09.16 to 07.09.17	0.000	1.570	G4 grade is considered as G3 as it is not provided in MOU's later dated 14.01.2015
									G5 to G6	SECL	20%	2746	G4	0.43936	0.39542	0.000	0.308	0.239				
									G5 to G6	SECL	20%	2889	G5	0.45224	0.41802	0.000	0.304	0.207				
									G12 to G13	MCL	80%	4928	G12	2.89792	2.89813	0.000	0.000	1.570				
									G12 to G13	MCL	80%	4928	G13	3.15302	2.89853	0.000	0.000	1.719				
									G3 to G5	SECL	20%	2746	G4	0.43936	0.39542	0.000	0.000	0.238				
								G3 to G5	SECL	20%	2889	G5	0.45224	0.41802	0.000	0.000	0.252					



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			18
																Per Year	Per Year	Per Year	
Chhbi Barhau / Chhbi Barhau South	Jharkhand	NYPC Limited	08/09/2018	Nov. 2019	2x500 MW, Rajh STPP, Naya - 4000, Patna, Bihar	16.11.2014	660	G8 to G13	CCL	100%	Balance for 200-420(MW)	13 MTPA for 420 MW (Considering Average CVL of the offered grades)	From 08.09.16 to 07.09.17	From 08.09.16 to 07.09.17	From 08.09.16 to 07.09.17	As provided by CIL			
													0.000	0.000	0.000				
													3418	G8	0.42966	0.7256	0.739	0.735	0.736
													3642	G9	0.67458	0.78557	0.787	0.787	0.787
													3898	G10	0.93004	0.84154	0.847	0.842	0.842
													4188	G11	1.00512	0.90481	0.905	0.905	0.905
													4528	G12	1.08872	0.87909	0.878	0.878	0.878
													4828	G13	1.18272	1.08446	1.084	1.084	1.084
													3419	G8	3.25834	2.03089	1.140	2.031	2.031
													3842	G9	2.40372	2.16335	1.214	2.163	2.163
3896	G10	2.37168	2.31422	1.299	2.314	2.314													
4158	G11	2.76406	2.68757	1.388	2.498	2.498													
4528	G12	2.86848	2.86903	1.509	2.800	1.580													
4928	G13	3.25244	2.90773	1.643	2.804	2.327													



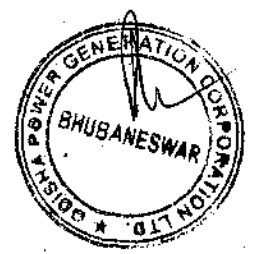
Sl. No.	Name of the Coal Block	State	Name of the Company	Date of allotment	Expected date of Procurement of coal from Block	Details of Specified EUP	Expected date of Commissioning of EUP	Capacity (MW)	Grade of Coal	Series of study	Share	Approved cost of commissioning (Rs. Crores)	Approved cost of EUP (Rs. Crores)	Approved requirement of coal (Mtpa)	Approved requirement of coal (Mtpa)	From 14.09.16 to 13.09.17	From 14.09.16 to 13.09.17	From 14.09.17 to 13.09.18						
6	Orissa Prima Sector-II	Chhattisgarh	Maharashtra State Power Generation Company Limited	12/09/2015	Sep. 2019	2x600 MW TPP Unit - 1 & 2 in Dist. Jagdalga, Chhattisgarh	Unit 1: Mar 2018	500	G10 to G12	SECI	100%	3899	0.0	1.048	1.2502	0.698	1.700	1.733						
7	Manoharpur & Dipside Manoharpur	Orissa	Orissa Coal and Power Limited	31/08/2015	Mar 2019	2x600 MW TPP Unit 1 & 2 in Dist. Jharsuguda, Orissa	Unit 3: November 2017	600	G12 to G13	MCL	100%	4325	0.000	2.9848	2.6895	0.000	0.000	2.795						



Sl. No.	Name of the Coal Block	State	Name of the Company	Date of Assessment	Expected date of Production of Coal from Block	Details of Specified EUP	Expected date of Commissioning of EUP	Capacity (MW)	Grade of Coal	Source of supply	Status	Block coal consumption (Tilakshanti) in MTPA (As per/for No. PUs/3000000) (FC called 15th July 2015 of Ministry of Power)	Considered Grade	Alternative requirement of coal (MTPA)	Signed requirement of coal (MTPA) (MTPA) (MTPA)	Quantity of Coal in MT			Remarks			
																1st Year	2nd Year	3rd Year				
8	Banga	Chhattisgarh	NTPC Ltd	11/03/2016	May 2020	Banga Super Thermal Power Project Stage-I (4 x 630 MW) Village: Bahali, Dist: Chhattisgarh, Madhya Pradesh	2016-2017 2020-21	1640	G11 to G12	SECL (Korba I)	80%	4189	G11	6.946506	7.950225	From 31.03.16 to 30.03.17	From 31.03.16 to 30.03.17	From 31.03.17 to 30.03.18	34 grade is considered as G11 not provided in MTPA letter dated 18.01.2016 and EUP is not in operation.			
									G13 to G14	SECL (Korba I)	20%		G14	2.263132	6.95069	0.000	0.000	0.000				
									G3 to G5	SECL (Korba I)	20%		G4	1.493828	1.9044	0.000	0.000	0.000				
									G3 to G5	SECL (Korba I)	20%		G5	1.623382	1.37285	0.000	0.000	0.000				
9	Kecandari	Jharkhand	NTPC Limited	08/09/2015	Nov 2016	2000 MW capacity (Stage-II) STPP at Tanda, Dist: Anuppur, Madhya Pradesh	Unit 5 September 2016	660	W-IV Power Grade	CCL	90%	2748	G4	0.181236	0.18311	Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.			34 grade is considered as G4 not provided in MTPA letter dated 18.01.2016 and EUP is not in operation.			
									G3 to G5	ECL	10%					G5	0.190674	0.17751		0.000	0.000	0.000
									W-IV Power Grade	CCL	60%					Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.				0.000	0.000	0.000
									G3 to G5	ECL	10%					G4	0.181236	0.18311		0.000	0.000	0.000
									G3 to G5	ECL	10%					G5	0.190674	0.17751		0.000	0.000	0.000
									G3 to G5	ECL	10%					Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.				0.000	0.000	0.000



