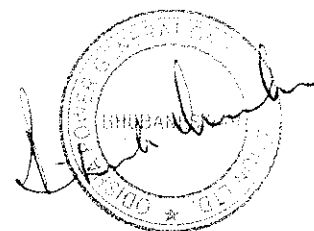


### LIST OF ANNEXURES

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# Annexure – 1





**From:** KUMAR, PRANAY(प्रणय कुमार) [mailto:kumarp17@indianoil.in]

**Sent:** Friday, November 23, 2018 6:23 PM

**To:** 'digambar.sahoo@opgc.co.in' <digambar.sahoo@opgc.co.in>

**Cc:** Soumyendra Bal <soumyendra.bal@opgc.co.in> (soumyendra.bal@opgc.co.in)

<soumyendra.bal@opgc.co.in>; Pashikanti, Pankaj(पंकज पशिकांति) <pashikanti@indianoil.in>

**Subject:** Rate of FO

Dear Sir,

Please find below the rate of FO as desired:

**Rate in  
Rs/MT**

DATE	Transaction value	Freight	Subtotal	Gst @ 18%	Landed Price
01.04.2018	30590.0	3298.1	33888.1	6099.9	39988.0
16.04.2018	31100.0	3302.3	34402.3	6192.4	40594.7
01.05.2018	32730.0	3302.3	36032.3	6485.8	42518.1
16.05.2018	34610.0	3302.3	37912.3	6824.2	44736.5
01.06.2018	37030.0	3302.3	40332.3	7259.8	47592.1
21.06.2018	36780.0	3302.3	40082.3	7214.8	47297.1
01.07.2018	36730.0	3403.6	40133.6	7224.0	47357.6
16.07.2018	38620.0	3403.6	42023.6	7564.2	49587.8
01.08.2018	37560.0	3403.6	40963.6	7373.4	48337.0
16.08.2018	37730.0	3403.6	41133.6	7404.0	48537.6
01.09.2018	37600.0	3403.6	41003.6	7380.6	48384.2
16.09.2018	38780.0	3403.6	42183.6	7593.0	49776.6
01.10.2018	40350.0	3466.9	43816.9	7887.0	51703.9
16.10.2018	44060.0	3466.9	47526.9	8554.8	56081.7



**शुभेच्छु / Regards,**

Pranay Kumar

Sales Officer (Institutional Business)

Sambalpur IBA, Sambalpur DO, Odisha.

Ph: 9437028792

Indian Oil Corporation Ltd

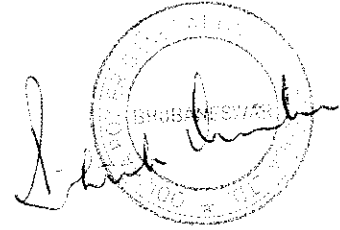
अरवीकरण

यह संदेश इंडियन ऑयल मैसेजिंग गेटवे, भारत से भेजा गया है। इस इलेक्ट्रॉनिक संदेश में निहित जानकारी और इसके साथ कोई भी संलग्नक केवल प्रेषित व्यक्ति (पों) के लिए ही है और इसमें स्वामित्व, गोपनीय या विशेषाधिकार प्राप्त जानकारी हो सकती है। यदि आप वांछित प्राप्तकर्ता नहीं हैं तो आपको इस ई-मेल को प्रसारित, वितरित या कॉपी नहीं करना चाहिए। कृपया इसकी सूचना तुरंत प्रेषक को दें और इस संदेश की सभी प्रतियां और सभी संलग्नक नष्ट कर दें। राजभाषा हिन्दी में हम आपके पत्रों का स्वागत करते हैं।

Disclaimer

This Message was sent from IndianOil Messaging Gateway, India. The information contained in this electronic message and any attachments to this message are intended for the exclusive use of the addressee(s) and may contain proprietary, confidential or privileged information. If you are not the intended recipient, you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately and destroy all copies of this message and any attachments.

We welcome your communications in Rajbhasha Hindi.



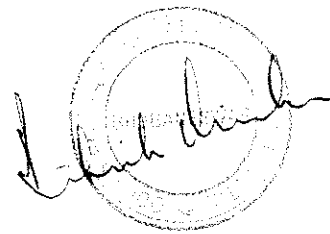
**ESTIMATION OF HFO COST (Rs/KL)**

Considering Specific Gravity of HFO as 1.07 Kg/Lt, the month wise landed price of HFO is as follows:

DATE	Transaction value	Freight	Subtotal	Gst @ 18%	Landed Price (MT)	Landed Price (KL)
01.04.2018	30590	3298.1	33888.1	6099.9	39988	37337
16.04.2018	31100	3302.3	34402.3	6192.4	40594.7	37904
01.05.2018	32730	3302.3	36032.3	6485.8	42518.1	39699
16.05.2018	34610	3302.3	37912.3	6824.2	44736.5	41771
01.06.2018	37030	3302.3	40332.3	7259.8	47592.1	44437
21.06.2018	36780	3302.3	40082.3	7214.8	47297.1	44162
01.07.2018	36730	3403.6	40133.6	7224	47357.6	44218
16.07.2018	38620	3403.6	42023.6	7564.2	49587.8	46300
01.08.2018	37560	3403.6	40963.6	7373.4	48337	45133
16.08.2018	37730	3403.6	41133.6	7404	48537.6	45320
01.09.2018	37600	3403.6	41003.6	7380.6	48384.2	45177
16.09.2018	38780	3403.6	42183.6	7593	49776.6	46477
01.10.2018	40350	3466.9	43816.9	7887	51703.9	48276
16.10.2018	44060	3466.9	47526.9	8554.8	56081.7	52364

A circular stamp with a signature written over it. The stamp contains text that is partially obscured by the signature, but it appears to be an official seal or stamp.

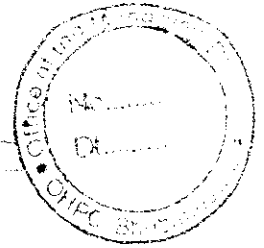
# Annexure – 2



GOVERNMENT OF  
DEPARTMENT OF

\*\*\*\*\*

No. 6140 /En., Bhubaneswar Dated 21.7.2012  
R&R-55/2012



From

Sri S. Pradhan,  
Joint Secretary to Govt.

To

The Commissioner-cum-Secretary to Govt., Industries Department/  
Special Secretary to Govt, Water Resources Department/  
Chairman-cum-Managing Director, GRIDCO, Bhubaneswar/  
Managing Director, OHPC, Bhubaneswar/  
EIC(WR), Odisha, Bhubaneswar/  
EIC (Elect)-cum-PCEI (O)Bhubaneswar.

Sub:- Minutes of the 1<sup>st</sup> meeting of the committee on formulation of policy for utilisation of water in the reservoirs by industrial units and running Hydro Electric Projects with their optimum capacity under the Chairmanship of Principal Secretary, Department of Water Resources, Govt. of Odisha on 03.07.2012 at 1.00P.M. in the Conference Hall of Department of Water Resources.

Sir,

I am directed to send herewith a copy of the minutes of the 1<sup>st</sup> meeting of the committee on formulation of policy for utilisation of water in the reservoirs by industrial units and running Hydro Electric Projects with their optimum capacity under the Chairmanship of Principal Secretary, Department of Water Resources, Govt. of Odisha on 03.07.2012 at 1.00P.M. in the Conference Hall of Department of Water Resources for information and necessary action.

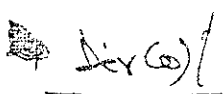
You are requested to furnish compliance report of the minutes to this Department within a fortnight for further action.

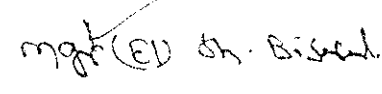
Yours faithfully

  
Joint Secretary to Govt.

Memo No. 6141 /En., Dated 31/7/2012

Copy alongwith copy of the minutes of the meeting forwarded to the PS to Principal Secretary to Govt., Water Resources Department/ Pr. PS to Commissioner-cum-Secretary to Govt., Energy Department for kind information of Principal Secretary, WR Deptt. and Commissioner-cum-Secretary, Energy Deptt.

  
Dy Mgr (Tech)

  
mgr (ED) Sh. Biswal

  
Joint Secretary to Govt.



**Minutes of the 1<sup>st</sup> Meeting of the Committee on formulation of Policy for utilisation of water in the reservoirs by industrial units and running of Hydro Electric Projects with their optimum Capacity, under the Chairmanship of Principal Secretary, Department of Water Resources, Govt. of Odisha on dated.03.07.2012 at 01:00PM in the Conference Hall of DoWR.**

Members Present is at annexure.

As per the High Court order dated. 30th March 2012 vide WP(C) No. 8409 of 2011 filed by Keonjhar Navanirman Parishad and others Vrs State of Odisha, a committee was constituted vide notification no 4348 dated.28th May 2012 of Department of Energy, Govt of Odisha to formulate a policy on utilization of Water by the industrial units and running of Hydro Electric Projects with their optimum capacity.

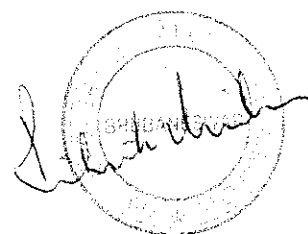
The directives of the Hon'ble court are reproduced below:

**Para 24(i) of judgement :**

"In order to make optimum use of the water in the reservoirs, the Govt. should come forward with a policy within a period of three months from today, if such policy has not been framed, to maintain a balance between the use of water by the industrial units and running of Hydro Electricity Projects with their optimum capacity, so that the Hydro Electricity Projects would not suffer or run under-capacity due to over draws of water by the industries."

**Para 24(ii) of judgement:**

"The state Govt. is directed to take steps to compute the amount of compensation to be recovered from the industrial units which had used the water and ensure that the said amount is recovered and paid to the OHPC within a period of three months from today, failing which such industrial units shall not be allowed to draw water from the reservoirs. Proper legislation should be made for controlling and distributing the water among the industrial units from the water reservoirs, the water of which is also utilised by the Hydro Electricity Projects. Apart from that, we direct that a corpus should be created by imposing a levy on the industries drawing water from different reservoirs and water sources, by making periodical dredging and removal of shoals etc. In that respect, appropriate legal provisions should be made within three months."



From the above it is observed by the committee that the following mandate is to be carried out by the committee.

1. To frame a policy to maintain a balance between industry use and hydro electric power generation with a view to avoid under capacity utilisation of generating units by 30.06.12.
2. Compute the amount of compensation to be recovered from the industrial units
3. Pay energy compensation to OHPC before 30.06.2012 failing which such Industrial units shall not be allowed to draw water.
4. Proper legislation should be made for controlling and distributing water among industrial units from the water reservoirs.
5. To make appropriate legal provisions before 30.06.2012 to create a corpus by imposing a levy on the industries drawing water from different reservoirs and water sources for making periodical dredging and removal of shoals etc.

Welcoming all the members of the committee and others present in the meeting at the outset, the Chairman apprised the members of the Committee about the existence of such policy since 1992. As per the water allocation policy of Govt. of Odisha, 1992; the quantum of water to be allocated to the industries has been fixed. As per DoWR the total earmarked allocation to industries is 0.35MAcft for utilisation during non monsoon period from Hirakud Reservoir, but at present only 0.10MAcft water is being used by industries from Hirakud. This allocation is only 10% of the total water available in the Hirakud Reservoir during non-monsoon period. It is decided that DoWR will submit a detailed list on water allocation to industries to the Energy Dept. for appraisal to Hon'ble High Court.

The following in principle decisions have been taken in the meeting for recovery of arrear and current energy compensation dues from industries by OHPC.

- 1) Industries are depositing water tax and energy compensation charges with Water Resource Department as per the agreement. It is decided that DoWR will not transfer the collected energy compensation to OHPC rather they will adjust the collected energy compensation from the industries with the current and future of their water tax to be payable by industries.
- 2) OHPC will submit separate Bill to individual industries for recovery of arrear and current energy compensation.
- 3) The energy compensation is to be calculated as per the water allocation to industries since 2006, whereas the calculation is to be based on actual drawl by Industries before 2006.
- 4) The industries will compensate OHPC on actual water drawl before 2006.
- 5) Chief Engineer, Odisha Water Planning Organisation (OWPO) in the office the E.I.C, Water Resources will furnish the list of industries drawing water from the reservoirs with all the relevant data viz. Date of Agreement, quantity of water allocated and actual quantity of water drawl and agreement copy to Director (O), OHPC Ltd for calculation of arrear energy compensation and current Bill to Industries.
- 6) The details of drawl are to be furnished by Department of Water Resources to OHPC within 7days.

