Annexure – 2

Annexure 2 : Reconciliation of of Assets addition in 2015-16 as considered for True Up Petition with Audited Accounts				
S.No	Description	As per Audited Acccounts (Rs)	Considered for True-Up (Rs)	Not Considered for True-Up (Rs)
1	Lease hold land including development cost(ITPS)	10957500	10957500	0
2	Lease hold land- Rehabilitation	3000000	3000000	0
3	Plant Building	3121996	3121996	0
4	Residential Building - Township	432477	432477	0
5	Roads,Bridges and Culverts-Plant	1728901	1728901	0
6	Water Supply, Drainage & Sewerage -Plant	1506553	1506553	0
7	Power Supply, distribution and lighting -plant	444905	444905	0
8	Sewerage Treatment Plant	299635	299635	0
9	Boiler & TG including foundation & Building	43512473	43512473	0
10	Coal Handling Plant	12289437	12289437	0
11	Ash Pond -A	79587970	79587970	0
12	Control & Instrumentation	7230344	7230344	0
13	Power Transformers and Cabling System	3389935	3389935	0
14	Control & Relay Panels	686684	686684	0
15	Safety Equipment	18207	18207	0
16	Other Movable Equipment	353102	353102	0
17	Furniture, Fittings & Furnishing -Plant	41566	0	41566
18	Furniture, Fittings & Furnishing - Hospital	161017	0	161017
19	Furniture, Fittings & Furnishing - Others	253811	0	253811
20	Heavy Vehicle	956750	956750	0
21	Airconditioners	198768	0	198768
22	Water Coolers & Purifiers	195620	0	195620
23	Air Coolers	12000	0	12000
24	Photo Copying Machine	549444	0	549444
25	Telephone & Fax Equipments	41567	0	41567
26	Office equipment -Others	1073004	0	1073004
27	TV & Cable Equipments	31500	0	31500
28	Hospital Equipments	418570	0	418570
29	ITPS House Equipments-others	3008	0	3008
30	Electronic Access and Surveillance system	283721	283721	0
31	EDP Machines	4984223	4984223	0
32	Computer-Software	2019288	2019288	0
33	Other-Software	1391275	1391275	0
34	Furniture, Fittings & Furnishing - Office	60069	0	60069
35	BOOKS	25690	0	25690
	Total	**181261011**	**178195376**	**3065634**

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Annexure – 3

Nag & Associates
Chartered Accountants

Head Office: MPI-136, Khandagiri Enclave
Near Sisugruh, Housing Board Colony
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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 2017, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial statements").

Management's Responsibility for the Standalone Financial statements

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

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Observation

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

Report on Other Legal and Regulatory Requirements

1. With respect to the other matters to be included in the Auditor's Report in terms of the directions of the Comptroller and Auditor-General of India (CAG) under Section 143 (5) of the Act, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the **Annexure "A"** and **Annexure "B"** statement on the matters specified in the directions and sector specific additional directions of CAG respectively.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in **Annexure "C"**, statement on the matters specified in the paragraph 3 and 4 of the order.

3. As required by Section143(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;

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

NAG & ASSOCIATES FRN : 312063E HEAD OFFICE BHUBANESWAR CHARTERED ACCOUNTANTS

Nag &Associates
Chartered Accountants

(iii) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(iv) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(v) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as director in terms of Section 164(2) of the Act;

(vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "D"**; and

(vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note- 39 to the standalone Ind AS financial statements;

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

d. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 13(iii) to the standalone Ind AS financial statements.

e. It is noted that the constitution of the Company's Audit Committee does not comply with the requirements of the provisions of section 177 of the Act. It is also noted that the Audit committee has no independent director and the role and effectiveness of such Audit Committee, in our opinion does not meet the requirements of corporate governance prescribed in the Act

For Nag & Associates
Chartered Accountants
FRN: 312063E

(Siva Prasada Padhi)
Partner
M.No. 053292

NAG & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 312063E HEAD OFFICE BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Place: Bhubaneswar
Date: 04.11.2017

Nag & Associates
Chartered Accountants

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

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 06.11.2017

NAG & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 312063E HEAD OFFICE BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Nag & Associates
Chartered Accountants

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

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

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ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

NAG & ASSOCIATES CHARTERED ACCOUNTANTS FRN : 312063E HEAD OFFICE BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Nag & Associates
Chartered Accountants

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

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

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its major portion of property, plant and equipments.

b) The Company has a regular programme of physical verification of its major portion of property, plant and equipments. In accordance with this programme, major portion of property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipments.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except as follows:

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

ii. a) The inventories have been physically verified by the management during the year end. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of business.

b) The Company has maintained proper records of inventories. As per the information and explanation given to us, the discrepancies between the physical inventories and book records arising out if physical verification, which were not material, have been dealt with in the books of account.