Sl. No.	Name of the Coal Block	State	Name of the Company	Date of Agreement	Expected date of production of coal from block	Details of Specified CUP	Expected date of Commissioning of EUP	Capacity (MW)	Grade of Coal	Source of supply	Calorific value	Annual coal consumption (MMT) as per the contract for the period 2015-16 to 2017-18 (as per the contract for the period 2015-16 to 2017-18)	Contracted Grade	Normative requirements of coal (GCV)	Agreed requirement of coal (GCV) as per contract	Quantity of Coal (MMT)			Remarks
																1st year	2nd year	3rd year	
10	Sahapur Jarnalpani	Jharkhand	UP Raja Vidyut Utpadan Nigam Ltd.	13/06/2015	June 2023-21	1x660 MW Panki TPP Dist. Kanger, Uttar Pradesh	March, 2025	660	W-IV Power Grade	CCL	93%	Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.	From 15.06.16 to 12.06.18			G4 grade is considered as G3 since it is not provided in MOP's letter dated 15.01.2015 and EUP's not in operation			
									G3 to G5	ECL	10%		0.000	0.000	0.000				
11	Sahapur Jarnalpani	Jharkhand	UP Raja Vidyut Utpadan Nigam Ltd.	13/06/2015	June 2023-21	2x660 MW Jawaharpet TPP Dist. East, Uttar Pradesh	April 2025	1320	W-IV Power Grade	CCL	90%	Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.	From 15.06.16 to 12.06.18			G4 grade is considered as G3 since it is not provided in MOP's letter dated 15.01.2015 and EUP's not in operation			
									G3 to G5	ECL	10%		0.000	0.000	0.000				
12	Sahapur Jarnalpani	Jharkhand	UP Raja Vidyut Utpadan Nigam Ltd.	13/06/2015	June 2023-21	1x660 MW Haridwarji EUP TPP at Kaperpani, Dist. Aligarh, Uttar Pradesh	September, 2019	660	W-IV Power Grade	CCL	80%	Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.	From 15.06.16 to 12.06.18			G4 grade is considered as G3 since it is not provided in MOP's letter dated 15.01.2015 and EUP's not in operation			
									G3 to G5	ECL	10%		0.000	0.000	0.000				
13	Sudansh Lubari (Jharkhand)	Jharkhand	NTPC Ltd. & Jharkhand State Power Development Corp. Ltd.	31/03/2015	April, 2022	2x660 MW Bhaur STPP, Kanger	2015-20	1320	W-IV Power Grade	CCL	100%	Due to non-availability of average GCV of W-IV Power Grade Coal, the required data could not be calculated.	From 15.06.16 to 12.06.18			G4 grade is considered as G3 since it is not provided in MOP's letter dated 15.01.2015 and EUP's not in operation			
									G3 to G5	ECL	10%		0.000	0.000	0.000				



Annual Contracted Quantity

889

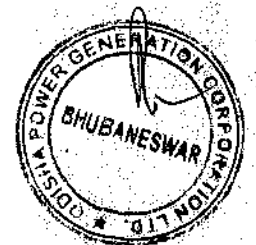
(Refer Clause 2.1)

Sl. No	Name & location of the Power Plant owned by Purchaser	Unit wise Installed Capacity of the Power Station (in MW)	Name of Rake Fit Station	Annual Agreed Quantity (Tonnes)		Mode of Transport	Grade of coal	Source Coal field of the Seller
1	IB TPP, 2X860 MW, Banharpali, Dist- Jharsuguda, Odisha	Unit III, 660 MW	—	2017-18	0.931 MT	—	G12/G13	Sources of MCL
				2018-19	1.170 MT			
		Unit IV, 660 MW	—	2018-19	1.170 MT			

*Coal is to be supplied at 75% of the 'Agreed Requirement' (year wise coal requirement) as quantified by Coal Controller Organization in terms of clause (vii) of the MOC office Memorandum No. 23021/3/2015-CPD dated 08.02.2016 (Schedule-I) for the policy guidelines of Bridge Linkage.

[Handwritten signature]
 02/06/2016

[Handwritten signature]
 Director (Operation)
 OPGC Ltd,
 ITFS, Banharpali





ଓଡ଼ିଶା ଓଡ଼ିଶା ODISHA

K 135366

EXTENSION MEMORANDUM OF UNDERSTANDING (MOU) FOR BRIDGE LINKAGE

BETWEEN

This Memorandum of Understanding is made on the ~~10th~~ day of October 2018 at **Sambalpur, Odisha** between **Mahanadi Coalfields Limited (MCL)**, a company registered under the Companies Act, 1956 and having its registered office at **At/Po-Jagriti Vihar, District-Sambalpur, Odisha, Pin-768020** hereinafter called the "Seller" (which expression shall unless excluded by or repugnant to the subject or context, include its legal representatives, successors and permitted assigns) of the one part,

AND

M/s Odisha Power Generation Corporation Ltd., a company registered under the Companies Act, 1956/ State Electricity Board and having its registered office at **Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023, Odisha** hereinafter called the "Purchaser" (which term shall unless excluded or repugnant to the subject or context include its legal representatives, successors and permitted assigns) of the other part

(Signature)
 MAHANADI COALFIELDS LIMITED
 JAGRITI VIHAR
 SAMBALPUR - 768020

(Signature)
 O.P.G.C.
 ODISHA POWER GENERATION CORPORATION LTD.
 BHUBANESWAR

28672

22/9/14

01 SEP 2014
REGISTRY OFFICE

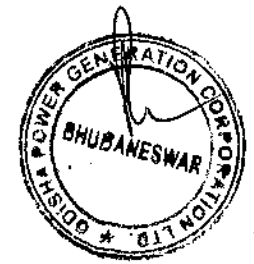
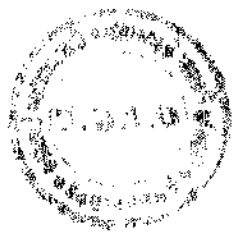
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M.D. OPAC

Pace

Akshaya Kumar Lenka

AKSHAYA KUMAR LENKA
STAMP VENDER
BHUBANESWAR COURT
LICENSE NO-33/92
ID-18



Whereas MoU dated 12th June 2017 having validity upto 30th August 2018 was executed between the Seller & the Purchaser under the policy of Bridge Linkage for supply of coal to the IB TPP- 2x660 MW (Unit III & IV) capacity, of the Purchaser located at Banharpali, Dist- Jharsuguda, Odisha in the following manner:

Unit III: 2017-18: 0.931 MT, 2018-19: 1.170 MT
Unit IV: 2018-19: 1.170 MT

Whereas Coal India Limited vide letter no. CIL/M&S/Bridge Linkage/254 dated 03/09/2018 has communicated extension of Bridge Linkage of IB TPP of M/s OPGC Limited, 2X660 MW TPS (Unit III&IV) for period upto 31.03.2019. The grade wise quantity as quantified by CCO has been indicated in Annexure-I of the referred letter of CIL dated 03/09/2018. It has also been mentioned in the letter that in line with the recommendation of 28th CLOA dated 27/06/2016 (approved in 105th CMD's meet held on 29/06/2016 & 02/07/2016), the average quantity indicated by CCO for all grades may be regarded as AAQ during the period as mentioned by CCO. Taking this into consideration the Bridge Linkage Quantity for IB TPP, 2X660 MW (Unit III & IV) for the period from 31/08/2018 to 31/03/2019 for supply of G12 to G13 grades of coal works out as per the following:

Unit III: 1.654634 Million Tonnes, Unit IV: 1.654634 Million Tonnes

Whereas M/s OPGC Limited vide letter ref. No. OPGC/ITPS/MGR-coal/428 dated 28th Sept 2018 has expressed willingness to extend the MOU dated 12/06/2017 to 31/03/2019 as communicated by CIL.

NOW, Therefore in consideration of the premises and covenants mentioned herein above the Seller and the Purchaser hereto have agreed to extend the MOU dated 12/06/2017 for supply of G12/G13 grade coal under Bridge Linkage for quantity of **1.654634 Million Tonnes & 1.654634 Million Tonnes** against Unit III & IV of the Purchaser respectively for the extended Bridge Linkage period from 31.08.2018 to 31.03.2019 and also to make the following amendments/addendum to the existing MOU dated 12/06/2017.