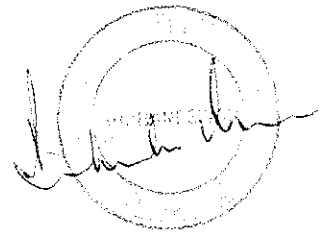
The block contains a handwritten signature in black ink over a circular official stamp. The stamp has text around its perimeter, including 'ODISHA HIGH COURT' and 'Bhubaneswar'. The signature appears to be 'S. K. Mishra'.

- 150
- 7) The unit rate of energy will be Rs.3.00 /Kwh for the year 2005-06, which is to be escalated at the rate of 10% per annum thereafter.
  - 8) DoWR will move a proposal to Govt for issuing an executive instruction for signing of supplementary agreement between OHPC and Industries for compensation for loss of energy. A clause will be incorporated in the main agreement between DoWR and Industries so that a supplementary agreement between OHPC and Industries can be signed to enable recovery of such energy compensation.
  - 9) OHPC to prepare a draft supplementary agreement within a week which will be vetted by DoWR and DoE, for signing with industries.
  - 10) Energy compensation is to be claimed from all industries drawing water from the reservoirs and Chiplima Power Channel from the date of their Agreement with DoWR.
  - 11) OHPC will raise energy compensation Bill directly to industries basing on the average head available at Hirakud and Rengali as these are low head power stations with head available for generation varies from Full Reservoir Level (FRL) to Minimum Draw Down Level (MDDL) and for other power stations it will be the rated head as the rated output from generator is available with head from FRL to MDDL.
  - 12) In case of Hirakud and Rengali the period of energy compensation will be from 1<sup>st</sup> Nov to 30<sup>th</sup> June (non-monsoon), whereas for other power stations it will be 12 months a year.
  - 13) At present, the minimum water level in Hirakud Reservoir is maintained at 595 Ft against the draw down level of 590 Ft. This is due to inadequate pressure in the end reaches of canal below RL 595 FT, which is hampering irrigation. It is decided that DoWR shall issue necessary circular/ letter to OHPC for maintaining minimum RL at 595 Ft. OHPC will apprise the revised Design energy of Hirakud and Chiplima Power House and inform accordingly to OERC.
  - 14) For maintenance of reservoirs and water bodies a corpus will be created. A Cabinet note is to be moved by DoWR for creation of annual maintenance fund by water Resources department which may escalate at the rate of 10% per annum. Fund will be utilised for dredging of reservoir for regaining lost capacity and maintenance of water bodies. E.I.C Water resources will calculate the details of annual maintenance fund requirement and modalities of implementation of such scheme.
  - 15) Director (OHPC) raised the issue of non payment of energy compensation of M/s Rathi Steel drawing water from the Chiplima Power Channel. DoWR will issue notice to M/s Rathi steel for disconnection of water supply.
  - 16) The issue of peak generation at Balimela and the required storage capacity in the Surulikonda Barrage was discussed. It has been observed that Surulikonda Barrage can accommodate three hours continuous generation from Balimela Power House with all units running at full capacity. Full load Generation from Balimela Power House for more than three hours results in spillage of water to river. It is required to explore the possibility of increasing the storage capacity of Surulikonda Barrage so that more water can be stored without discharging water to river. The Committee asked OHPC to make a cost benefit analysis and then take necessary follow up action.
- The Committee decided to meet after a fortnight & review the decisions implemented.
- The meeting ended with a vote of thanks to the Chairman.





# Annexure – 3





# ODISHA HYDRO POWER CORPORATION

O/o Sr. GENERAL MANAGER, HIRAKUD HYDRO ELECTRIC PROJECT,  
POST BOX. NO. 5, BURLA - 768017, DISTRICT: SAMBALPUR (ODISHA), INDIA  
PHONE: 0663-2430197(O), 2430741(R). FAX: 0663 2430712  
E-Mail : srgmhps\_burla@yahoo.co.in  
CIN : U40101OR1995SGC003963



No. HHEP/Tech-WK-67/Vol-IV/

5249  
WF

Date: 06/03/2018

To  
The Managing Director,  
M/s OPGC Ltd.,  
7th Floor, Fortune Tower,  
Chandrasekharpur, Bhubaneswar

By REGD. POST WITH AD

*Sub:- Energy compensation bill towards drawal of water from Hirakud Reservoir for the financial year 2017-18.*

Sr

In accordance with letter No. 6140 dtd. 31.07.2012 of Jt. Secretary to Govt. Department of Energy, Govt. of Odisha and instruction of Director (Operations), OHPC Ltd., Bhubaneswar vide letter No. 8736 dtd. 11.10.2012, the energy compensation bill to OHPC/HHEP/EN.COM/21/2018-19 dtd. 06/03/2018 towards drawal of water from Hirakud Reservoir for the period from April-2017 to March-2018 is enclosed herewith for early payment in shape of account payee multicity cheque / demand draft drawn in favour of "Odisha Hydro Power Corporation Ltd., HHEP, Burla" payable at State Bank of India, Burla Branch, Burla (Code-2034).

Yours faithfully,

Encl. As above

Memo No

3250 (2)  
WF

Date: 06/03/2018

*[Signature]*  
Unit Head, HHEP, Burla

Copy alongwith enclosure submitted to the Director (Operations), OHPC Ltd., Bhubaneswar & Director(Finance), OHPC Ltd., Bhubaneswar for favour of kind information please.

Encl. As above

Memo No

3251  
WF

Date: 06/03/2018

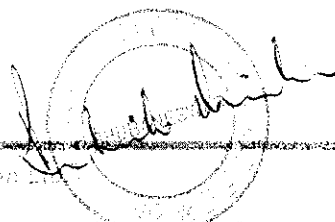
*[Signature]*  
Unit Head, HHEP, Burla

Copy alongwith enclosure forwarded to the Executive Engineer, Main Dam Division, Burla for information & necessary action.

Encl. As above

- C.C. :- (i) AGM (Finance) HHEP, Burla
- (ii) Guard File

*[Signature]*  
Unit Head, HHEP, Burla





# ODISHA HYDRO POWER CORPORATION LTD.

OFFICE OF THE Sr. GENERAL MANAGER, NIRAKUD HYDRO ELECTRIC PROJECT

POST BOX. NO. 5, BURLA - 768017, SAMBALPUR (ODISHA), INDIA

PHONE: 0663-2430197(O), 2430741(R), FAX: 0663-2430712

E-Mail: srghmpc\_burla@yahoo.co.in

CIN: U40101OR1955SGC003963

## ENERGY COMPENSATION INVOICE

(AS PER REVISED STATEMENT VIDE DOWR LR NO. 1325 DTD. 28.01.2015 AND LR NO. 5852 DTD. 30.06.2014 AND OHPC DO LR NO. 1373 DTD. 19.02.2015, 1485 DTD. 23.02.2015 & 4594 dtd. 24.05.2015)

GSTIN: 21AAACO2575P175

PAN No.: AAACO2575F

In No: OHPC/HR/EP/EN/COM/21/2015-15

Date: 05.03.2015

To  
The Managing Director,  
M/s OPGC Ltd.,  
7th Floor, Fortune Tower,  
Chandrasekharpur, Bhubaneswar

Date of 1st Drawal: Prior to the year 1999

Financial Year	Month or Period	Qty of water allocated in Cumecs	Qty of water allocated in Cumecs (C x 0.0283)	Av. Head in Meter (50ft x 0.3048)	Generation loss per day (KWH)	Days	Energy Compensation charge to be recovered (Rs.) (G x H x I x J x K x L)	Total amount unpaid amount of DPS (M x N x O x P x Q x R x S)	CPS @ 2% per month as per clause No. 17 of executive instruction No. 51 of 11		
										T	U
Balance Forward upto 31.03.2015								3,88,95,266.70	2,08,95,266.70	4,29,79,456.06	
2014-15	April-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6.43,641.20	4,00,50,772.90	7,77,613.55
	May-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,65,332.57	4,00,50,772.90	7,26,749.47
	Jun-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Jul-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Aug-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Sep-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Oct-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Nov-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Dec-17	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Jan-18	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Feb-18	14.22	0.40226	27.432	0.877	24	2279.414709	201.24550	6,43,641.20	4,00,50,772.90	8,00,711.12
	Total in Rs.								4,60,76,442.20		5,26,53,032.34
Less: DPS										6,46,82,763.34	
GRAND TOTAL in Rs.								9,77,29,184.74			
Or say,								9,77,29,195.00			

(Rupees nine crore seventy seven lakhs twenty nine thousand one hundred & ninety five) only

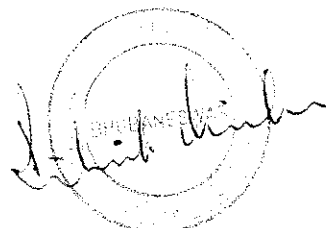
NOTE:

This registration certificate is valid on the date of issue of this Retail Invoice.  
Disputes are subjects to NATIONAL JURY jurisdiction.

Wing Head  
OHPC, Burla

Wing Head  
OHPC, Burla

Wing Head  
OHPC, Burla





# ODISHA HYDRO POWER CORPORATION LTD.,

O/o Sr. GENERAL MANAGER, HIRAKUD HYDRO ELECTRIC PROJECT,  
POST BOX. NO. 5, BURLA - 768017, DISTRICT: SAMBALPUR (ODISHA), INDIA  
PHONE: 0663-2430197(O), 2430741(R), FAX: 0663 2430712  
E-Mail: srgmhps\_burla@yahoo.co.in  
CIN : U40101OR1995SGC003963

No. HHEP/Tech-WK-67/Vol-IV/ 6266

Date: 11/10/2018

To  
The Managing Director,  
M/s OPGC Ltd.,  
7th Floor, Fortune Tower,  
Chandrasekharpur, Bhubaneswar

BY REGD. POST WITH AD

*SGP (F), HHEP*  
*[Handwritten signature]*

Sub:- Energy compensation bill towards drawal of water from Hirakud Reservoir for the month of August-2018

Sir,

In accordance with letter No. 6140 dtd. 31.07.2012 of Jt. Secretary to Govt. Department of Energy Govt. of Odisha and instruction of Director (Operation), OHPC Ltd., Bhubaneswar vide letter No. 8730 dtd. 11.10.2012 the energy compensation bill No. OHPC/HHEP/EN.COM./109/2018-19 dtd. 11.10.2018 towards drawal of water from Hirakud Reservoir for the month of August-2018 is enclosed herewith for early payment in shape of account payee multicity cheque / demand draft drawn in favour of "Odisha Hydro Power Corporation Ltd., HHEP, Burla" payable at State Bank of India, Burla Branch, Burla (Code-2034).

Yours faithfully

Encl As above

*[Signature]*  
Unit Head, HHEP, Burla

Memo No. 6267  
WF

Date: 11/10/2018

Copy alongwith enclosure submitted to the Director (Operation), OHPC Ltd., Bhubaneswar / Director(Finance), OHPC Ltd., Bhubaneswar for favour of kind information please.

Encl As above.

*[Signature]*  
Unit Head, HHEP, Burla

Memo No. 6268  
WF

Date: 11/10/2018

Copy alongwith enclosure forwarded to the Executive Engineer, Main Dam Division, Burla for information & necessary action.