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

iv. The Company has not granted any loans or given any guarantee and security covered under section 185 and 186 of the Companies Act, 2013, except to its subsidiary. In respect of loans to and investment in subsidiary, the Company has complied with the provision of section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and Rules framed there under.

vi. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and in our opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records to determine whether they are accurate and complete.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees, state insurance and duty of excise.

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

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

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

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

NAG & ASSOCIATES FRN : 3129638 HEAD OFFICE BHUBANESWAR CHARTERED ACCOUNTANTS

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Nag & Associates
Chartered Accountants

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

x. According to the information and explanations given to us, as represented by the management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

Xi According to the information and explanations given to us and based on our examination of the record of the Company, as per notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the section 197 of the Act is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Nag & Associates
Chartered Accountants
FRN: 312063E

(Siva Prasada Padhi)
Partner

M.No. 053292
Place: Bhubaneswar
Date: 04.11.2017

NAG & ASSOCIATES FRN: 312063E HEAD OFFICE BHUBANESWAR CHARTERED ACCOUNTANTS

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Nag & Associates
Chartered Accountants

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

NAG & ASSOCIATES
FRN : 312063E
HEAD OFFICE
BHUBANESWAR
CHARTERED ACCOUNTANTS

ODISHA POWER GENERATION CORPORATION LTD.
BHUBANESWAR

Nag & Associates
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Opinion

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

NAG & ASSOCIATES CHARTERED ACCOUNTANTS BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	ASSETS				
1	**Non-current assets**				
	(a) Property, Plant and Equipment	5	23,277.48	19,732.10	19,802.38
	(b) Capital work-in-progress - Tangible	5	5,94,665.59	3,32,939.00	1,22,953.61
	(c) Other Intangible assets	6	804.48	73.83	78.94
	(d) Intangible assets under development	6	-	614.52	81.32
	(e) Financial Assets				
	(i) Investments	7	10,200.00	2.55	2.55
	(ii) Loans and Advances	8	556.06	387.84	344.51
	(iii) Others	9	-	-	60.58
	(f) Other non-current assets	10	87,083.49	60,253.84	79,323.64
	Total non-current assets		**7,16,587.10**	4,14,003.68	2,22,647.53
2	**Current assets**				
	(a) Inventories	11	4,268.55	4,877.57	5,960.26
	(b) Financial Assets				
	(i) Trade receivables	12	12,775.74	9,014.58	4,375.72
	(ii) Cash and cash equivalents	13	15,533.24	25,823.79	6,965.78
	(iii) Bank Balances other than (ii) above	13	14,407.31	24,323.83	77,930.83
	(iv) Loans	14	609.70	9,736.08	109.52
	(v) Others	15	25,420.02	27,741.75	1,190.80
	(c) Current Tax Assets (Net)	16	2,924.47	2,935.31	2,459.28
	(d) Other current assets	17	1,305.69	1,498.93	527.71
	Total Current Assets		**77,244.72**	1,05,951.84	99,519.90
	TOTAL ASSETS		**7,93,831.82**	5,19,955.52	3,22,167.43
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	97,521.74	49,021.74	49,021.74
	(b) Other Equity	19	1,14,765.83	1,11,513.91	1,04,499.42
	Total equity		**2,12,287.57**	1,60,535.65	1,53,521.16
	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	20	3,78,681.12	1,62,141.26	83,239.22
	(ii) Other financial liabilities	21	511.76	725.87	388.33
	(b) Provisions	22	3,829.39	3,863.98	2,439.66
	(c) Deferred tax liabilities (Net)	23	1,342.41	1,131.28	1,864.23
	Total non-current Liabilities		**3,84,364.68**	1,67,862.39	87,931.44
2	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Trade and other payables	24	6,766.84	9,288.53	5,762.13
	(ii) Other financial liabilities	25	1,87,841.88	1,81,036.83	74,192.74
	(b) Other current liabilities	26	1,907.14	1,000.88	653.21
	(c) Provisions	27	173.16	231.24	106.75
	(d) Current Tax Liabilities (Net)	16	490.56	-	-
	Total Current Liabilities		**1,97,179.57**	1,91,557.48	80,714.83
	TOTAL EQUITY AND LIABILITIES		**7,93,831.82**	5,19,955.52	3,22,167.43
Notes forming part of the financial statements		1-43			