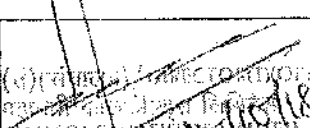
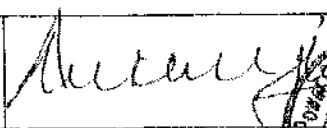
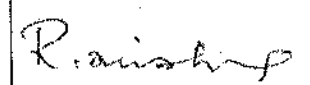

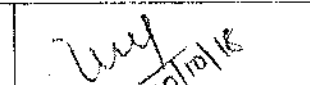
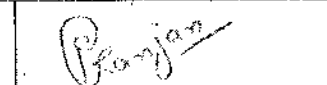
Clause No	Particulars	Amended Provisions
1.0	Tenure of Agreement	This Memorandum of understanding will be effective from 31.08.2018 to 31.03.2019
2.0	Quantity	MOU quantity shall be for Unit III: 1.654634 Million Tonnes & for Unit IV: 1.654634 Million Tonnes for the period from 31.08.2018 to 31.03.2019 of G12/G13 grades. (Agreed Requirement as quantified by CCO, as per the policy guidelines of Bridge Linkage issued by MoC) and shall henceforth be referred as Agreed Quantity (Schedule II). Seller's decision regarding computation of eligible quantity shall be final and binding.
13.0	Settlement of Disputes and Arbitration	The parties shall resolve any dispute, disagreement or difference arising out of or in connection with this MOU in good faith through negotiation. Any Dispute remain unresolved would be dealt in terms of Office Memorandum (OM) F No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22/05/2018 issued by Govt. of India. Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises as enforced from time to time (copy enclosed).

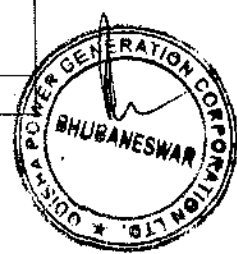
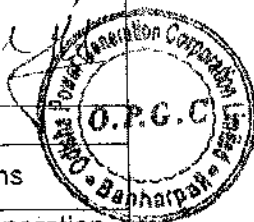
निर्देशक(तंत्र) (संचालन) / DIRECTOR (Operations)
महानदी कोयला लिमिटेड
MAHANADI COALFIELDS LIMITED
सिस्टम बिजनेस / SYSTEMS BUSINESS
बनारपाली / BANARPALI - 751003



All other terms and conditions/clauses of the MoU dated 12/06/2017, including pricing of coal to be supplied under Bridge Linkage, will remain same and unaltered.

IN WITNESS WHEREOF, both the Seller and the Purchaser hereto have executed this Extension MoU on 10-10-2018 date in presence of the witnesses mentioned hereunder:

Mahanadi Coalfields Limited		Odisha Power Generation Corporation Ltd.	
Signature: 		Signature: 	
Name: P. Singh		Name: Alok Mukherjee	
Designation: Director (Technical/Operations)		Designation: Director Operations	
Address: At. PO: Jagruti Vihar, Burla, District: Sambalpur, Odisha Pin: 768020		Address: Odisha Power Generation Corporation Ltd. (ITPS), Banharpali, Jharsuguda, Odisha Pin: 768234	
Telephone: 0663-2542772		Telephone: 06645-222252	
Fax: 0663-2542844		Fax: 06645-222230	
Mobile: +91- 9437573359		Mobile: +91- 9937000131	
1. Witness:		1. Witness:	
Signature: 		Signature: 	
Name: Rajesh Mishra		Name: L R C Reddy	
Designation: H.O.D. (M&S)		Designation: Addl. General Manager (Coal Commercial)	
Address: At. PO: Jagruti Vihar, Burla, District: Sambalpur, Odisha Pin: 768020		Address: Odisha Power Generation Corporation Ltd. (ITPS), Banharpali, Jharsuguda, Odisha Pin: 768234	
Mobile: +91- 9438493524		Mobile: +91- 8118052478	
2. Witness:		2. Witness:	
Signature: 		Signature: 	
Name: K Yesupadam		Name: Ritesh Ranjan	
Designation: Senior Manager (M&S)		Designation: Manager (Fuel Management)	
Address: At. PO: Jagruti Vihar, Burla, District: Sambalpur, Odisha Pin: 768020		Address: Odisha Power Generation Corporation Ltd. (ITPS), Banharpali, Jharsuguda, Odisha Pin: 768234	
Mobile: +91-9438493677		Mobile: +91- 7606011627	



Schedule-II

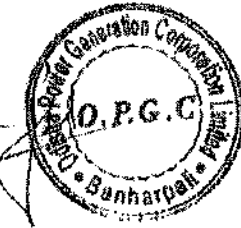
Agreed Quantity for the period from 31/08/2018 to 31/03/2019

(Refer Clause 2.1)

Sl. No	Name & location of the Power Plant owned by Purchaser	Unit wise Installed Capacity of the Power Station (in MW)	Name of Rake Fit Station	Agreed Quantity (In Million Tonnes)	Mode of Transport	Grade of coal	Source Coal field of the Seller
1	IB TPP, 2X660 MW, Banharpali, Dist- Jharsuguda, Odisha	Unit III, 660 MW	—	1.654634	Rail/Road/ MGR	G12/G13	Any Sources/ Mines of MCL
		Unit IV, 660 MW	—	1.654634			

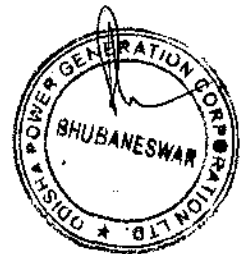
**Coal is to be supplied at 75% of the 'Agreed Requirement' (year wise coal requirement) as quantified by Coal Controller Organization in terms of clause (vii) of the MOC office Memorandum No. 23021/3/2015-CPD dated 08.02.2016 (Schedule-I) for the policy guidelines of Bridge Linkage.*

[Signature]



[Signature]

निदेशक (वि.सं.वि.)/निदेशक (वि.सं.वि.)
 महासंचालक (वि.सं.वि.)
 MAHARAJA COALFIELDS LIMITED
 जिल्हा कार्यालय / जिल्हा कार्यालय
 वि.सं.वि./LAMBALPUR - 751023



IMMEDIATE

File No.23014/2/2018-CLD
Government of India
Ministry of Coal
 <<>>

Shastri Bhawan, New Delhi,
Dated the 15th May, 2018

To

1. The Chairman-cum-Managing Director,
 Coal India Limited, Coal Bhawan,
 Premise No-04 MAR, Plot No-AF-III, Action Area-1A,
 Newtown, Rajarhat, Kolkata-700156

2. The Chairman-cum-Managing Director,
 Singareni Collieries Company Limited,
 18, Red Hills, Khairatabad PO, Hyderabad,
 Telangana.

**Subject: Meeting of the Standing Linkage Committee (Long-Term) for
 Power Sector- SLC/LT No. 2/2018.**

Sir,

I am directed to forward herewith the approved minutes of the meeting of the SLC (LT) for Power Sector held on 10.04.2018 to consider the requests for linkages to State Sector Power Plants and review status of existing coal linkages/LOAs and other related matters.

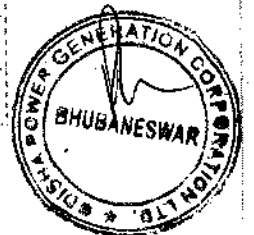
Encls.- as above.