Encl As above

*[Signature]*  
Unit Head, HHEP, Burla

C.C - i) AGM (Finance), HHEP, Burla  
ii) Guard File

*[Signature]*  
*[Circular Stamp]*

Regd. Office: Odisha Hydro Power Corporation Ltd.  
(A Govt. of Odisha Undertaking)  
Odisha State Police Housing & Welfare Corporation Building,  
Vanivihar Chook, Janpath, Bhubaneswar-22

Tel: 0674-2542583, 2542602, 2545526, 2542626  
FAX: 0674-2542102  
E-mail: ohpc.co@gmail.com / md@ohpc Ltd.com  
Website: www.ohpc Ltd.com



# ODISHA HYDRO POWER CORPORATION LTD.

OFFICE OF THE Sr. GENERAL MANAGER, HIRAKUD HYDRO ELECTRIC PROJECT

POST BOX. NO. 5, BURLA - 768017, SAMBALPUR (ODISHA), INDIA

PHONE: 0663-2430197(O), 2430741(R), FAX: 0663 2430712

E-Mail : srgmhps\_burla@yahoo.co.in

CIN : U40101OR1995SGC003963

## ENERGY COMPENSATION INVOICE

(AS PER REVISED STATEMENT VIDE DOWR LR. NO. 1326 DTD. 29.01.2015 AND LR. NO. 5852 DTD. 30.06.2014 AND OHPC CO LR. NO. 1373 dtd 19.02.2015, 1486 DTD. 23.02.2015 & 4594 dtd. 04.05.2015)

### PROVISIONAL BILL FOR THE MONTH OF AUGUST-2018

GSTIN : 21AAACO2575P1Z9  
PAN No.: AAACO2575P

Financial year		Month of Drawal	Qty of water allocated in Cumecs	Av. Head in Meter	Efficiency	Hours	Generation loss per day (KWH)	Days	Rate (Rs.)	Energy Compensation charge to be recovered (RS)	Cumulative unpaid amount for calculation of DPS @ 2% as per clause No. 11 of Executive Instruction dtd. 01.10.13	DPS @ 2% per month as per clause No. 11 of Executive Instruction dtd. 01.10.13
A	A	B	(B x 0.6283)	(90ft x 0.3048)	F	F	(9.81 x C x D x E x F)	H	I	J	K	L
Balance Forward upto July-2018										4,75,78,538.33	4,75,78,538.33	5,63,46,075.25
2018-19	August	-	-	-	-	-	-	-	-	0.00	4,75,78,538.33	9,51,57,077.77
Total in Rs.										4,75,78,538.33		5,72,96,646.02
Add DPS												5,72,96,646.02
GRAND TOTAL in Rs.												10,48,75,184.35
Or say												10,48,75,184.00

(Rupees ten crore forty eight lakhs seventy five thousand one hundred & eighty four) only

E&OE

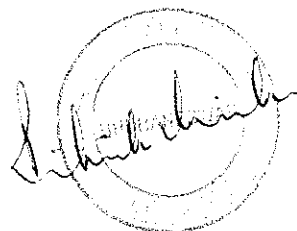
This registration certificate is valid on the date of issue of this Retail Invoice.

Disputes are subjects to SAMBALPUR jurisdiction.

Technical Wing Head  
HHEP, Burla

Finance Wing Head  
HHEP, Burla

Unit Head  
HHEP, Burla



# Annexure – 4



RESOLUTION

GOVERNMENT OF ODISHA.  
DEPARTMENT OF WATER RESOURCES

No. 11011 /WR, Bhubaneswar, dated 18/5/15  
Irr.-I-WB-09/2015

**Sub: - Constitution, Administration and Utilization of Water Conservation Fund (WCF).**

The State Cabinet approved the proposal for creation of "Water Conservation Fund (WCF)" in their 37<sup>th</sup> meeting held on 05.08.2013 on the recommendation of the Water Resources Board. It has been decided that a corpus fund will be created by way of receipt of one time contribution @ ₹2.50 crore per cusec of water allocated to the industries which will be utilized for construction of different water conservation projects. The contribution will be made on the basis of drawal of water and industries drawing 1 cusec of water or more will have to contribute to the corpus fund. The modalities of creation, administration and utilization of WCF have been formulated by Water Resources Department in consultation with the Finance Department and the Accountant General (A&E), Odisha.

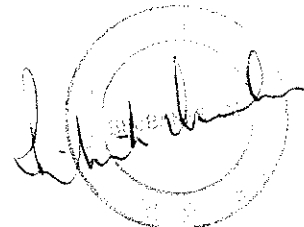
These guidelines are now issued for constitution, administration and utilization of Water Conservation Fund:

**GUIDELINES FOR CONSTITUTION, ADMINISTRATION AND  
UTILIZATION OF WATER CONSERVATION FUND (WCF)**

**Introduction:**

Water is a prime natural resource, a basic human need and a precious natural asset. Growth process and expansion of economic activities inevitably lead to increasing demands for water for diverse purposes such as domestic, industrial, agricultural, hydropower and thermal power etc. The rivers in Odisha are seasonal. 80% of the annual rainfall occurs during the monsoon. It is therefore imperative to conserve monsoon water for use during non-monsoon periods.

Due to rapid industrialization, the demand of water has been substantially increased and there is conflict among various stakeholders very often. The live storage capacity of a reservoir is mainly utilized by the industries in the non-monsoon period i.e. between October to June every year. Hence, the industries may be involved to take the social responsibilities for water conservation by contributing towards a corpus fund named as Water Conservation Fund (WCF). The State Water Resources Board in its 14<sup>th</sup> Meeting held on 08.12.2011 agreed to the proposal for creation of WCF to be administered by



Water Resources Department. The Cabinet in its 37<sup>th</sup> meeting held 05.08.13 has approved that a WCF shall be created by the contribution of one time deposit of ₹2.5 Crore / Cusec of water allocated to the industries.

2. **OBJECTIVE:**

The objective of creation of WCF is to construct different water conservation projects such as Medium Irrigation Projects, Minor Irrigation Projects, Dams, Barrages, Weirs, Bridge-cum-Barrages, Check-Dams etc. in the upstream areas for conservation of water to be used during lean season for agriculture and various other purposes. These structural interventions will also recharge ground water extensively.

3. **CONSTITUTION OF WCF:**

- 3.1. The contribution received from the industries towards WCF (WCF is termed as fund here-in-after) shall be shown as Government receipt and deposited under the Major Head of Account "0701-Medium Irrigation Projects-80-General-800-Other Receipts-0097-Miscellaneous Receipts-02230-One time contribution towards Water Conservation Fund".
- 3.2. The amount so deposited in Government account shall be transferred to the Fund Account "8449-Other Deposits-00-120-Miscellaneous Deposits-9618-Deposit Account of Water Conservation Fund-91325-Deposits-" by making budget provision of *equal amount* under the Head of Account "2701- Medium Irrigation-80-General-797-TRANSFER TO/FROM RESERVE FUNDS/DEPOSIT ACCOUNTS-9619-Transfer to Water Conservation Fund/Deposit Accounts-49010-Inter Account Transfer".
- 3.3. The actual expenditure for the purpose as mentioned will be debited to the programme Minor Head under the functional Major Head in Revenue Section or Capital Section depending upon the nature of expenditure. Amount financed from the WCF in these case will be shown as deduct entry under the "Minor head '902-deduct amount met from Water Conservation Fund' under the functional Major/Sub-Major Head where under the actual expenditure stands debited and Budget provision may be made accordingly.

4. **ADMINISTRATION OF WATER CONSERVATION FUND:**

4.1 ***Deposit of Fund:***

- i. The industries drawing more than or equal to one cusec of water will deposit one time contribution @ 2.50 crore per cusec of water allocated to them at the time of drawal of

A handwritten signature in black ink is written over a circular stamp. The stamp contains some text, but it is mostly illegible due to the signature and the quality of the scan. The signature appears to be in a cursive style.

agreement for new proposals or at the time of renewal of agreement or within three months of notification by Water Resources Department.

- ii. Industries which are drawing less than one cusec of water will have to deposit their one-time contribution if they exceed the threshold of drawal of one cusec of water during any part of the financial year. Similarly, industries who have already deposited the one time contribution for a certain allocation of Water will have to pay higher contribution proportionate to the excess drawal made by them in a particular year.
- iii. The Executive Engineer (EE) concerned will countersign the application for deposit by the industries and keep the Superintending Engineer, Chief Engineer / Chief Engineer & Basin Manager / Chief Construction Engineer, Chief Engineer, Water Services and Water Resources Department informed about the process. The calculation sheet for the amount to be deposited is also to be enclosed and countersigned by the Executive Engineer.
- iv. The industry(s) will deposit the contribution amount into the Govt. account under Major Head 0701-Medium Irrigation electronically through the Treasury Portal of Govt. of Odisha which will be accounted for by the Cyber Treasury, Bhubaneswar.
- v. After depositing the fund the industry will submit the copy of deposit receipt to the Executive Engineer and the Executive Engineer will intimate the same to all concerned as above.

#### **4.2 Release of Fund:**

- i. Funds provided in the Budget under the functional Major Head will be released to the concerned Controlling Officers through iOTMS for expenditure which will not exceed the actual amount available in the fund at any point of time.
- ii. The Controlling Officers will distribute the allotment in favour of the concerned divisions as per existing procedure.

### **5. UTILIZATION OF WATER CONSERVATION FUND:**

#### **5.1. Selection of Projects**

- i. Selection of projects will be made by a Technical Committee under the Chairmanship of Engineer-in-Chief, Water Resources with Engineer-in-Chief, Planning & Designs as vice-Chairman and Chief Engineer, Project Planning Formulation & Investigation, Chief Engineer, Minor Irrigation, Chief Engineer, OWPO, Chief Engineer, Water Services and Chief Engineer, Designs as member (s). Director, Monitoring & Evaluation, Office of Engineer-in-Chief, Water Resources will be the member convener. Prospective proposals prepared following standard

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procedures will be submitted by the concerned Chief Engineers / Chief Engineer & Basin Managers / Chief Construction Engineers for consideration of the Committee.

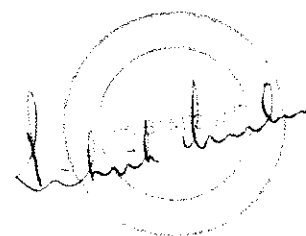
- ii. New and ongoing water conservation Projects such as Medium Irrigation Projects, Minor Irrigation Projects, Check Dams, Barrages, Weirs, Bridge-cum-Barrages etc. in the upstream areas will be considered for funding out of this fund.
- iii. Only the projects cleared by the State Technical Advisory Committee (TAC) will be considered by the Technical Committee.
- iv. The project proposals will have two parts. Pre Project activities including Survey & Investigation, Land Acquisition etc. and other statutory clearances including base-line studies will be Part-I of the Project and construction proper will be part-II of the Project. One detailed implementation schedule showing programme for utilization of the funds will be part of the Project Report, both for Part-I and II.
- v. The projects will have a maximum completion period of three years, one year for pre project activities and two years for construction proper.
- vi. Select list of projects will be submitted to Government in Water Resources Department for approval. Upon approval, the projects will be eligible for funding under WCF.
- vii. Administrative approval to these projects will be accorded by competent authority.

#### **5.2. Fund Utilization**

- i. The fund will be utilized for approved activities following approved procurement programme.
- ii. Controlling Officers will submit Statement of Expenditure (SOEs) in respect of expenditure incurred out of the WCF during a financial year and forward to the Chief Engineer, Water Services by 15<sup>th</sup> April of next financial year. They are also required to obtain Audit Certificate from the D.A.G., Odisha and submit it to the Chief Engineer, Water Services by 30<sup>th</sup> September under intimation to Govt. in Water Resources Department.
- iii. The Chief Engineer, Water Services will compile the SOEs and submit the same to Govt. in Water Resources Department.

#### **5.3 Implementation Arrangement:**

The Projects will be implemented following the standard extant procedures of implementation by the existing institutional set up of Water Resources Department. If required, new field units will be created newly and / or through re-deployment. The posts so created will be co-terminus with the project.

A handwritten signature in black ink is written over a circular stamp. The signature is cursive and appears to read 'S. K. Singh'. The stamp is a faint circular outline.

5.4 **Maintenance of the project:**

Since the projects are to be taken up on a turn-key basis, the maintenance clause is inbuilt for the initial years (upto a period of five years), *thereafter*, the O&M expenditure will be funded out of State Budget like other projects *since it will earn revenue after completion*.

6. **MONITORING AND EVALUATION:**

Monitoring and Evaluation of the Projects will be done as per the standard arrangement of the Department.