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

For and on behalf of the Board

(S. P. Padhi)
Partner
FRN : 310962E
Membership No: 053292
Place : Bhubaneshwar
Date : 04-11-2017

(M. R. Mishra)
Company Secretary

(H. P. Nayak)
Director Finance

(Indranil Dutta)
Managing Director

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Nag & Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

(Rupees in Lakhs)

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

In terms of our report attached.
For Nag & Associates
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ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Odisha Power Generation Corporation Limited

Statement of Cash Flow for the year ended March 31, 2017

(Rupees in Lakhs)

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

Notes forming part of the financial statement **Note No. 1-43**

(i) Repayment of loan includes conversion of loan of Rs 10,197.45 lakhs in to equity during the year ended March 31, 2017 (FY 2015-16: Nil)

(ii) Figures in brackets are cash outflows / incomes as the case may be.

(iii) Previous years figures have been rearranged / regrouped wherever necessary to confirm to current year classification.

(iv) The company has undrawn borrowings of Rs 3,83,300.97 lakhs(Previous year: Rs 5,99,828.00 lakhs) for expansion project from PFC and REC .

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

For and on behalf of the Board

(S. P. Padhi)
Partner
FRN : 310962E
Membership No: 053292
Place : Bhubaneshwar
Date : 04-11-2017

(M. R. Mishra)
Company Secretary

(H. P. Nayak)
Director Finance

Indranil Datta
(Indranil Dutta)
Managing Director

Associates Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

A. Equity Share Capital

(Rupees in Lakhs)

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

(Rupees in Lakhs)

Balance as at April 1, 2016	Changes in equity share capital duringthe year	Balance as at March 31, 2017
49,021.74	48,500.00	97,521.74

B. Other Equity

(Rupees in Lakhs)

Particulars	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2015	5,888.43	8,960.23	89,650.76
Profit for the year			11,836.02
Other Comprehensive Income			(396.41)
Total Comprehensive Income			**11,439.61**
Dividend (including tax on dividend)			(4,425.11)
Transfer of profits of the year to General Reserve	-	-	-
Balance as at March 31, 2016	**5,888.43**	**8,960.23**	**96,665.25**
Profit for the year			6,792.91
Other Comprehensive Income			(0.91)
Total Comprehensive Income			**6,792.00**
Dividends			(3,540.08)
Transfer of profits of the year to General Reserve		-	-
Balance as at March 31, 2017	**5,888.43**	**8,960.23**	**99,917.17**
Notes forming part of the financial statement		**Note No. 1-43**	

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

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(S. P. Padhi)
Partner
FRN : 310962E
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Date: 04-11-2017

(M. R. Mishra)
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Managing Director

Nag & Associates Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Notes to Financial Statements

Note 1. **General Corporate Information:**

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

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

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

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

ODISHA POWER GENERATION CORPORATION LTD. * BHUBANESWAR

Associates Chartered Accountants FRN 312063E * BHUBANESWAR

Note 2. **First time adoption consideration**

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

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

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

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

(ii) Determining whether an arrangement contains a Lease

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

(iii) Investments in joint ventures

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

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

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

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

The Company has elected to apply the exemption provided in Appendix D.D21 to D21Aof Ind-As 101 in determination of decommissioning, restoration and similar liabilities

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Associates Chartered Accountants FRN 312063E BHUBANESWAR

Note 3. **Significant Accounting Policies**

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

3.1 **Basis of preparation**

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

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

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

3.2 **Adoption of New and Revised Standards**

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

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

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

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

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

In preparation of financial statements, the company makes judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on historicalexperience and other factors considered reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. Actual results may differ from these estimates.

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

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

3.4 **Cash and cash equivalent.**

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

3.5 **Cash Flow Statement**

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

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

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

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

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

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

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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 relatable 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 contractorsand verified & accepted by the company.

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

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

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

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

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

Expenditure on major maintenance or repairs including cost of replacing the parts of assets and overhaul costs where it is probable that future economic benefits associated with the item will be available to the 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

Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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 sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.8 **Impairment of tangible and intangible assets**

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

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

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

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

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

3.9 **Foreign Currency Transactions**

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

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

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

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

Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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 outflowin settlement is remote. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

3.11 **Leases**

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

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

The Company as lessee.

Operating lease:

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

Finance lease:

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

The Company as lessor

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

Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognizedas 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.

Associates Chartered Accountants FRN 312063E BHUBANESWAR

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.