Yours faithfully,

Sujeet Kumar
 (Sujeet Kumar) 15/5/18
 Under Secretary to the Govt. of India

Copy to -

1.	Additional Secretary, Ministry of Coal	Chairperson
2.	Principal Advisor (Energy), NITI Aayog, Yojana Bhawan New Delhi.	Member
3.	Joint Secretary (Coal), Ministry of Coal	Member
4.	Advisor (Projects), Ministry of Coal	Member
5.	Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi	Member
6.	Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi	Member
7.	Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi	Member
8.	Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi	Member



9.	Executive Director, T. T. (F), Railway Board, Room No. 261, Rail Bhawan, New Delhi.	Member
10.	Director (Marketing), Coal India Limited.	Member
11.	CMD's BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
12.	Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi.	Member
13.	Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi	Member
14.	Chairman, NTPC, Scope Complex, Lodhi Road, New Delhi-110003	Member
15.	Joint Secretary (CBA-II Section), Ministry of Coal	Special Invitee

Copy to:

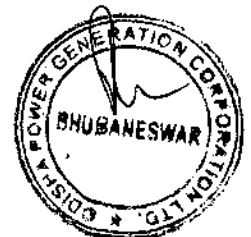
- (i) Director (Technical), CIL
- (ii) GM (S&M), CIL, Kolkata
- (iii) CGM (CP), CIL, Kolkata
- (iv) GM (S&M), CIL, Delhi.

Copy also to -

1. PS to Minister of Coal
2. OSD to Minister for Coal
3. PSO to Secretary (Coal)
4. PPS to Additional Secretary (Coal)
5. PPS to Joint Secretary (LA)

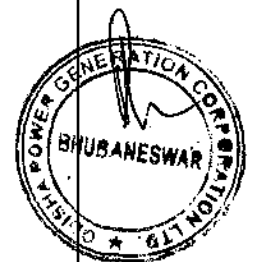
Copy also to - NIC, Ministry of Coal with the request to upload it in the website of Ministry of Coal for information of all concerned.

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S.No.	Issue	Summary of discussion	Recommendations with reasons
Agenda Item No. 1.	Confirmation of the Minutes of the SLC(LT) meeting held on 19.01.2018.	There were no comments from any side.	Minutes of the SLC(LT) meeting held on 19.01.2018 are confirmed.
Agenda Item No. 2 Ministry of Power - Request for grant of linkages to Power Plants of NTPC under 'SHAKTI' Policy.	<p>Ministry of Power vide its OM no. FU-2/2017-IPC (Vol.III) dated 26.03.2018 has requested Ministry of Coal to grant long term coal linkage under clause B(i) of SHAKTI Policy to the following Power Plants of NTPC:</p> <p>i. Super Critical Power Project, Singrauli, STPP-III (2x660 MW), NTPC at Uttar Pradesh - MoP has stated that NTPC has tied up inputs i.e. land, water (partially) & PPA (partially) for Singrauli STPP-III. They are in the process of tying up balance quantity of water requirement and supplementary PPA for increased capacity. NTPC has mentioned that as and when old units of Singrauli are retired then NTPC will have to surrender the linkage allocated to the retiring units.</p> <p>ii. Super Critical Power Project, Katwa, (2x660 MW), NTPC at West Bengal - Ministry of Power has stated that NTPC has tied up inputs i.e. land, water, terms of reference and PPA for Katwa STPP (2x660MW). It has been stated that as and when old units of Badarpur TPS are retired then NTPC will have to surrender coal linkage of Badarpur TPS.</p> <p>iii. Allocation of Long-term Coal Linkage for Super Critical Power Project, Talcher, STPP-III (2x660 MW), NTPC at Orissa - MoP has mentioned that NTPC has tied up inputs i.e. land, water, terms of reference & PPA for Talcher Stage-III (2x660 MW). It has been stated that NTPC shall surrender the coal linkage of retiring units of Talcher TPP as and when</p>	<p>i. The PP stated that the Plant is likely to come by 2024 and has no source of coal linkage. The linkages of old units at Singrauli shall be surrendered after the plant is decommissioned.</p> <p>ii. The PP stated that it was earlier allocated coal linkage under automatic transfer policy where linkage of Badarpur was transferred to Katwa, however, the Badarpur plant has still not been decommissioned and it may take another few years before the plant is decommissioned.</p> <p>iii. The PP stated that the Plant is likely to come by 2024 and has no source of coal linkage. The linkages of old units at Talcher shall be surrendered after the plant is decommissioned.</p>	<p>SLC (LT) recommended the grant of linkage to these three plants from CIL.</p> <p>However, during allocation of coal linkage from subsidiary(ies) of CIL, CIL shall have consultations with Ministry of Shipping and Ministry of Railways so that the linkages are allocated from sources based on coal availability and transportability.</p>



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	they will retire. SLC(LT) to take a view in the matter.		
Item No. 3: Bridge Linkage extension of 1b TPP, 2 x 660 MW, OPGCL, Odisha	<p>Manoharpur and Dip Side Manoharpur coal block were allotted in favor of Orissa Coal and Power Ltd which is a JV company of Odisha Power Generation Corporation Ltd (OPGCL) and OHPC on 31.08.2015. Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 recommended grant of Bridge Linkage to 2 x 660 MW, 1b TPP from CIL for a period of 3 years from the date of allotment of coal block i.e. 31.08.2015. Bridge Linkage of 1b TPP will expire on 30.08.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>Govt. of Odisha vide letters dated 18.01.2017, 13.11.2017 requested for extension of Bridge Linkage for a period of 5 years i.e. up to 2021-22. Govt. of Odisha vide letter dated 18.01.2017 stated that as per the schedule, the coal production from the linked allocated mines will start from April, 2019 onwards and will be ramped up to full capacity by the year 2022-23.</p> <p>SLC (LT) is to take a view in the matter.</p>	The PP stated that the production from the coal block will start from April, 2019 and the peak rated capacity (PRC) shall be achieved in 2022. The PP also stated that the mine plan is submitted to Ministry of coal for approval. The NA informed that as per the CMPDA the production start date of coal block is 2021.	The SLC(LT) recommended that the Bridge Linkage may be extended up to 2022 and shall be on tapering basis from 2019 to 2022 as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and that the PP in no case shall draw excess coal.
Item no. 4: Time Extension of Bridge Linkage for Harduaganj Extn TPP of UPRVUNL (1 x 660 MW).	<p>Saharpur - Jamarpani coal block was allotted to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) on 13.08.2015 for supplying coal to Harduaganj Extn TPP, Jawaharpur TPP, Obra 'C' and Panki Extn TPP.</p> <p>Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 granted Bridge Linkage to Harduaganj Extn (1 x 660 MW) for 3 years from the date of allotment of coal</p>	No representative of project proponent was present.	SLC (LT) deferred the case.



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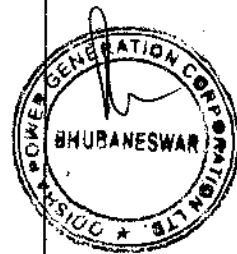
block i.e. 13.08.2015. Bridge Linkage duration of above Power plant will expire on 12.08.2018.

As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.

UPRVUNL vide letter 12.03.2018 requested for time extension for bridge linkage for end use projects of Saharpur-Jamarpani coal block stating that Power generation from Harduaganj Extn is expected from January 2020. UPRVUNL has applied for fresh PL of 15 Sq. Km on 13.01.2017, but PL has not been issued due to pending of approval of PL with MoC/Jharkhand Govt. UPRVUNL is trying hard to get the PL at the earliest so that exploratory drilling can be started soon. UPRVUNL further stated that considering the facts and hard ground realities at site production of coal from this block is not possible by 12.08.2018. It has been requested to extend Bridge Linkage for further 6 years i.e. up to August 2024.

SLC (LT) is to take a view in the matter.