7. **ACCOUNTING AND AUDITING PROCEDURE :**

i. *Maintenance of the Fund: Engineering-in-Chief, Water Resources will be the Administrator of the Fund and he will cause proper maintenance of the account records of the Fund.*

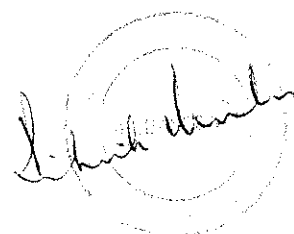
ii. *Records to be maintained for the Fund: Maintenance of records pertaining to receipt of contribution, transfer of contribution to the fund, total cost of the projects approved for financing from the Fund etc., transfer from the fund to meet the expenditure for approved projects and submission of monthly status report to the Government in Water Resources Department shall be the responsibility of the administrator. The Chief Engineer, Water Services and FA & CAO of the Office of the EIC, Water Resources will assist the Administrator of the fund in this behalf.*

iii. *Procedure for operation of the Fund*

a) *Sanction order for transfer to the Fund: On receipt of the contribution from the industrial units, Water Resources Department will issue sanction orders for transfer of fund from Major Head – 2701 – Medium Irrigation Project to the Major Head – 8449 – Other Deposits.*

b) *Sanction to meet the expenditure on Projects from the Fund: The Water Resources Department will issue sanction orders, at the close of the Financial Year, to meet the expenditure from the fund by debiting the Major Head – 8449 – Other Deposits with contra deduct debit to the Minor Head "902" under functional Major Head where the actual expenditure is made. On receipt of the sanction order adjustment will be carried out in the books of Accountant General before close of March (Supplementary) Accounts of the Financial Year.*

iv. *Compilation and reconciliation of the Fund Account: The administrator will cause the compilation of the fund account and reconcile all the transactions under the same at the end of the each Financial Year, within two calendar months of the succeeding year.*

A handwritten signature in black ink is written over a circular stamp. The signature is cursive and appears to read 'S. Chandra'. The stamp is a faint circular outline with some illegible text inside.

v. **Investment, if any, of the balances in the Fund:** The corpus of the fund is to be maintained in the Public Account of the State Government as a deposit not bearing interest. The balances in the fund will form a part of the cash balance of the State Government.

vi. **Savings, Interpretation, Relaxation to remove difficulties and hardships:** Save as otherwise provided in the preceding paragraphs, Government in Water Resources Department shall have the final authority to clarify doubts relating to interpretation of any term and / or resolve any dispute relating to the operation of the Fund. Government in Water Resources Department may relax these guidelines in case there are difficulties or hardships encountered in the process of implementation / operation.

vii. **Arrangement for Audit:** The accounts relating to the corpus of the fund and records maintained for the purpose will be subject to audit by Comptroller & Auditor General of India and the internal audit wing of Water Resources and Finance Departments.

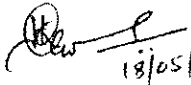
8. **COMPLETION REPORT:**

The completion report of the projects will be furnished by the field units within three months of completion indicating achievements made vis-à-vis initial programme and change in socio-economic indicators as per base line study report.

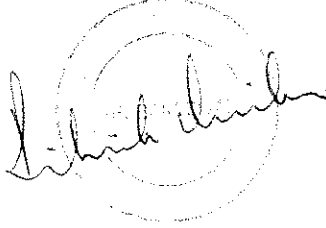
**ORDER**

Ordered that the resolution be published in the next issue of the Odisha Gazettee.

**By Order of the Governor**

  
18/05/2015

**Principal Secretary to Government**



Memo No. 11012 WR Dt. 18/5/15

Copy forwarded to Director of Stationaries, Printing & Publication, Odisha, Cuttack for information and immediate necessary action. He is requested to publish the above Resolution in an extra ordinary issue of Gazettee and to supply 100 copies of the printed Resolution to this Department.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

Memo No. 11013 WR Dt. 18/5/15

Copy forwarded to all Departments of Government / All Heads of Departments/All Collectors for information and immediate necessary action.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

Memo No. 11014 WR Dt. 18/5/15

Copy forwarded to Accountant General, Odisha, Bhubaneswar/DAG, Odisha, Puri /Finance Department / M.D., OLIC Ltd., Bhubaneswar / EIC, Water Resources, Bhubaneswar / EIC, P&D, Secha Sadan, Bhubaneswar / Chief Engineer, Minor Irrigation, Bhubaneswar / All CE & BM and all Chief Construction Engineers / Additional Director, CAD for information and immediate necessary action.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

Memo No. 11015 WR Dt. 18/5/15

Copy forwarded to the PS to Principal Secretary to Hon'ble Chief Minister, Odisha, Bhubaneswar for information of Principal Secretary to Hon'ble Chief Minister.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

Memo No. 11016 WR Dt. 18/5/15

Copy forwarded to the OSD to Chief Secretary, Odisha/P.S. to DC-cum-ACS, Odisha, Bhubaneswar/P.S. to Special Secretary to Government, P&C Department for information and immediate necessary action.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

Memo No. 11017 WR Dt. 18/5/15

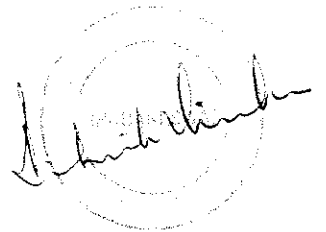
Copy forwarded to all Sections of Department of Water Resources/Guard File/50 spare copies.

*ASD*  
18/5/2015

F.A-cum-Joint Secretary to Government

*Subhash Chandra*

# Annexure – 5

A handwritten signature in cursive script is written over a circular stamp. The signature is dark and appears to be 'H. H. H. H. H.'. The stamp is faint and circular, with some illegible text inside.

# The Odisha Gazette

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

No. 1545, CUTTACK, SATURDAY, NOVEMBER 7, 2015/ KARTIKA 16, 1937

[No.24011-Irr.-I-WB-9/2015/WR.]

## WATER RESOURCES DEPARTMENT

### RESOLUTION

The 3rd November, 2015

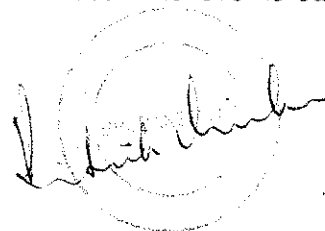
#### **Subject : Installment facilities for the Water Conservation Fund (WCF)**

Water is a prime natural resource, a basic human need and a precious natural asset. Due to rapid Industrialization, the demand of water has been substantially increased and there is conflict among various stakeholders very often. The live storage capacity of a reservoir is mainly utilized by the Industries in the non-monsoon period i.e. between October to June every year. Hence, the Industries may be involved to take the social responsibilities for water conservation by contributing towards a *corpus* fund named as Water Conservation Fund (WCF).

The Guidelines regarding constitution, administration and utilization of WCF has been laid down vide DoWR Resolution No.11011, dated the 18th May, 2015 which stipulates one time contribution of WCF by the Industries.

On the verge of implementation of the scheme, some Industries individually as well as through their Association have represented for waiver/deferment of the WCF because they expressed financial hardship due to Industrial slowdown.

Taking into consideration, the representations made by various Industries and their Associations and considering their financial hardship, Government have approved that the Industries shall contribute @ ₹ 2.5 crores/ cusec of water allocated to the Industries drawing more than or equal to 1 cusec of water in 5 equal annual installments in coming 5 years. The Industries shall enter into an agreement for the purpose of drawal of water each year before which contribution towards Water Conservation Fund (WCF) shall be paid. Such deposit will be made at the time of drawal of agreement for new Industries and for the existing Industries at the time of renewal of agreement or within three months of issue of the date of Notification by Department of Water Resources whichever is earlier.



Such contribution towards Water Conservation Fund (WCF) shall be made from beginning with the current financial year. No interest shall be charged on these five installments. However, any default in payment of the annual installments in time shall attract penalty and interest as per Odisha Irrigation (Amendment) Rules, 2010.

The expenditure on projects identified to be funded out of Water Conservation Fund is to be limited to the extent of amount available in the Fund and the execution of the Projects are to be sequenced accordingly.

The Government in Department of Water Resources Resolution No.11011/ WR., dated the 18th May, 2015 stands modified accordingly.

Any clarification regarding implementation of contribution to Water Conservation Fund shall be issued by Government in Department of Water Resources.

This Resolution shall come into force from its date of issue.

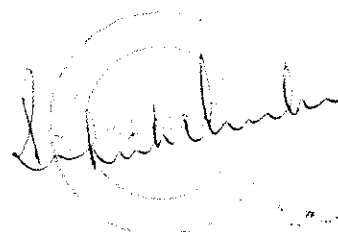
ORDER

Ordered that the Resolution be published in the next issue of the *Odisha Gazette*.

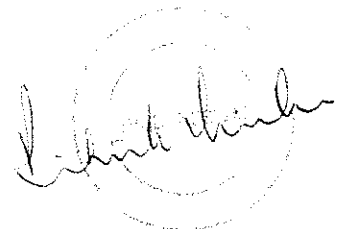
By Order of the Governor

P.K. JENA

Principal Secretary to Government



# Annexure – 6



*Lalit Singh*

OFFICE OF THE EXECUTIVE ENGINEER, MAIN DAM DIVISION, BURLA

Letter No 7208 (WE)

Date 14.07.2015

To:

The Manager(Chemical),  
I.T.P.S., Banhapali Dist. Jharsuguda

Subj: Consultation, Administration and Utilization of Water Conservation Fund (WCF)

Sir,

It has been decided by the Government in Department of Water Resources vide Resolution No.11011/WR dt.18.05.2015, that a corpus fund will be created by way of receipt of one time contribution @Rs.2.50 Crores per cusec of water allocated to the industries which will be utilized for construction of different water conservation projects. Copy of the resolution is enclosed for your reference.

Hence it is requested to deposit an amount of Rs.132.45 crore towards water conservation Fund against 52.98 cusec of water allocated in your favour.

An early action will be appreciated.

Encl:- As above

Yours faithfully,

*M. S. Das*  
Executive Engineer,

Main Dam Division, Burla

Memo No. 7209

Date: 14.07.2015

Copy submitted to the Engineer-in-Chief, Water Resources, Odisha, Seashasadana, Bhubaneswar for favour of your kind information and necessary action.

*M. S. Das*  
Executive Engineer,

Memo No. 7210

Di. 14.07.2015

Copy submitted to the Chief Engineer, Water Services, O/o The Engineer in Chief(W/R), Secha Sadan, Bhubaneswar for favour of kind information and necessary action.

*M. S. Das*  
Executive Engineer,

Memo No 7211

Di. 14.07.2015

Copy submitted to the Chief Engineer and Basin Manager, Upper Mahanadi Basin, Burla for kind information and necessary action.

*M. S. Das*  
Executive Engineer,

Memo No 7212

Di. 14.07.2015

Copy submitted to the Superintending Engineer, Hirakud Dam Circle, Burla for kind information and necessary action.

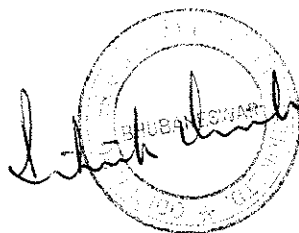
*M. S. Das*  
Executive Engineer,

Memo No 7213

Di. 14.07.2015

Copy to Assistant Executive Engineer, Hydrology Subdivision, Burla, for information and necessary action.