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

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

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

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

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

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

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

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

3.17 **Employee Benefits**

Short-term employee benefits

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

Post-employment benefits

i. Defined contribution plans

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

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The gratuity schemes are funded by the Company and are managed by separate 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

Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION BHUBANESWAR

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)

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

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

3.18 **Tax Expenses**

Tax expense for the year comprises current and deferred tax.

Current tax :

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

3.19 **Revenue Recognition**

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

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

Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

Sales of Electrical Energy

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

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

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

Other Incomes:

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

Income from dividend

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

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. The effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.20 **Exceptional items**

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

3.21 **Restatement of material error / omissions**

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

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

In the application of the Company's accounting policies, which are described in Note-3 the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Associates Chartered Accountants FRN 312063E BHUBANESWAR

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.

ODISHA POWER GENERATION CORPORATION LTD BHUBANESWAR

Critical judgments in applying accounting policies:

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

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹.69, 302.07 lakhs (March 31, 2016:₹.97,027.87 lakhs). Details of these assets are set out in note – 41.

ii. Key sources of estimation uncertainty:

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

a. Impairment of investments

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

b.Provisions

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

c.Contingent liabilities

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

d.Fair value measurements and valuation processes:

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

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

4 (i) Equity reconciliation

(Rupees in Lakhs)

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

4 (ii) Total comprehensive income reconciliation

(Rupees in Lakhs)

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

4 (iii) Reconciliation of statement of cash flow

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

Notes to reconciliations between Previous GAAP and Ind AS

(a) Tax adjustments

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

(b) Proposed Dividend

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

(c) Government Grant

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

(d) Prior Period Expenses

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

(e) Employee benefit (Leave & Gratuity)

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Chartered Accountants FRN 312063E BHUBANESWAR

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Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

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

(Rupees in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of :			
Freehold Land	15.75	15.75	25.49
Building	4,452.54	2,316.76	2,521.18
Plant & Equipments	15,239.74	14,932.31	15055.12
Furniture & Fixture	566.59	188.20	169.63
Vehicles	95.76	107.26	128.06
Office Equipment	1,129.48	838.76	832.62
Road Bridge & Culvert	1,045.64	994.47	735.51
Water Supply Drainage & Sewerage	266.25	149.45	164.04
Power Supply Distribution & Lighting	443.92	165.04	138.88
Heavy Mobile Equipment	21.82	24.10	31.85
Sub-total	23,277.48	19,732.10	19,802.38
Capital work-in-progress	5,94,665.59	3,32,939.00	1,22,953.61
	6,17,943.07	3,52,671.10	1,42,755.99

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
5(i) Deemed cost												
Balance as at April 1, 2015	25.49	2,521.18	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.38
Additions	-	70.07	1,466.97	46.78	9.57	312.31	329.81	18.06	48.21	-	0.26	2,302.04
Disposals	(9.74)	(0.61)	(400.82)	(1.88)	(28.53)	(18.08)	-	-	-	-	(0.01)	(459.67)
Balance as at March 31, 2016	15.75	2,590.64	16,121.27	214.53	109.10	1,126.85	1,065.32	182.10	187.09	31.85	0.25	21,644.75
Additions	-	2,373.77	1,126.37	483.19	8.06	702.52	140.06	156.69	328.87	-	-	5,319.53
Disposals	-	(0.40)	(87.20)	(2.01)	-	-	-	-	-	-	-	(89.61)
Balance as at March 31, 2017	15.75	4,964.01	17,160.44	695.71	117.16	1,829.37	1,205.38	338.79	515.96	31.85	0.25	26,874.68

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
5(ii)												
Impairment losses recognised in profit or loss	-	-	-	-	-	-	-				-	-
Depreciation expense	-	273.88	1,188.96	26.33	1.84	288.09	70.85	32.65	22.05	7.75	0.25	1,912.65
Balance as at March 31, 2016	-	273.88	1,188.96	26.33	1.84	288.09	70.85	32.65	22.05	7.75	0.25	1,912.65
Impairment losses recognised in profit or loss		-	-	-	-	-	-	-				
Depreciation expense		237.59	731.74	102.79	19.56	411.80	88.90	39.89	50.00	2.28	-	1,684.54
Others (describe)		-	-	-		-	-	-	-		-	-
Balance as at March 31, 2017		511.47	1,920.70	129.12	21.40	699.89	159.75	72.54	72.05	10.03	0.25	3,597.19