<p>Item no. 5: Time Extension of Bridge Linkage for Jawaharpur TPP of UPRVUNL (2 x 660 MW).</p>	<p>Saharpur-Jamarpani coal block was allotted to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) on 13.08.2015 for supplying coal to Harduaganj Extn TPP, Jawaharpur TPP, Obra 'C' and Panki Extn TPP.</p> <p>Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 granted Bridge Linkage to Jawaharpur TPS (2 x 660 MW) for 3 years from the date of allotment of coal block i.e. 13.08.2015. Bridge Linkage duration of above Power plant will expire on 12.08.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is</p>	<p>No representative of the project proponent was present.</p>	<p>SLC (LT) deferred the case.</p>
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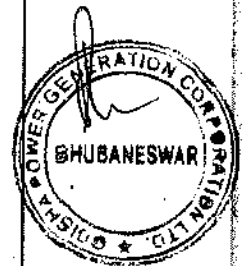
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granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.

UPRVUNL vide letter 12.03.2018 requested for time extension for bridge linkage for end use projects of Saharpur-Jamarpani coal block stating that Power generation from Jawaharpur is from December 2020. UPRVUNL has applied for fresh PL of 15 Sq. Km on 13.01.2017, but PL has not been issued due to pending of approval of PL with MoC/ Jharkhand Govt. UPRVUNL is trying hard to get the PL at the earliest so that exploratory drilling can be started soon. UPRVUNL further stated that considering the facts and hard ground realities at site production of coal from this block is not possible by 12.08.2018. It has been requested to extend Bridge Linkage for further 6 years i.e. up to August 2024.

SLC (LT) is to take a view in the matter.

<p>Item no. 6: Time Extension of Bridge Linkage for Obra 'C' TPS of UPRVUNL (2 x 660 MW).</p>	<p>Saharpur-Jamarpani coal block was allotted to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) on 13.08.2015 for supplying coal to Harduaganj Extn TPP, Jawaharpur TPP, Obra 'C' and Panki Extn TPP.</p> <p>Based on the allotment of coal block, SLC (LT) in its meeting held on 21.06.2016 granted Bridge Linkage to Obra 'C' TPP (2 x 660 MW) for 3 years from the date of allotment of coal block i.e. 13.08.2015. Bridge Linkage duration of above Power plant will expire on 12.08.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p>	<p>No representative of the project proponent was present.</p>	<p>SLC(LT) deferred the case.</p>
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UPRVUNL vide letter 12.03.2018 requested for time extension for bridge linkage for end use projects of Saharpur-Jamarpani coal block stating that Power generation from Obra 'C' is expected from December 2020. UPRVUNL has applied for fresh PL of 15 Sq. Km on 13.01.2017, but PL has not been issued due to pending of approval of PL with MoC/Jharkhand Govt. UPRVUNL is trying hard to get the PL at the earliest so that exploratory drilling can be started soon. UPRVUNL further stated that considering the facts and hard ground realities at site production of coal from this block is not possible by 12.08.2018. It has been requested to extend Bridge Linkage for further 6 years i.e. up to August 2024.

SLC (LT) is to take a view in the matter.

Item no. 7:
Time Extension of Bridge Linkage for Panki Extn of UPRVUNL (1 x 660 MW).

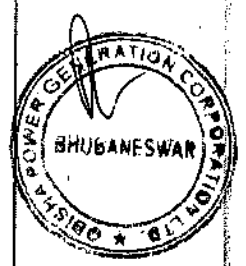
Saharpur-Jamarpani coal block was allotted to Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) on 13.08.2015 for supplying coal to Harduaganj Extn TPP, Jawaharpur TPP, Obra 'C' and Panki Extn TPP.

No representative of project proponent was present. SLC(LT) deferred the case.

Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 granted Bridge Linkage to Panki Extn (1 x 660 MW) for 3 years from the date of allotment of coal block i.e. 13.08.2015. Bridge Linkage duration of above Power plant will expire on 12.08.2018

As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.

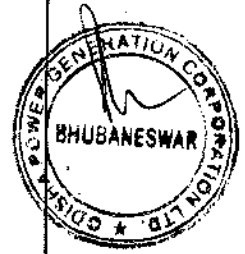
UPRVUNL vide letter 12.03.2018 requested for time extension for bridge linkage for end use projects of Saharpur-Jamarpani coal block stating that UPRVUNL has applied for fresh PL of



Sujeet Kumar
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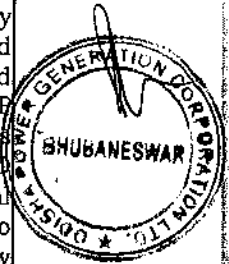
	<p>15 Sq. Km. on 13.01.2017, but PL has not been issued due to pending of approval of PL with MoC/Jharkhand Govt. UPRVUNL is trying hard to get the PL at the earliest so that exploratory drilling can be started soon. UPRVUNL further stated that considering the facts and hard ground realities at site production of coal from this block is not possible by 12.08.2018. It has been requested to extend Bridge Linkage for further 6 years i.e. up to August 2024.</p> <p>SLC (LT) is to take a view in the matter.</p>		
<p>Item no. 8: Time Extension of Bridge Linkage for Tanda STPP of NTPC, 2 x 660 MW (Stage-II).</p>	<p>Kerandari coal block was allotted to Tanda STPP of NTPC, 2 x 660 MW (Stage-II) on 08.09.2015. Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 recommended grant of Bridge Linkages to 2 x 660 MW Tanda STPP for 3 years from the date of allotment of coal block i.e. 08.09.2015. Bridge Linkage will expire on 07.09.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>NTPC vide letter dated 28.02.2018 requested MoP to recommend MoC for extension of bridge Linkage coal for NTPC projects i.e. Kudgi(3 X 800 MW), Barh-II (2 X 660 MW), Lara (2 X 800 MW), Tanda (2 X 660 MW) & Darlipalli (2X800 MW) for another 3 years period/ till coming to production capacity of the coal block/mine allocated to these end use projects.</p> <p>SLC (LT) is to take a view in the matter.</p>	<p>The PP stated that the Stage-II FC of the coal block is pending and the production is likely to start in 2019 and PRC shall be achieved by 2022.</p>	<p>The SLC (LT) recommended that the Bridge Linkage may be extended up to 2022 and shall be on tapering basis from 2019 to 2022 as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.</p>
<p>Item no. 9: Time Extension of Bridge Linkage for Lara STPP of</p>	<p>Talaipalli coal block was allotted to Lara STPP of NTPC, 2 x 800 MW (Stage-I) on 08.09.2015. Based on the allotment of coal block, SLC (LT) in its meeting held</p>	<p>The PP stated that as per the agreement the production from coal block shall start from November, 2019 and peak rated capacity shall be</p>	<p>The SLC (LT) recommended that the Bridge Linkage may be extended up to 2022 and shall be on tapering basis</p>