*M. S. Das*  
Executive Engineer,



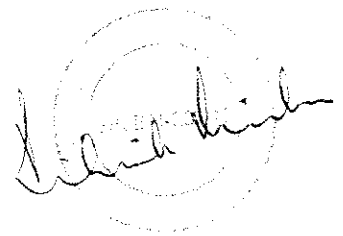
# Annexure – 7

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**Annexure-7 Proposed Additional Capitalisation during FY 2019-20**

Name of the work	Proposed expenditure (Rs.)	Claimed for approval (Rs.)	Not claimed for approval (Rs.)	Justification
Upgradation of Ash Shary Disposal Tank	150,00,000	150,00,000	-	Ash shary lines (6K.m long) are 20 years old and due to croskin thickness has reduced leading to failure. Proposal is to change the Cast iron pipes with MS pipes and avoid couplings by welding the pipe joints.
Increase in Capacity of Ash Pond by evacuation from the existing Ash Pond	500,00,000	500,00,000	-	As per norms of SPCB as well as CPCB, ash utilization needs to be done up to 100%. However, we are not able to achieve the target due to lack of utilisation opportunity. The additional land availability for construction of new ash pond is the major issue. The alternative way is to increase the capacity of existing ash pond by evacuation of the ash after taking statutory approvals.
Increase in Capacity of Ash Pond by evacuation from the existing Ash Pond	100,00,000	100,00,000	-	As per norms of SPCB as well as CPCB, ash utilization needs to be done up to 100%. However, we are not able to achieve the target due to lack of utilisation opportunity. The additional land availability for construction of new ash pond is the major issue. The alternative way is to increase the capacity of existing ash pond by evacuation of the ash after taking statutory approvals.
Renewable Energy	25,00,000	-	25,00,000	
Fire Suppression System in MCR	100,00,000	100,00,000	-	This proposal is for the installation of the standby bank of the Cylinders for the total flooding firefighting system installed at main control room. Proposal for installation of hepta-floro propane based total flooding system at Main Control Room, Electrical panels rooms, DASS room, UPS room is already processed & finalized in 2018-19, considering only one cylinder bank. The System shall be provided with two banks (Main & standby) of Cylinders with 100% facilities at either side to server standby arrangement in case of actuation of any of the cylinder bank during fire emergency.
Raising of pond A's capacity increase of Ash Pond A	90,00,000	90,00,000	-	Construction of ash pond over ash pond B; by lifting 1 Lakh Cum of ash from ash pond A during FY 2019-20 for capacity addition of ash pond A
LED Lights	30,00,000	-	30,00,000	
Conveyor Guarding (Additional lighting in Post Dir. off. & B)	10,00,000	10,00,000	-	Audit finding and protection from running conveyors
New environment monitoring instrument at S/TP/ New CEMS Analyser	30,00,000	30,00,000	-	At present we have one analyser with dual extraction system for both the stacks (Unit#1 & Unit#2). This takes around 15 mins to generate successive data for each unit. However CPCB guideline states generation of successive data within 200 sec ( 3.5 mins) Further analyser with same serial number is not accepted by CPCB and therefore additional CEMS is required.
<b>Total</b>	<b>10,55,00,000</b>	<b>980,00,000</b>	<b>55,00,000</b>	

# Annexure - 8

A circular stamp containing a handwritten signature in cursive script. The signature is written in dark ink and is centered within the stamp's border.



**Nag & Associates**  
Chartered Accountants

**Head Office :** C-52, Ground Floor  
Baramunda Housing Board Colony  
Bhubaneswar-751003  
Mob.:9937315551,  
Telefax :91-674-2355022  
E-mail : nagandassociates@gmail.com

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Odisha Power Generation Corporation Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Odisha Power Generation Corporation Limited ("the Company"), which comprise the Balance Sheet as at 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 31<sup>st</sup> 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



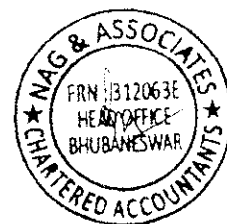
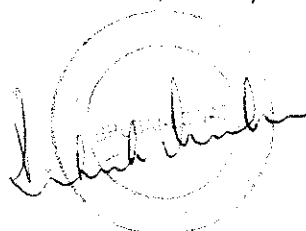
(Registration of Charges) Rules, 2014. The amount of penalty and other consequential liabilities is not quantified by the company.

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 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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




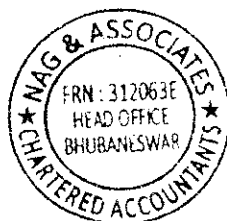
(S.P. Padhi)

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



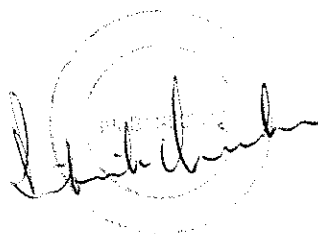
(S.P. Padhi)

Partner

M.No. 053292

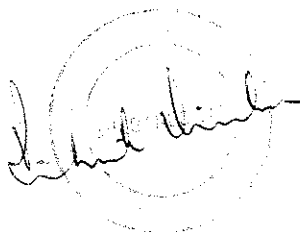
Place: Bhubaneswar

Date: 21.07.2018



**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.




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



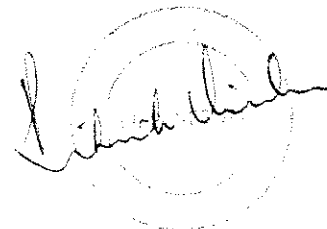
(S.P. Padhi)

Partner

M.No. 053292

Place: Bhubaneswar

Date: 21.09.2018



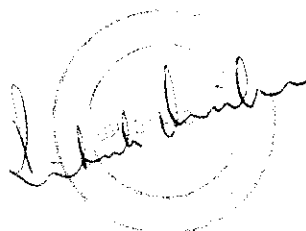
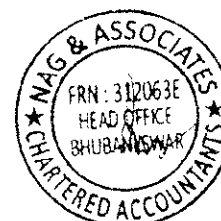
**Annexure – C to the Auditor’s Report of Odisha Power Generation Corporation Limited**

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.

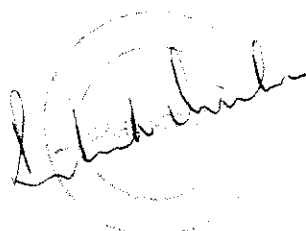
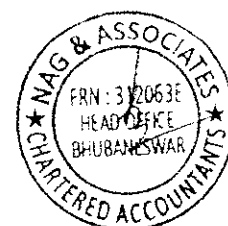
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Hence, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. The Company 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
	<b>TOTAL</b>	<b>288.80</b>	<b>173.18</b>	

- 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 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the section 197 of the Act is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with 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**

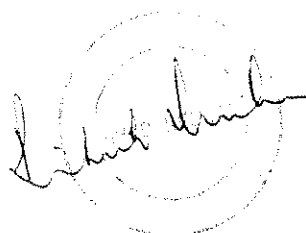
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on 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 31<sup>st</sup> 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.

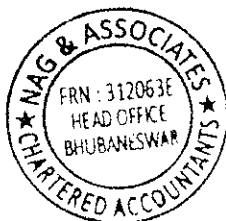
In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial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

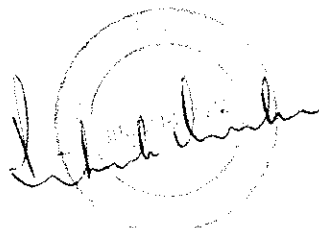
FRN: 312063E

  
(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

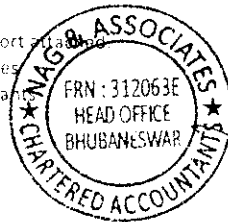
(Rupees in Lakh)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>				
1	<b>Non-current assets</b>			
	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
	<b>Total non-current assets</b>		<b>8,31,698.69</b>	<b>7,16,587.10</b>
2	<b>Current assets</b>			
	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
	<b>Total Current Assets</b>		<b>68,215.77</b>	<b>77,244.72</b>
	<b>TOTAL ASSETS</b>		<b>8,99,914.46</b>	<b>7,93,831.82</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
	a. Equity Share capital	18	1,58,049.74	97,521.74
	b. Other Equity	19	1,13,294.89	1,14,765.83
	<b>Total equity</b>		<b>2,71,344.63</b>	<b>2,12,287.57</b>
<b>LIABILITIES</b>				
1	<b>Non-current liabilities</b>			
	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
	<b>Total non-current Liabilities</b>		<b>5,55,729.18</b>	<b>3,84,364.68</b>
2	<b>Current liabilities</b>			
	a. Financial Liabilities			
	(i) Trade and other payables	24	8,418.34	6,253.08
	(ii) Other financial liabilities	25	61,888.54	1,37,841.88
	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
	<b>Total Current Liabilities</b>		<b>72,840.65</b>	<b>1,97,179.57</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,99,914.46</b>	<b>7,93,831.82</b>

Notes forming part of the financial statements

1-41

In terms of our report dated 21.04.2018  
For Nag & Associates  
Chartered Accountants



*(S. P. Padhi)*  
Partner

*(M. R. Mishra)*  
Company Secretary

*(Prakash Mohanty)*  
Director Finance

*(Indranil Dutta)*  
Managing Director

FRN : 312063E

Membership No: 053292

Place: Bhubaneswar

Date: 21.04.2018

For and on behalf of the Board

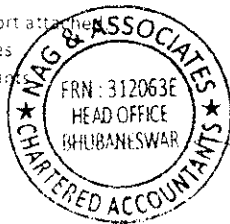
*(Indranil Dutta)*


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	28	60,719.50	72,178.28
II	Other income	29	1,592.10	3,630.73
III	<b>Total Income (I + II)</b>		<b>62,311.60</b>	<b>75,809.01</b>
IV	<b>Expenses</b>			
	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	-	1,105.57
	f. Other expenses	35	9,630.24	8,234.84
	<b>Total expenses (IV)</b>		<b>61,452.70</b>	<b>64,572.77</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>		<b>858.90</b>	<b>11,236.24</b>
VI	Exceptional items		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>858.90</b>	<b>11,236.24</b>
VIII	<b>Tax Expenses:</b>			
	(i) Current tax		-	-
	(ii) Tax of earlier years		1,110.85	4,220.89
	(iii) Deferred tax		71.37	10.85
	<b>Total tax expenses</b>		<b>(802.38)</b>	<b>211.61</b>
IX	<b>Profit for the year (VII - VIII)</b>		<b>479.06</b>	<b>6,792.90</b>
X	<b>Other Comprehensive Income / (Losses)</b>			
	(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		-	-
	<b>Total Comprehensive Income / (Losses)</b>		<b>93.48</b>	<b>(0.91)</b>
XI	<b>Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)</b>		<b>572.55</b>	<b>6,791.99</b>
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



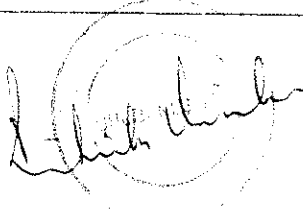
  
(M. R. Mishra)  
Company Secretary

For and on behalf of the Board

  
(Praveen 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

		(Rupees in Lakh)	
Particulars		Year ended March 31, 2018	Year ended March 31, 2017
<b>A</b>	<b>Cash flows from operating activities:</b>		
	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)	(3,251.05)
	CSR expenditure	142.35	324.33
	<b>Operating profit before working capital changes</b>	<b>2,745.28</b>	<b>11,821.18</b>
	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
	<b>Cash generated from operations</b>	<b>(92,159.98)</b>	<b>21,308.14</b>
	Taxes Paid	(926.58)	(3,730.34)
	CSR expenditure	(242.35)	(324.33)
	<b>Net cash flow from operating activities</b>	<b>(93,228.89)</b>	<b>17,254.47</b>
<b>B</b>	<b>Cash flows from investing activities:</b>		
	Payments for purchase of fixed assets	(62,862.67)	(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	(28,158.44)	-
	Dividend including Dividend Distribution Tax	-	(25,785.77)
	Payment towards capital and other advances	-	(1,101.27)
	Advance payments against leasehold land	-	(2,63,824.40)
	<b>Net cash used in Investing Activities</b>	<b>(94,614.96)</b>	<b>(2,63,824.40)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>		
	Issue of shares	60,528.00	48,500.00
	Dividends paid on redeemable cumulative preference shares	-	-
	Dividends paid to owners of the Company	(2,043.45)	(3,540.68)
	Interest paid	-	-
	Proceeds from borrowings	1,69,359.81	2,16,515.69
	Interest paid	(48,764.55)	(24,982.12)
	Repayment of other financial liabilities	-	(214.11)
	<b>Net cash flow from financing activities</b>	<b>1,79,079.75</b>	<b>2,36,279.58</b>
	<b>Net Increase/(decrease) in cash or cash equivalents</b>	<b>(8,764.10)</b>	<b>(10,290.55)</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,533.24</b>	<b>25,823.79</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>6,769.14</b>	<b>15,533.24</b>

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. Pooji)*  
Partner

*(M. R. Mishra)*  
Company Secretary

*(Pravakar Mohanty)*  
Director Finance

*(Ingranjii Dutta)*  
Managing Director

FRN : 312063E  
Membership No. 083292  
Place Bhubaneswar  
Date 21.09.2018

*(Signature)*

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	(Rupees in Lakh)		
	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			92.48
<b>Total Comprehensive Income</b>			<b>572.55</b>
Dividend (including tax on dividend)			(2,043.49)
Transfer of profits of the year to General Reserve			
<b>Balance as at March 31, 2018</b>	<b>5,888.43</b>	<b>8,960.23</b>	<b>98,446.22</b>

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

*(Signature)*

## Notes to Financial Statements

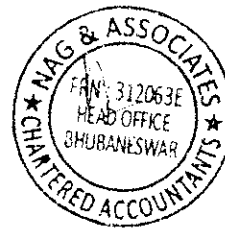
### Note 1. General Corporate Information:

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.