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
5(iii)												
Deemed Cost as at April 1, 2015	25.49	2,521.18	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.38
Balance as at March 31, 2016	15.75	2,316.76	14,932.31	188.20	107.26	838.76	994.47	149.45	165.04	24.10	-	19,732.10
Balance as at March 31, 2017	15.75	4,452.54	15,239.74	566.59	95.76	1,129.48	1,045.64	266.25	443.92	21.82	-	23,277.48

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

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

(Rupees in Lakhs)

Descriptions	Gross Block				Depreciation					Net Block	
	As at 01.04.2016	Addition	Deduction / Adjustment	Up to 31.03.2017	Up to 01.04.2016	For the Year	Arrear Depreciation	Deduction/ Written Back	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Operational Units	1,25,934.31	1,512.76	(89.61)	1,27,357.46	(1,07,266.87)	(1,279.73)		74.10	(1,08,414.73)	18,942.73	18,725.22
Power Plant - 3 & 4	1,305.79	3,806.77	-	5,112.56	(298.92)	(478.91)		-	(777.83)	4,334.73	1,006.88
Total	1,27,240.10	5,319.53	(89.61)	1,32,470.02	(1,07,565.79)	(1,758.64)	-	74.10	(1,09,192.55)	23,277.48	19,732.10

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

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads Bridges & Culvert	Water Supply Drainage & Sewerage.	Power Supply Distribution & Lighting.	Heavy Mobile Equipment.	Library and Books	Total
Gross block as on April 1, 2015	25.49	7,638.90	1,11,292.81	419.62	252.65	2,800.72	1,624.03	471.26	552.22	305.94	14.09	1,25,397.73
Accumulated depreciation as on April 1, 2015	-	5,117.73	96,237.69	249.99	124.59	1,968.10	888.52	307.22	413.34	274.09	14.09	1,05,595.36
Net block as on April 1, 2015	25.49	2,521.17	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.37

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

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

(iv) Details of CWIP

(Rupees in Lakhs)

A

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

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

(Rupees in Lakhs)

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

(Rupees in Lakhs)

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

(v) Loan from PFC & REC is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (660 X 2MW). For details, Refer Note 20.

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

23

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

6 . Intangible Assets

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of :			
Software & SAP licence	804.48	73.83	78.94
Intangible assets under development	-	614.52	81.32
Total	**804.48**	688.35	160.26

(Rupees In Lakhs)

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

(Rupees in Lakhs)

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

(Rupees in Lakhs)

Particulars	Software & SAP licence	Intangible assets under development	Total
Deemed Cost	78.94	81.32	160.26
Balance as at March 31, 2016	73.83	614.52	688.35
Balance as at March 31, 2017	804.48	-	804.48

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

7 - Investments - Non-current

(Rupees in Lakhs)

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

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

(Rupees in Lakhs)

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

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

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

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants

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

8 - Loans & Advances

(Rupees in Lakhs)

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

(i) Loan to employees includes Rs. 436.57 lakhs (March 31, 2016 : Rs. 346.65 lakhs & April 1, 2015 : Rs. 303.92 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans has been given at a rate varying between 6%-8% on simple interest basis.
Secured loan represents vehicle loan of Rs 210.38 lakhs (March 31, 2016 : Rs. 146.72 lakhs & April 1, 2015 : Rs 127.17 lakhs), which has been hypothecated in the favour of the company.

(ii) There are no outstanding debts from directors or other officers of the Company.

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

9 - Other Financial Assets

(Rupees in Lakhs)

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

10 - Other non-current assets

(Rupees in Lakhs)

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

Notes:

(i) Payment was made to Odisha Industrial Infrastructure Development Corporation (IDCO), Govt. of Odisha and CAMPA towards acquisition of land for Merry-Go-Round (MGR) Railway system and Ash Pond. As per the land acquisition policy of IDCO / Govt. of Odisha, the company shall deposit with IDCO / Govt. of Odisha (District Collector) the cost of land and service charges after complying the procedures laid down under applicable act and rules. On deposit of such cost and service charges, the land shall first be transferred in favour of IDCO and subsequently in favour of the company through "Lease Agreement". Pending execution of lease agreement and subsequent physical possession of land in favour of the company by IDCO, amount paid towards acquisition of land are disclosed as "Advance Against Land Acquisition".

(ii) Capital advances mainly comprises of advance given to BHEL & BGRE for expansion work of Unit 3 & 4 (660MW X 2)

(iii) Prepayments (Lease hold land) and the amount shown in Note No-17 includes advance payments for AC.452.00 of Hirakud Reservoir land, AC.226.46 Village Forest land & AC.60.80 patta land which are in the possession of the company, lease deed of which are yet to be completed.