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<p>NTPC, 2 x 800 MW (Stage-I).</p>	<p>on 8.03.2016 recommended grant of Bridge Linkages to 2 x 800 MW Lara STPP for 3 years from the date of allotment of coal block i.e. 08.09.2015. Bridge Linkage will expire on 07.09.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>NTPC vide letter dated 28.02.2018 requested MoP to recommend MoC for extension of bridge Linkage coal for NTPC projects i.e. Kudgi(3X800 MW), Barh-II (2X660 MW), Lara (2X800 MW), Tanda (2X660 MW) & Darlipalli (2X800 MW) for another 3 years period/ till coming to production capacity of the coal block/mine allocated to these end use projects.</p> <p>SLC (LT) is to take a view in the matter.</p>	<p>achieved in 2022.</p> <p>However, NA intimated that the scheduled date of mine opening permission as per the Allotment agreement is May 2019.</p>	<p>from 2019 to 2022, as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.</p>
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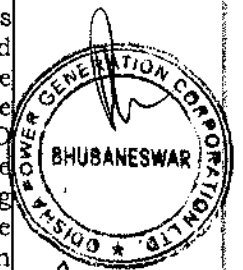
<p>Item no. 10: Time Extension of Bridge Linkage for Darlipali STPP of NTPC, 2 x 800 MW.</p>	<p>Dulanga coal block was allotted to Darlipali STPP of NTPC, 2 x 800 MW on 08.09.2015. Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 recommended grant of Bridge Linkages to Darlipali STPP, 2 x 800 MW for 3 years from the date of allotment of coal block i.e. 08.09.2015. Bridge Linkage will expire on 07.09.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>NTPC vide letter dated 28.02.2018 requested MoP to recommend MoC for extension of bridge Linkage coal for NTPC projects i.e. Kudgi(3X800 MW), Barh-II (2X660 MW), Lara (2X800 MW), Tanda (2X660 MW) & Darlipalli (2X800 MW) for another 3 years period/ till coming to production</p>	<p>The PP informed that the coal mine has been opened and the PRC shall be achieved by 2022.</p>	<p>The SLC (LT) recommended that the Bridge Linkage may be extended up to 2022 and shall be on tapering basis from 2018 to 2022 as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.</p>
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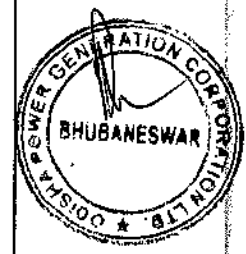
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	capacity of the coal block/mine allocated to these end use projects. SLC (LT) is to take a view in the matter.		
Item no. 11: Time Extension of Bridge Linkage for Barh STPP of NTPC, 2 x 660 MW.	<p>Chhatti-Bariatu and Chhatti-Bariatu (South) coal block was allotted to Barh STPP of NTPC, 2 x 660 MW (Stage-II) on 08.09.2015. Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 recommended grant of Bridge Linkage to Barh STPP, 2 x 660 MW for 3 years from the date of allotment of coal block i.e. 08.09.2015. Bridge Linkage will expire on 07.09.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>NTPC vide letter dated 28.02.2018 requested MoP to recommend MoC for extension of bridge Linkage coal for NTPC projects i.e. Kudgi(3X800 MW), Barh-II (2X 660 MW), Lara (2X800 MW), Tanda (2X660 MW) & Darlipalli (2X800 MW) for another 3 years period/ till coming to production capacity of the coal block/mine allocated to these end use projects.</p> <p>SLC (LT) is to take a view in the matter.</p>	The PP informed that the coal block opening permission has been obtained and production shall start from 2018 and PRC shall be achieved by 2023.	The SLC (LT) recommended that the Bridge Linkage may be extended up to 2023 and shall be on tapering basis from 2018 to 2023 as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.
Item no. 12: Time Extension of Bridge Linkage for Kudgi STPP of NTPC (Stage-I), 3 x 800 MW.	<p>Bhalumuda coal block was allotted to Kudgi STPP (Stage-I) of NTPC, 3 x 800 MW on 31.03.2015. Based on the allotment of coal block, SLC (LT) in its meeting held on 18.03.2016 recommended grant of Bridge Linkage to Kudgi STPP (Stage-I) of NTPC, 3 x 800 MW for 3 years from the date of allotment of coal block i.e. 31.03.2015. Bridge Linkage was expired on 30.03.2018. With the approval of Competent Authority, Bridge Linkage of Kudgi STPP (3 x 800 MW) has been extended for a period of 3 months from the</p>	The PP informed that due to high stripping ratio more land is required for placing the OB removed from the mine and the PP was also considering for clubbing this block with another adjacent coal block. The PP further informed that another four years shall be needed for development of this coal block.	The SLC (LT) recommended that the Bridge Linkage may be extended up to 2022 and shall be on tapering basis from the year when production starts as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining
	<p>However, CBA-I stated that NTPC requested MoC for merger of Bhalumuda and Bani in one single block for optimal exploitation and OB dump</p>		



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	<p>date of which Bridge Linkage expired.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>Comments of CBA-I section regarding status of coal production from Bhalumuda coal block are as under:</p> <p>"The coal block has been allocated under the provisions of Mines and Minerals (Development and Regulation) Act, 1957. This is regionally explored coal block and production from the said block would take time. Further, during the Exploration period and Development period of the coal blocks, the block allocattees are required to achieve the milestones as set forth in the Coal Block Development and Production Agreement (CBDPA) for carrying out the exploration and development activities."</p> <p>NTPC vide letter dated 28.02.2018 requested MoP to recommend MoC for extension of bridge Linkage coal for NTPC projects i.e. Kudgi(3X800 MW), Barh-II (2X660 MW), Lara (2X800 MW), Tanda (2X660 MW) & Darlipalli (2X800 MW) for another 3 years period/till coming to production capacity of the coal block/mine allocated to these end use projects.</p> <p>SLC (LT) is to take a view in the matter.</p>	<p>within the revised block boundary which is under examination</p>	<p>plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.</p>
<p>Item no. 13: Transfer of Coal linkage as per Automatic coal transfer policy.</p>	<p>Maharashtra State Power Generation Co. Ltd. (MAHAGENCO) vide letter dated 12.07.17 requested for transfer of old unit's coal linkage of 2.922 MTPA to upcoming Supercritical Units - Bhusawal 660 MW and accord approval for additional .258 MTPA coal to fulfill total requirement of 3.18 MTPA as per Automatic coal transfer policy.</p>	<p>No project proponent was present</p>	<p>SLC(LT) deferred the case.</p>



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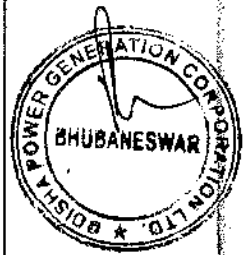
Mahagenco stated that MoC allocated Machhakata Coal fields, Odisha, jointly to Mahagenco and Gujarat state electricity co. Ltd under Government dispensation quota vide letter No. 13016/13/2005-CA dtd 6th Feb 2006. The Coal requirement quantity 3.18 MTPA for this unit was proposed to be sourced from Mahanadi / Machhakata. But, Hon. Supreme Court vides Judgment dtd. 25.08.2014 and 24.09.2014 in W.P. No. 120 of 2012 and other connected matters has cancelled the allocation of 204 coal block which includes Machhakata coal block.

Mahagenco is planning to discard the old units Koradi U-5 (1x200MW), Parli U-3 (1x210MW) and Bhusawal U-2(1x210MW) due to expiry of useful life & related environmental issues. As per automatic linkage transfer policy, it has been requested to transfer old unit's coal linkage of 2.922 MTPA from CIL subsidiaries to Bhusawal replacement projects of 1x660MW super critical capacity and to accord approval for addition quantity 0.258MMTPA so that total requirement of 3.18MT at 85% PLF for Bhusawal 660MW.

As per the automatic transfer of coal linkage policy, in view of the multi-fold benefits of Super-Critical units, Linkage granted to old plants shall be automatically transferred to the new plant of Super Critical capacity and if the capacity of new Super critical plant is higher than the old plant, additional coal may be accorded priority, subject to availability of coal.

Comments of CIL are awaited in the matter.

SLC (LT) is to take a view in the matter.