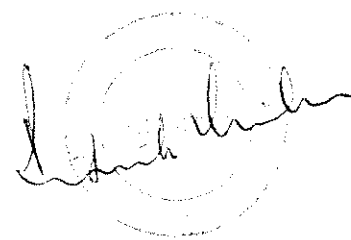
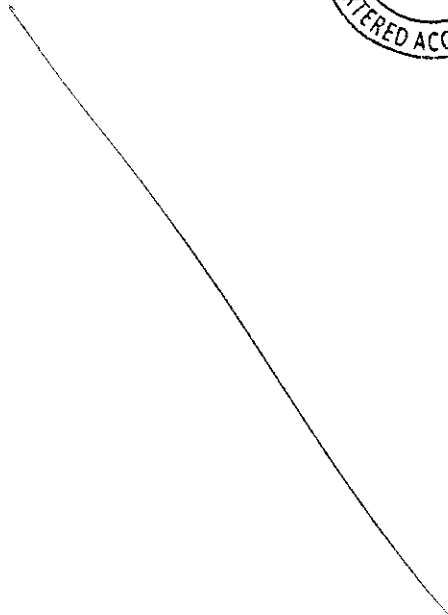
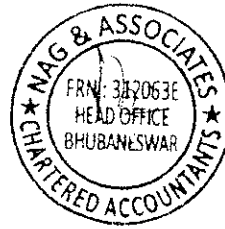
The functional and presentation currency of the Company is Indian Rupee ("INR") which is the currency of the primary economic environment in which the Company operates.

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 transitioned 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



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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 listed above.



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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.

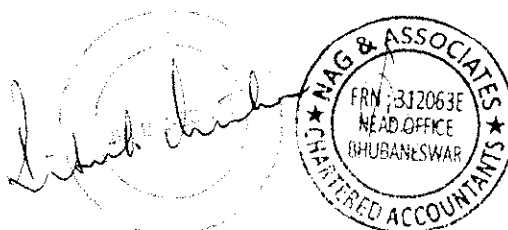
Unsettled liabilities for price variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

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.

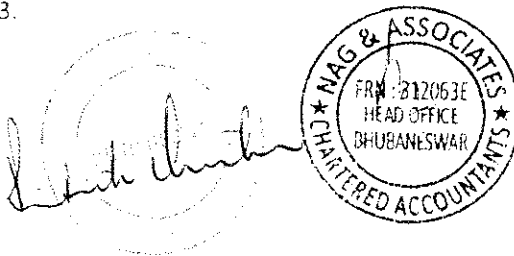
**Depreciation & Amortization:**

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.

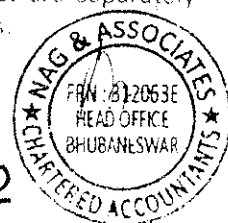
#### Disposal and derecognition of assets

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 on



the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

#### **Environmental liabilities**

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

#### **Litigation**

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

#### **Contingent Liabilities and Assets:**

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

Contingent assets are 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.

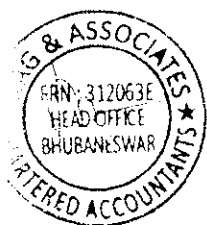
#### **The Company as lessee.**

##### **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



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

#### **The Company as lessor**

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

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

#### **3.12 Inventories**

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

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

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

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

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

#### **3.13 Trade receivable:**

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

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

#### **3.14 Financial Instruments:**

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



#### **Financial assets at amortized cost**

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

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

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

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

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

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

##### **Financial Liabilities**

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

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

##### **Equity instruments**

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

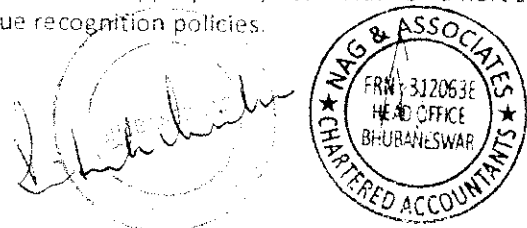
##### **Compound instruments**

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

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

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

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



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

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

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

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

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

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

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

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

#### **Offsetting financial instruments**

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

### **3.15 Borrowing cost:**

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

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

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 condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.



A handwritten signature in black ink, written over a circular stamp. The signature is cursive and appears to read 'Rishabh'. The stamp is partially obscured by the signature.

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).

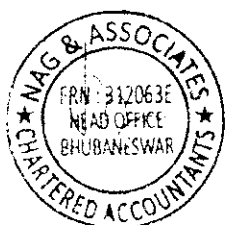
##### **ii. Defined benefit plans**

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 present value of



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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.

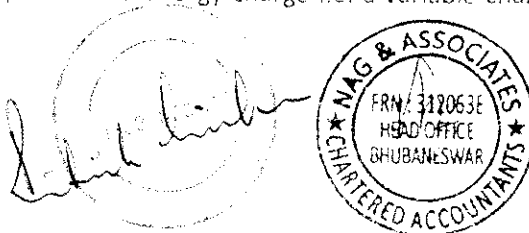
Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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.

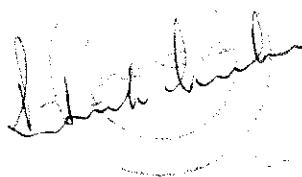
### **3.21 Restatement of material error / omissions:**

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.

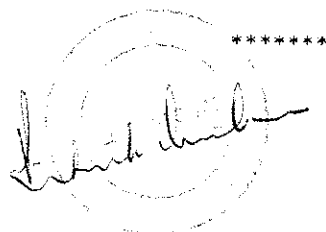
**c. Contingent liabilities:**

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 Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Freehold Land		15.75
Building	17.00	15.75
Plant & Equipment	7,937.47	4,457.54
Furniture & Fixtures	21,694.54	15,235.74
Vehicles	652.76	566.69
Office Equipment	89.07	55.76
Road Bridge & Culvert	1,109.24	1,129.43
Water Supply Drainage & Sewerage	816.59	1,645.54
Power Supply Distribution & Lighting	692.06	266.25
Heavy Mobile Equipment	19.55	443.92
	33,770.25	31,372.48
<b>Total</b>	<b>33,770.25</b>	<b>31,372.48</b>

(i) Gross Block of Road, Bridge and Culvert includes assets held 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	2.74		18.49				18.49	15.75
Buildings	10,281.73	3,696.09		13,977.82	5,679.10	336.35		9,302.47	4,457.54
Plant & Equipment	1,13,917.47	8,000.36	(96.89)	1,22,010.94	96,172.72	2,310.69	(48.91)	2,008.74	15,235.74
Furniture & Fixtures	945.71	131.89		1,077.60	1,091.72	85.71		982.76	566.69
Vehicles	211.74	37.09		248.83	165.99	17.18		89.07	55.76
Office Equipment	3,674.47	298.48	(40.31)	3,932.64	2,665.80	315.68	(0.40)	1,109.24	1,129.43
Road Bridge & Culvert	2,083.90	23.02		2,106.92	1,098.27	91.24		1,017.01	1,645.54
Water Supply, Drainage & Sewerage	288.02	393.17		681.19	329.77	45.86		316.59	266.25
Power Supply Distribution & Lighting	929.32	308.44		1,237.76	485.18	63.35		692.06	443.92
Heavy Mobile Equipment	305.94			305.94	264.17	7.78		19.55	19.55
<b>Total</b>	<b>1,32,470.63</b>	<b>13,581.89</b>	<b>(67.31)</b>	<b>1,45,985.21</b>	<b>1,09,192.25</b>	<b>3,084.27</b>	<b>(87.40)</b>	<b>33,770.25</b>	<b>31,372.48</b>
Provision Year	2,27,426.39	5,119.54	(69,912)	2,62,633.93	1,07,508.01	1,295,554.01	(14.10)	33,770.25	31,372.48

(iii) Details of impairment 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) (MMHP)	1,17,167.07	8,908.66	(87,117)	3,908.66	1,08,435.68	2,646.99	(67.40)	21,086.04	18,851.34
Expansion Project (Unit - 3 & 4)	5,192.03	8,692.35		13,884.38	716.87	624.22		17,084.25	4,326.12
<b>Total</b>	<b>1,22,359.10</b>	<b>13,601.01</b>	<b>(87,117)</b>	<b>15,493.04</b>	<b>1,09,152.55</b>	<b>3,271.21</b>	<b>(87.40)</b>	<b>33,170.29</b>	<b>23,177.46</b>

\* Property, Plant and Equipment (MMHP) were impaired during the year 2017-18 amounting to Rs. 171.16 Lakhs as follows

MMHP, Andharshwar	304.76	Rs Lakhs
MMHP, Kooconupure	47.12	Rs Lakhs
MMHP, B-Unit	35.45	Rs Lakhs
<b>Total</b>	<b>387.33</b>	<b>Rs Lakhs</b>



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

5 Capital work-in-progress - Tangible

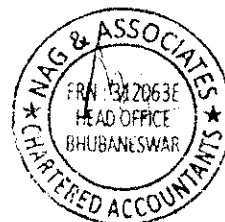
(Rupees in Lakh)

A 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
<b>TOTAL</b>	<b>7,53,089.09</b>	<b>5,94,665.59</b>
(ii) Intangible Assets under Development		
Software	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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	4,29,831.42	1,04,735.62	-	-	5,34,567.04
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
<b>Total</b>	<b>5,87,199.92</b>	<b>2,08,076.18</b>	<b>(43,768.86)</b>	<b>(2,720.72)</b>	<b>7,48,786.52</b>

- 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 2C.
- 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.)
- Interest during construction attributable to qualifying assets capitalised during the year will be allocated on a systematic basis on completion of the expansion project.
- 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 Barboria)



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
<b>Total</b>	<b>765.91</b>	<b>804.48</b>

(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 01.04.2017	For the year	Deduction/ Written Back	As at 31.03.2018	As at 31.03.2017
Software	990.90	84.41	-	186.42	122.98	-	309.40	804.48
<b>Total</b>	<b>990.90</b>	<b>84.41</b>	<b>-</b>	<b>186.42</b>	<b>122.98</b>	<b>-</b>	<b>309.40</b>	<b>804.48</b>

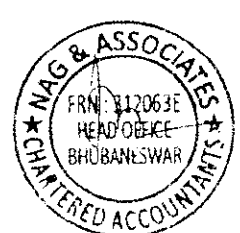
(iii) Details of component of assets of operational units, expansion of power plant are as follows:

Descriptions	Gross block			Depreciation			Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 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	-	122.44	104.17	-	226.61	785.28
Expansion Project (Unit - 1 & 4)	83.18	8.95	-	63.98	18.81	-	82.79	19.20
<b>Total</b>	<b>990.90</b>	<b>84.41</b>	<b>-</b>	<b>186.42</b>	<b>122.98</b>	<b>-</b>	<b>309.40</b>	<b>804.48</b>

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		
<b>Total</b>		



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

8 Non-current Investments

(Rupees in Lakh)

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

(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
<b>Total carrying amount</b>	<b>15,300.00</b>	<b>10,200.00</b>

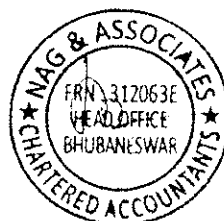
# Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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

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

(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 2015.

(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**

**9 Non Current-Loans & Advances**

(Rupees in Lakh)

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

- (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	
<b>Total</b>	<b>28,222.08</b>	<b>87,083.49</b>

Notes:

- (i) Payment was made to Odisha Industrial Infrastructure Development Corporation (IDCO), Govt. of Odisha and CAMPA towards acquisition of land for Merry-Go-Round (MGR) Railway system and Ash Pond. As per the land acquisition policy of IDCO / Govt. of Odisha, the company 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.

Operating Leases

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

- (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 3.7.
- (viii) Prepaid expenses includes payment made for various insurance coverages.



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

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

(Rupees in Lakh)

Particulars	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	-	-
<b>Total Inventories</b>	<b>4,413.79</b>	<b>4,268.55</b>

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



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

12 Trade receivables

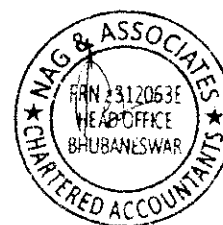
Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Trade receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	9,850.45	12,775.74
(c) Doubtful	-	-
Allowance for doubtful debts	-	-
<b>Total</b>	<b>9,850.45</b>	<b>12,775.74</b>

- (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
<b>TOTAL</b>	<b>9,850.45</b>	<b>-</b>	<b>9,850.45</b>

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
<b>TOTAL</b>	<b>12,775.74</b>	<b>-</b>	<b>12,775.74</b>

- (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.



*S. K. Mishra*

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
<b>Total</b>	<b>6,769.14</b>	<b>15,533.24</b>
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	182.97
<b>Total</b>	<b>47,563.75</b>	<b>14,407.31</b>
<b>Total Cash and Bank Balances</b>	<b>49,332.89</b>	<b>29,940.55</b>

The cash and bank balances are denominated and held in Indian Rupees.

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

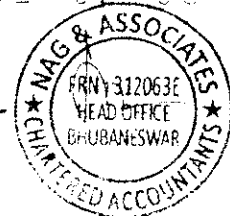
a. The Company has provided security to Axis Bank Ltd in terms of fixed deposits of Rs 1,569.98 Lakh (Previous Year : Rs 1539.20 Lakh) for issuance of performance bank guarantee on behalf of OCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".

b. The Company has provided security to Yes Bank Ltd in terms of fixed deposits of Rs 3,890.00 Lakh (Previous Year : Rs 3,050.00 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" against supply of water.

- 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.



**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
<b>a. Loans to employees</b>		
- Secured, considered good	93.34	49.79
- Unsecured, considered good	89.39	97.86
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
<b>b. Loans to Odisha Coal and Power Limited</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	461.96
- Doubtful	-	-
Less : Allowance for credit Loss	-	-
<b>c. Security Deposits</b>	0.25	0.09
<b>TOTAL</b>	<b>182.98</b>	<b>609.70</b>

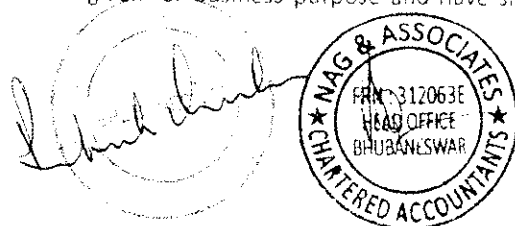
- (i) Loan to employees amounting to Rs. 182.73 Lakh (Previous Year : Rs. 147.64 Lakh) is on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum.  
 Secured loan represents vehicle loan of Rs 93.34 Lakh (Previous Year : 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 been entirely repaid during the year.



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

15 Other Current Financial Asset

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
<b>Advances to others</b>		
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
<b>Total</b>	<b>993.85</b>	<b>25,420.02</b>

(i) Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of India vide its Judgment dated 24th / 25th September 2014. Both the coal blocks were later allotted to 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
<b>Expenditures :</b>		
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
		<b>22,404.29</b>
<b>Liabilities</b>		
Security deposit & Retention money		78.09
Borrowings (Refer Note-4(i))		7,966.33
Accumulated Depreciation	-	44.51
Net Expenditure Recoverable	-	<b>8,088.92</b>
		<b>14,315.37</b>

Particulars	(Rupees in Lakh)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Other Expenses:</b>		
Interest on borrowed capital utilised for development of coal mine *		2,141.67
Land Advance		51.60
Contract Payment		64.00
Receivable against Statutory Dues (employees)	115.80	174.92
Other Admin Expenses	180.97	19.00
<b>Total</b>	<b>296.77</b>	<b>2,451.28</b>
	<b>296.77</b>	<b>2,451.28</b>

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 OCP.



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

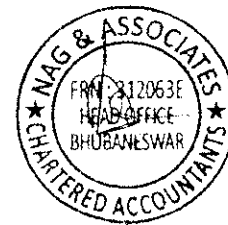
16 Current tax assets and liabilities

(Rupees in Lakh)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current tax assets</b>		
Tax refund receivables/Advance Tax	54,195.88	50,436.59
Advance Tax and TDS for the year	897.61	3,730.34
<b>Total</b>	<b>55,093.49</b>	<b>54,166.93</b>
<b>Current tax liabilities</b>		
Income Tax payable	51,804.39	47,512.13
Provision for taxation for the year	1,110.85	4,220.89
<b>Total</b>	<b>52,915.24</b>	<b>51,733.02</b>
<b>Current Tax Assets (Net)</b>	<b>2,391.49</b>	<b>2,924.47</b>
<b>Current Tax Liabilities (Net)</b>	<b>213.24</b>	<b>490.56</b>

17 Other current assets

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

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



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**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
<b>Total</b>	<b>1,58,049.74</b>	<b>97,521.74</b>
<b>Authorised Share Capital</b>		
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		
<b>Issued and Subscribed capital comprises .</b>		
1,58,04,974 nos. of equity shares of Rs.1000/- each	1,58,049.74	97,521.74
<b>Total</b>	<b>1,58,049.74</b>	<b>97,521.74</b>

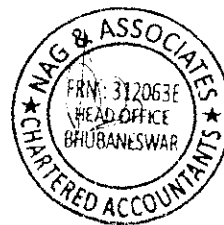
(i) The movement in subscribed and paid up share capital is set out below:

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Rs. Lakh	No. of shares	Rs. Lakh
<b>Ordinary shares of Rs.1000 each</b>				
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
	<b>1,58,04,974</b>	<b>1,58,049.74</b>	<b>97,52,174</b>	<b>97,521.74</b>

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 OPFC Holding (Incorporated in Mauritius)	69,48,259	43.96%	39,82,387	40.84%
	<b>1,58,04,974</b>	<b>100%</b>	<b>97,52,174</b>	<b>100%</b>

(ii) The authorised share capital of the company has been increased from existing Rs.100,000 Lakh to Rs. 300,000 Lakh consisting of 30,000,000 nos. 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.



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	8,960.23	8,960.23
Retained earnings	98,446.23	99,917.17
Security Premium reserve	5,888.43	5,888.43
<b>Total</b>	<b>1,13,294.89</b>	<b>1,14,755.83</b>

(i) General Reserve

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

(ii) Retained Earnings

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	99,917.17	96,665.25
Profit attributable to owners of the Company	479.06	6,792.91
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	93.48	(0.91)
Payment of dividends on equity shares	1,697.85	2,941.30
Related income tax on dividend	345.64	558.78
<b>Balance at the end of the year/period</b>	<b>98,446.23</b>	<b>99,917.17</b>

(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	5,888.43	5,888.43
Movement during the year	-	-
<b>Balance at the end of the year/period</b>	<b>5,888.43</b>	<b>5,888.43</b>

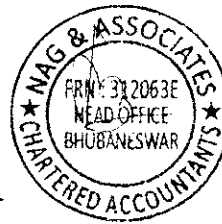
The nature of reserves are follows:

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

**20 Non Current- Borrowings**

(Rupees in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured - at amortised cost</b>		
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
<b>Total</b>	<b>5,48,040.93</b>	<b>3,78,681.12</b>

- (i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the company as prior allottee amounting to Rs. 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.

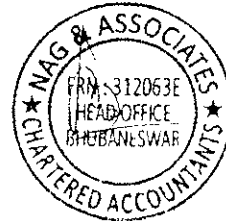


(v) Interest:-

- (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
<b>Total contractual cash flows</b>	<b>5,54,334.83</b>	<b>3,83,456.89</b>
Less: Capitalisation of transaction costs	385.16	404.90
<b>Total Borrowings</b>	<b>5,53,949.67</b>	<b>3,83,051.99</b>



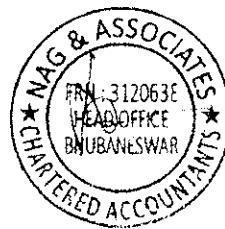
**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

**21 Non Current-Other Financial Liabilities**

(Rupees in Lakh)

Particulars	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
<b>Total</b>	<b>1,123.19</b>	<b>511.76</b>

\* 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.



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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	1,408.48	
- Terminal TA benefits	553.01	
Provision for Decommissioning liabilities	431.17	
<b>Total</b>	<b>5,974.83</b>	<b>3,829.39</b>

(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.



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**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 -

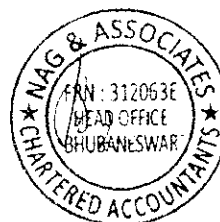
A) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

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.



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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	2,843.92	2,798.42
Less : Deferred Tax Asset	2,253.68	1,456.02
<b>Net Deferred Tax (Asset)/ Liability</b>	<b>590.23</b>	<b>1,342.41</b>

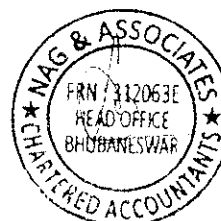
Income Tax

(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
<b>Items not deductible for tax/not liable to tax</b>		
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
<b>Income tax expense reported</b>	<b>379.84</b>	<b>4,443.35</b>

(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
<b>Deferred tax assets</b>				
Provisions	1,416.98	865.51	(50.21)	2,232.38
Others	39.03	(17.72)	-	21.31
<b>Total</b>	<b>1,456.01</b>	<b>847.89</b>	<b>(50.21)</b>	<b>2,253.68</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	2,798.42	45.50	-	2,843.92
<b>Total</b>	<b>2,798.42</b>	<b>45.50</b>	<b>-</b>	<b>2,843.92</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>1,342.41</b>	<b>(802.39)</b>	<b>50.21</b>	<b>590.23</b>



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

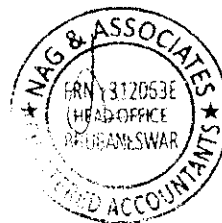
**24 Current- Trade and other Payables**

Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
<b>Trade Payables</b>		
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
<b>Other Payables</b>		
Liabilities for expenses payable to employees	4,090.03	4,553.29
	1,394.48	782.34
<b>Total</b>	<b>8,418.34</b>	<b>6,253.08</b>

(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	4.38	3.66
b. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
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 MCL account which is due to non adjustment of differential entry tax, quantity difference, pumping charges of water supplied and credit allowed in un-graded coal etc at their end.



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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
<b>Total</b>	<b>61,888.54</b>	<b>1,87,841.88</b>

26 Other Current Liabilities

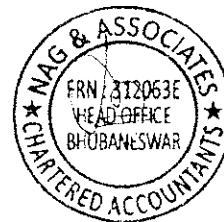
Particulars	(Rupees in Lakh)	
	As at March 31, 2018	As at March 31, 2017
a. Advances from Customers & others	184.96	139.18
b. Statutory Dues Payables *	814.90	1,767.96
<b>Total</b>	<b>999.86</b>	<b>1,907.14</b>

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

27 Current-Provisions

Particulars	(Rupees 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
<b>Total</b>	<b>1,320.67</b>	<b>686.92</b>

# 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
<b>Total</b>	<b>60,719.50</b>	<b>72,178.28</b>

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

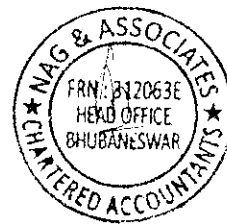
(ii) Sale does not include internal consumption of 330.55 MU including transformer loss of 25.372 MU (previous year 349.211 MU including transformer loss of 11.994 MU), the cost of which has been determined at Rs 7,557.63 Lakh (previous year Rs 6910.87 Lakh) approximately.

(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 Biribati 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, Auxiliary Consumption and Sale of power

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



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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	<b>Interest Income</b>		
	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
		<b>1,521.08</b>	<b>3,291.05</b>
b	<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
	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	17.80
		<b>407.49</b>	<b>386.10</b>
c	<b>Other gains and losses</b>		
	Gain/(loss) on disposal of PPE	-	-
	<b>Total (a+b+c)</b>	<b>1,928.57</b>	<b>3,677.15</b>
d	<b>Less:</b>		
	Amount included in the cost of qualifying assets	336.47	46.42
		<b>336.47</b>	<b>46.42</b>
	<b>Total</b>	<b>1,592.10</b>	<b>3,630.73</b>

(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.