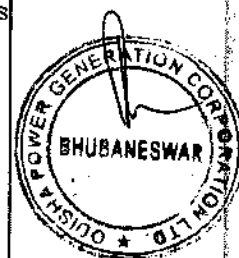


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<p>Item no. 14 Extension of bridge Linkage time period for Mahagenco EUP's at Koradi (3 x 660 MW), Chandrapur (2 x 500 MW) and Parli (1 x 250 MW)</p>	<p>Mahagenco vide letter dated 22.03.2018 has requested to extend the Bridge Linage for further three years i.e. up to August 2021 for its EUPs at Chandrapur Unit 8 & 9 (2 x 500 MW), Koradi Unit 8,9 & 10 (3 x 660 MW), Parli Unit 8 (1 x 250 MW), considering the delay in start of coal production from allotted mine from gare Palma-II due to delay in getting approval of Forest & Environment clearances incorporating modified bounding coordinates as per Corrigendum issued to the previous Allotment Order.</p>	<p>No project proponent was present</p>	<p>SLC(LT) deferred the case.</p>
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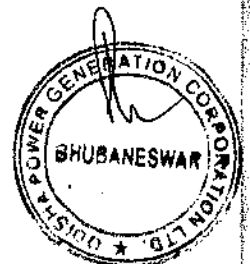
With the permission of the Chair, the following issues which were not listed in the agenda, were also discussed:

S.No.	Issue	Summary of discussion	Recommendations with reasons
<p>1. Request for Extension of Bridge Linkage of SCCL's TPP, 2 x 600 MW (Stage-I), Pegadapalli, Telangana</p>	<p>A request is received from SCCL vide letter dated 07.04.2018 regarding request for extension of Bridge Linkage validity date.</p> <p>It has been stated that Naini coal block in Odisha was allotted to SCCL on 13.08.2015 for SCCL's 2 x 600 MW TPP (Stage-I) and additional 1 x 600 MW 3rd unit (Stage-II). SLC (LT) in its meeting held on 18.03.2016 granted Bridge Linkage to 2 x 600 MW Singareni TPP located at Pegadapalli village, Telangana State for 3 years from the date of allotment of coal block i.e. 13.08.2015. Bridge Linkage will expire on 12.08.2018.</p> <p>As per the Bridge Linkage policy, Bridge Linkage is granted for a fixed period of 3 years from the date of allotment of coal block and no further extension thereafter entertained under normal circumstances.</p> <p>It has been stated that after obtaining clearances and establishing other infrastructure facilities, coal production is expected by February 2021 as per the original schedule. It has been requested to extend Bridge Linkage up to March 2021.</p>	<p>The PP informed that the mining plan for the coal block shall be submitted in this month and the production is scheduled to start in February, 2021 and PRC shall be achieved by 2023.</p>	<p>The SLC(LT) recommended that the Bridge Linkage may be extended upto 2023 and shall be on tapering basis from 2021 to 2023 as per the approved mining plan. The tapering shall be carried out by CCO based on the approved mining plan. In case the coal production commences before the date which is mentioned in the approved mining plan or the production is more than the quantity which is mentioned in the approved mining plan, the PP shall intimate this information to CCO and the coal company and in no case shall draw excess coal.</p>



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<p>2. Request for Coal linkage under SHAKTI Policy for Bellary TPS Unit 3 (700 MW) and Yermarus TPS (2x800 MW)</p>	<p>Ministry of Power vide its OM dated 09.04.2018 has referred to letters received from Minister for Energy, Govt. of Karnataka and KPCL regarding coal linkage under SHAKTI Policy for Bellary TPS Unit 3 (700 MW) & Yermarus TPS (2x800 MW) and extension of Bridge linkage and has stated that the matter has been examined in consultation with CEA.</p>	<p>Ministry of Power recommended the regular linkage to the Unit 3 of Bellary TPS and Yermarus TPS under Para B(i) of the SHAKTI Policy. The PP requested for grant of linkage as all the units were operational. SCCL informed that it shall not be in a position to supply coal under linkage to these units as it was having linkage commitments with TSGENCO.</p>	<p>SLC(LT) recommended for linkage for the 700 MW Bellary TPS Unit 3 and 2x800 MW Yermarus TPP from SCCL for a period of 3 years from the date of signing of FSA and thereafter the full linkage of all these units shall be transferred to CIL.</p>
	<p>MoP has stated that Bellary TPS Unit 3 (700 MW) and Yermarus TPS (2x800 MW) are commissioned projects and are already under operation. MoP has mentioned that Deocha Pachami coal block was earlier allocated to KPCL with Bellary TPS Unit 3 and Yermarus TPS (2x800 MW) as the end use projects and subsequently allotment of Deocha Pachami coal block was cancelled by Ministry of Coal. MoP has also referred to MoC's letter dated 08.03.2018 regarding discontinuation of bridge linkage after 31.05.2018.</p>		
	<p>Ministry of Power has requested Ministry of Coal to:</p> <ol style="list-style-type: none"> Provide long term coal linkage to Bellary TPS Unit 3 (700 MW) and Yermarus TPS (2x800 MW) under Para B(i) of SHAKTI Policy. Continue the bridge linkage till long term linkage is approved and operationalized for these plants. 		



Sujat Kumar
13/11/18

Annexure – 16



COAL INDIA LIMITED
A Maharatna Company
(Govt. of India Undertaking)
COAL BHAWAN
Marketing Division, Ground Floor
Premises no.04MAR,Plot AF-III,
Action Area-1A, New Town,
Kolkata- 700156

Phone: 033-2324 6617
Fax: 033-2324-4729
e-mail id: eauction.cil@gmail.com
Website: www.coalindia.in
Corporate ID No. L23109WB1973G01028844

31.3.2018

To
M/s OPGC,
Odisha


Subject: Signed Copy of the Supplementary Agreement under Flexi-Utilization of domestic coal

Dear Sir,

Please find enclosed a copy of the supplementary agreement signed between MCL & M/s OPGC under Flexi-Utilization of domestic coal for your further necessary action.

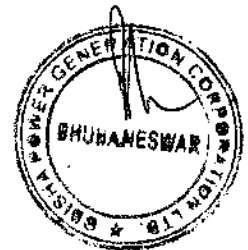
End: As above.

Yours faithfully


General Manager(M&S)

Copy to:

1. Director(M), CIL
2. HoD (M&S), MCL



Supplementary Agreement
For implementation of
Flexibility in utilization of domestic coal

AMONGST

Mahanadi Coalfields Limited
(MCL)

[as the Seller]

AND

Odisha Power Generation Corporation Limited
(OPGCL)

[as the Purchaser]

AND

Coal India Limited

[as the Coordinator]

[21st March, 2018]



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Coal India Limited (CIL), a company registered under the Companies Act, 1956 and having its registered office at Coal Bhawan, Premises no 04M/1R, Plot AP-III, Action Area-IA, New Town, Kolkata- 700156 hereinafter called the "Coordinator" (which expression shall, unless excluded by or repugnant to the subject or context, include its legal representatives, successors and assigns) of the one part.

Whereas

- A. Union Cabinet on 4.5.2016 approved the proposal of Ministry of Power for "flexibility in utilization of domestic coal for production for heat of power generation." Methodology in this regard issued by CEA vide letter dated 08.06.2016 was communicated to CIL by Ministry of Coal vide its letter bearing number 23011/71/2014-CPD dated 13.7.2016.
- B. In furtherance to the Cabinet Approval, subsidiary-wise Annual Contracted Quantity (ACQ) of each individual coal linkage (as per Fuel Supply Agreement, CSA) of the Purchaser shall be aggregated as consolidated ACQ for the Purchaser along with its JVs and subsidiary companies, instead of individual generating stations (TPPs). This is intended to be achieved by way of execution of supplementary agreement with the Purchaser covering their FSAs for individual Thermal Power Plants (TPPs). ("Supplementary Agreement").