(ii) Excess Provision written back related to	Year ended March 31, 2018	Year ended March 31, 2017
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



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

30 Cost of raw material consumed

(Rupees in Lakh)

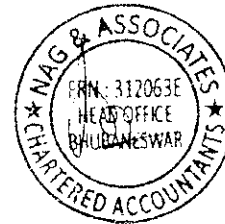
Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
imported	-	-
Indigenous	41,249.71	47,103.35
<b>Total</b>	<b>41,249.71</b>	<b>47,103.35</b>

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
<b>Total</b>	<b>41,249.71</b>	<b>47,103.35</b>

- (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.



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

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
<b>Total (A)</b>	<b>12,823.47</b>	<b>9,508.92</b>
Less :		
Allocated to fuel cost	559.53	489.52
Amount included in the cost of qualifying assets	4,229.53	3,220.38
<b>Total (B)</b>	<b>4,799.06</b>	<b>3,709.90</b>
<b>Net (A-B)</b>	<b>8,024.41</b>	<b>5,799.02</b>

- (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	(Rupees in Lakh)	
	Year ended March 31, 2018	Year ended March 31, 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 729.35 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.



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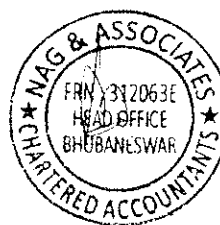
**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**

32 Finance Costs

(Rupees in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) <b>Interest Expense</b>		
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) <b>Other Borrowing Cost</b>		
Guarantee Commission	-	977.19
<b>Total Finance Cost</b>	<b>50,322.43</b>	<b>27,322.72</b>
Less : amount included in the cost of qualifying assets	50,302.44	26,345.53
<b>Total</b>	<b>19.99</b>	<b>977.19</b>

- (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 Odisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.



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

33 Depreciation & amortisation expenses

(Rupees in Lakh)

Particulars	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	509.41
<b>Total</b>	<b>2,528.35</b>	<b>1,351.99</b>

34 Impairment losses

(Rupees in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Impairment of CWIP (Mini Micro Hydel Projects). Refer Note- 6		1,106.57
<b>Total</b>		<b>1,106.57</b>



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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
<b>Generation Expenses:</b>		
Consumption of Stores, spares & chemicals	1,668.65	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
	<b>9,851.22</b>	<b>6,542.31</b>
<b>Selling and Distribution Expenses:</b>		
Rebate in the nature of cash discount to customer	976.04	1,096.77
<b>Administrative Expenses:</b>		
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	51.72	29.84
Rate, Taxes & Cess	45.56	48.84
Other Repairs	60.79	61.73
Travelling expenses	304.41	271.35
Watch and Ward expenses	585.17	494.08
Township development expenses	380.00	353.66
	<b>3,790.24</b>	<b>3,381.09</b>
<b>Other Expenses</b>		
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
	<b>63.84</b>	<b>154.25</b>
<b>Corporate Social Responsibility</b>	<b>142.35</b>	<b>142.35</b>
Less: Allocated to Fuel Cost	837.47	695.61
Amount included in the cost of qualifying assets	4,305.98	2,568.50
	<b>5,193.45</b>	<b>3,264.11</b>
<b>Total</b>	<b>9,630.24</b>	<b>8,234.64</b>

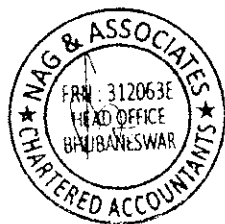
(i) Payment to Auditors:

	2017-18	2016-17
a. Statutory Audit		
Statutory Audit Fees	9.02	5.33
Statutory Audit expenses	0.75	1.13
b. Tax Audit fees	1.15	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
<b>TOTAL</b>	<b>12.93</b>	<b>11.59</b>

(ii) In terms of section 135 of the companies act 2013, the company is required to make an expenditure on Corporate Social Responsibility for an amount of Rs 350.09 Lakh during the reporting year.

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

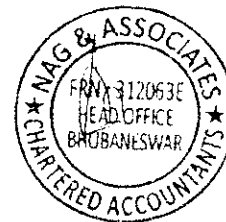
Particulars	In Cash	Yet to be paid in Cash	Total
Construction / acquisition of any asset			
On purpose other than (ii) above	122.81	19.54	142.35
<b>Total</b>	<b>122.81</b>	<b>19.54</b>	<b>142.35</b>



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

Cost of Qualifying Assets ( Unit 3 & 4)				
Particulars	2017-18		2016-17	
<b>A. EMPLOYEE BENEFIT EXPENSES</b>				
Salaries & Wages	3,998.35		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>B. FINANCE COST</b>				
Interest Expenses	50,282.69		26,321.35	
Other borrowing Cost	19.75	50,302.44	24.18	26,345.53
<b>C. DEPRECIATION AND AMORTISATION EXPENSES</b>				
Depreciation	643.35	643.35	509.31	509.31
<b>D. Water Charges</b>	1,854.40	1,854.40	642.27	642.27
<b>E. Insurance</b>	1,021.09	1,021.09	979.81	979.81
<b>F. ADMINSTRATIVE AND OTHER EXPENSES</b>				
Rent	111.47		109.88	
General expenses	1,036.65		639.23	
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	17.34		2.50	
Donation	-	1,430.49	-	948.41
CSR expenditure in compliance to Environmental Clearance	443.25	443.25	327.53	327.53
<b>Total</b>		<b>59,924.55</b>		<b>32,971.25</b>
<b>OTHER INCOME</b>				
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	
<b>Total</b>		<b>336.47</b>		<b>46.42</b>



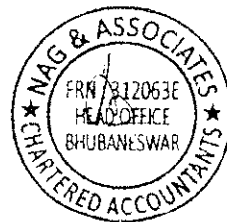
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Odisha Power Generation Corporation Limited  
Notes forming part of the financial statements

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.

(Rupees in Lakhs)							
Transactions	OCPL	AES India Pvt. Ltd	AES OPGC holding	Key Management Personnel	Relatives of Key Management Personnel	PF Trust	Government of Odisha
<b>Finance provided</b>							
FY 2017-18	5,100.00						
FY 2016-17	10,659.41						
<b>Interest on loan given</b>							
FY 2017-18	8.27						
FY 2016-17	711.28						
<b>PF Contribution</b>							
FY 2017-18						951.74	
FY 2016-17						321.86	
<b>Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources</b>							
FY 2017-18		1,182.13					
FY 2016-17		946.52					
<b>Management Services Charges</b>							
FY 2017-18		31.72					
FY 2016-17		29.84					
<b>Remuneration</b>							
FY 2017-18				53.80			
FY 2016-17				44.66			
<b>Dividend paid</b>							
FY 2017-18		138.61	693.33				865.91
FY 2016-17		963.53	477.71				1,309.07
<b>Guarantee commission paid</b>							
FY 2017-18							
FY 2016-17							977.13
<b>Equity share capital received</b>							
FY 2017-18			29,658.72				30,659.28
FY 2016-17			23,765.00				24,735.00
<b>Guarantee outstanding</b>							
FY 2017-18	6,279.94						
FY 2016-17	6,281.00						
<b>Outstanding receivable</b>							
FY 2017-18	296.77						
FY 2016-17	24,732.98						
<b>Outstanding payables</b>							
FY 2017-18						10.15	
FY 2016-17						93.34	



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

37 Earning per share (EPS)

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

Particulars	(Rupees in 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	52,97,790
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 3,25,030.16 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	23.50	(828.81)	272.90
(ii) Indirect tax demands	15.90	-	-	15.90
(iii) Claims of contractors & others	1,036.21	11.67	-	1,047.88
b. Outstanding letter of credit and guarantees	5,340.32	381.43	-	5,723.75
c. Other money for which the Company is contingently liable	6,281.00	-	(1.05)	6,279.94
Total	13,754.63	415.60	(829.87)	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 577 Lakh was raised by OHPCL Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.3849 dtd July 05, 2016 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 5,279.94 lakh and outstanding letter of credit and guarantees includes pledge of fixed deposit of Rs 1,558.98 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:

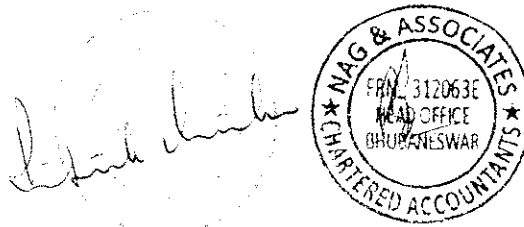
While determining the tariff for Ib TPS (Unit 1&2), OERC had computed the tariff in terms of OERC Tariff Regulation. The Company aggrieved over such issue, had filed appeals with the Appellate Tribunal for Electricity (APTEL) and subsequently before Hon'ble Supreme Court against the tariff orders issued 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 aimed at combination of short term and long term borrowings.

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



**Odisha Power Generation Corporation Limited**  
**Notes forming part of the financial statement**  
**41 Disclosure on Financial Instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 17 to the financial statements.

**(a) Financial assets and liabilities**

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2018

As at March 31, 2018	(Rupees in Lakhs)						
	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					49,332.89	49,332.89	49,332.89
Trade receivables					9,850.45	9,850.45	9,850.45
Loans					734.30	734.30	734.30
Other financial assets					993.85	993.85	993.85
<b>Total</b>					<b>60,911.49</b>	<b>60,911.49</b>	<b>60,911.49</b>
<b>Financial liabilities</b>							
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
<b>Total</b>					<b>63,011.72</b>	<b>63,011.72</b>	<b>63,011.72</b>
					<b>63,470.99</b>	<b>63,470.99</b>	<b>63,470.99</b>

As at March 31, 2017	(Rupees in Lakhs)						
	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					29,940.55	29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74	12,775.74
Loans					1,165.76	1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02	25,420.02
<b>Total</b>					<b>69,302.07</b>	<b>69,302.07</b>	<b>69,302.07</b>
<b>Financial liabilities</b>							
Trade and other payables							
Borrowings					6,253.08	6,253.08	6,253.08
Other financial liabilities					3,78,661.12	3,78,661.12	3,78,661.12
<b>Total</b>					<b>3,85,174.24</b>	<b>3,85,174.24</b>	<b>3,85,174.24</b>
					<b>3,73,267.84</b>	<b>3,73,267.84</b>	<b>3,73,267.84</b>

(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 with Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

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

- (i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.
- (iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments, subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- (iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 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 risk. The risk management policy is approved by the Board of Directors. The risk management framework aims to

- (i) By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) By achieving greater predictability to earnings and determining the financial value of the expected earnings in advance.
- (i) **Market Risk:** - Market risk is the risk of any loss in future earnings, or 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.
- (iii) **Credit Risk:** - Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
- (iii) **Liquidity Risk:** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

*[Signature]*

**MAG & ASSOCIATES**  
 FRN : 312063E  
 HEAD OFFICE  
 RHUBANESWAR  
 CHARTERED ACCOUNTANTS

**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

	(Rupees in Lakh)				
	As at March 31, 2018				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
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	61,866.64	1,123.19	-
<b>Total non-derivative financial liabilities</b>	<b>6,25,379.73</b>	<b>6,25,379.73</b>	<b>75,808.46</b>	<b>1,15,481.48</b>	<b>4,34,067.79</b>

	(Rupees in Lakh)				
	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>					
Borrowings including interest thereon	3,83,051.99	3,83,051.99	3,065.06	92,388.88	2,86,697.15
Trade payables	6,253.06	6,253.06	6,253.06	-	-
Other financial liabilities	1,88,353.64	1,88,353.64	1,87,841.88	511.76	-
<b>Total non-derivative financial liabilities</b>	<b>5,77,658.70</b>	<b>5,77,658.70</b>	<b>1,98,060.92</b>	<b>92,900.64</b>	<b>2,86,697.15</b>

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

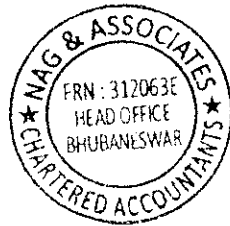
Previous year figures have been reclassified/ regrouped wherever necessary

For Nag & Associates  
Chartered Accountants

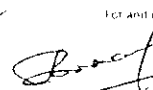
  
(P. Padmi)  
Partner


FRN : 312063E  
Membership No. 093292

Place: Bhubaneswar  
Date: 21.09.2018



  
M. R. Mishra  
Company Secretary

For and on behalf of the Board  
  
Pravat Mohanty  
Director Finance

  
Indranil Dutta  
Managing Director