Now, therefore, in consideration of the premises and mutual covenants herein under, the Parties hereto agree as follows: -

1. Tenure of Agreement:

This Supplementary Agreement on execution, being an interim arrangement, shall remain in force till execution of revised Fuel Supply Agreement.

2. Aggregated Annual Contracted Quantity (AACQ):

The Aggregate Annual Contracted Quantity (AACQ) shall be the sum of ACQs of the Coal Supply Agreements (CSA) executed by the Seller and Purchaser for individual operational power plants/ units of the Purchaser along with its JVs and Subsidiary companies as listed at schedule I of this Agreement.

For part of the Year, the AACQ shall be prorated accordingly.

In the event, any power station owned by the Purchaser enters into new Coal Supply Agreement (CSA) with the Seller and become operational or any unit already having CSA becomes operational, after the execution of this Supplementary Agreement, the ACQ of the plant shall be incorporated into the AACQ of this Supplementary Agreement by suitable amendment. Similarly, if any of the unit of the Purchaser, having CSA with the Seller, is decommissioned or in case the linkage of a unit is partly or fully transfer to other subsidiary, the AACQ should be suitably amended.



3. End-use of Coal:

- a. The Purchaser shall furnish TPP wise coal supply matrix within the ambit of AACQ, at least one month in advance for the consideration of various efficiency parameters. The Purchaser may increase any of the TPPs allowed as per the extant Government rule/guidelines in the coal supply matrix. The Seller shall give its consent/ response within fifteen days from the receipt of requisition, else it will be deemed to be approved. Sellers shall ensure delivery and the Purchaser shall ensure lifting of coal as per the agreed coal supply matrix.
- b. The coal supplied is for utilization at the generating station to which it has been supplied in terms of the coal supply matrix furnished by the Purchaser and agreed by the Seller.
- c. The Purchaser shall not sell the Coal to any other third party for any purpose whatsoever and the same shall be treated as material breach of Agreement, for which the Purchaser shall be fully responsible and such act shall warrant suspension of coal supplies by the Seller.
- d. Irrespective of the point of consumption of the coal supplied under this supplementary agreement, the Purchaser (SRB/COB) shall be responsible for all commercial aspects including payment of coal value, Performance Incentive, Compensation for short lifting etc.

4. Compensation for short lifting and Performance Incentive:

Compensation for short delivery / lifting shall be computed on the basis of AACQ and Cut off level of delivery / lifting (CLD / CLL), calculated on the basis of weighted average level of the pooled ACQ, and shall be determined as under:

$$CLD / CLL = \frac{(ACQ \text{ of Pre 2009 CSAs} \times 0.90 + ACQ \text{ of Post 2009 CSAs} \times 0.80)}{AACQ} \times 100$$

(Rounded off to the nearest integer)

However, this Supplementary Agreement being an addendum to the agreement, both the parties (Sellers and Purchaser) agree to adopt the formula for calculation of Compensation at a later date for short lifting below CLD/ CLL or incentive for dispatches as would be decided and accepted in the revised Agreement through consultation amongst the stakeholders. The formula so agreed and accepted shall be applicable from 1.4.2017. The incentive/penalties shall be paid as per advise of CLL to its subsidiaries.



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5. Coordination and Facilitation – role of CIL

CIL shall play the role of coordinator to evolve the annual supply schedule based on the requirement of the Purchaser and the AACQ of each Seller, taking into consideration any short-term contingency on logistics and other issues. For ensuring a mutually agreed supply schedule within the general ambit of the SPA between the individual Seller and the buyer, CIL shall organize meeting between the Purchaser and the Sellers, as and when required.

For avoidance of any doubt, it is clarified that the role of the Coordinator shall be limited to the coordination obligations set out in this Clause 5, and the Coordinator does not assume any contractual or financial liability associated with supply of coal or otherwise.

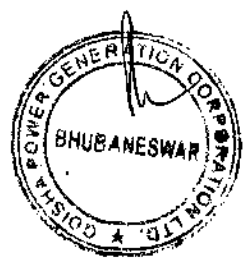
6. Assessment of Quality of Coal

Tripartite Agreements if any signed by Power Utilities, Coal companies and CSIR-CIMFR shall be integral part of the Supplementary Agreement.

7. This Agreement is a supplementary to the Coal Supply Agreement(CSA) executed between Subsidiary coal companies of CIL and Purchaser for individual power plant/ unit. All terms and conditions of the CSA not covered in this agreement shall continue to be applicable. However, in case, any term(s) of the agreement is/are in contradiction with the provision(s) of the Coal Supply Agreement(CSA), the provision of this agreement shall prevail.



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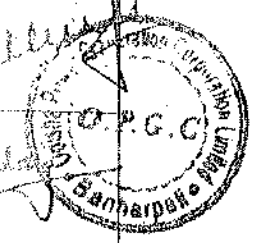
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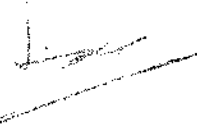
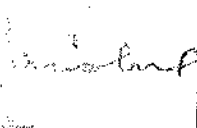



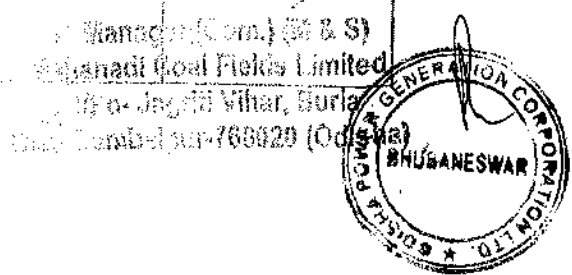
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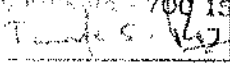
Signed in presence of the witness (witnesses) and in the presence of 24th day of March, 2018.

For Odisha Power Generation Corporation Limited (OPGC) as Purchaser				
	NAME	DESIGNATION	ADDRESS, TELEPHONE & EMAIL	SIGNATURE & SEAL
AUTHORISED SIGNATORY	Alok Mukherjee	DIRECTOR (OPERATION)	OPGC, Corporate Bansharpali, Jharsuguda, Odisha, 751024 mail: alok.mukherjee@opgc.co.in	
WITNESS 1	L.R.C. Rany	A.S.M. (Coal Commission)	OPGC, 7th Floor, Cantonment Tower, BBSR, 751014. mail: pranabchandra.saha@opgc.co.in	



For Mahanadi Coalfields Limited as Seller				
	NAME	DESIGNATION	ADDRESS, TELEPHONE & EMAIL	SIGNATURE & SEAL
AUTHORISED SIGNATORY	J.P. SINGH	DIRECTOR (OPERATION)		
WITNESS 1	RAJESH MISHRA	HO (M&S)		
WITNESS 2	K. YESUPADAM	SENIOR MANAGER		



For Coal India Limited as Coordinator				
	NAME	DESIGNATION	ADDRESS	SIGNATURE & DATE
AUTHORISED SIGNATORY	Rajesh Chandra	Coordinator		 COAL INDIA LIMITED (Muzo Division) Premises No. 1000, Plot AI-III Action Area, A. Rajarat New Town, Kolkata - 700 156 T. No. 8. 147
WITNESS 1	Tanuj S. Das	Asst. Manager		
WITNESS 2	SANTOSH MONDAL	Dy. Manager (Charge)		