(iv) Prepayments (Lease hold land) and the amount shown in Note No-17 includes AC.69.38 of Govt. land and AC.104.47 of private land valuing Rs 222.35 lakh which were surrendered in favour of Govt. of Odisha for eventual transfer to AES IB Valley Corporation for construction of Unit 5 & 6 of IB Thermal Power Station. The company requested Govt. of Odisha for restoration of title / right of land for expansion of unit 3 & 4 which is yet to be completed. However the Company is in possession of the above lands and used for the furtherance of its business.

(v) The 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

(Rupees in Lakhs)

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

(vi) During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was Rs 100.97 lakhs (2015-16: Rs 144.56 lakhs).

(vii) Lease hold land are amortised over the lease period or 30 years which ever is less. Refer policy Note 3.7 .

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

ODISHA POWER GENERATION CORPORATION LTD. ★ BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

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

(Rupees in Lakhs)

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

* 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

(Rupees in Lakhs)

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

(i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. This included an amount of Rs 978.60 lakhs (FY 2015-16: Rs Nil, As at April 01, 2015: Rs 25.23 lakhs) has not been confirmed by the customer.

(ii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.

(iii) Trade receivables are further analysed as :

(Rupees in Lakhs)

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

(Rupees in Lakhs)

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

(Rupees in Lakhs)

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

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

(Rupees in Lakhs)

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

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

13 - Cash and Cash Equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	609.98	1,107.95	957.60
(ii) In Cash Credit Account	-	-	805.39
(b) Cash in hand	1.71	3.21	2.79
(c) Term Deposit with original maturity up to three months	14,921.55	24,712.63	5,200.00
Total	15,533.24	25,823.79	6,965.78
(d) Deposits with original maturity of more than three months but not more than twelve months	9,060.00	11,400.00	68,100.00
(e) Earmarked Balances with Bank			
Deposits with banks held as security against guarantees	5,163.34	12,745.84	9,645.84
Fixed Deposits with bank pledged as security or margin money	183.97	177.99	184.99
Total	14,407.31	24,323.83	77,930.83
Total Cash and Bank Balances	29,940.55	50,147.62	84,896.61

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

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

a. The Company had provided security to Yes Bank in terms of fixed deposits of Rs 1,539.20 (March 31, 2016: Rs 3,100.00 lakhs, April 01, 2015: 6,000.00 lakhs) for issuance of performance bank guarantees on behalf of OCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".

b. The Company had provided security to Yes Bank in terms of fixed deposits of Rs 3,090.00 lakhs (March 31, 2016: Rs 3,090.00 lakhs, April 01, 2015: 3,090.00 lakhs) for issuance of bank guarantees in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line

c. Fixed deposits of Rs 533.34 lakhs (March 31, 2016: Rs 533.34 lakhs, April 01, 2015: Rs 533.34 lakhs) has been pledged as security deposits in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir

d. Fixed deposits of Rs 177.99 lakhs (March 31, 2016: Rs 177.99 lakhs, April 01, 2015: 177.99 lakhs) has been pledged as security deposit in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.

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

(Rupees in Lakhs)

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Jag & Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

14 - Loans

(Rupees in Lakhs)

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

(i) Loan to employees includes Rs. 147.65 lakhs (March 31, 2016 : Rs. 123.15 lakhs & April 1, 2015 : Rs. 109.17 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans have been given at a rate varying between 6% - 8% on simple interest basis.

Secured loan represents vehicle loan of Rs 49.79 lakhs (March 31, 2016 : Rs. 38.63 lakhs & April 1, 2015 : Rs 38.20 lakhs), which has been hypothecated in the favour of the company.

(ii) There are no outstanding debts due from directors or other officers of the Company.

(iii) Inter Company loan given to Odisha Coal and Power Ltd. (OCPL), a joint venture company through loan agreement dated 25th April 2015 for Rs 5,600 lakhs and 13th July 2015 for Rs. 4,000 lakhs. The loan has been given for the purpose of fund requirement of OCPL for payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses of OCPL. Board of Directors approve the loan of Rs 5,600 lakhs and Rs. 4,000 lakhs to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively.

The Company has agreed to provide an amount of Rs 5,600 lakhs and Rs 4,000 lakhs as inter company loan on request of the OCPL. The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit.

Term of Loan: The loan shall be for a period of 365 days from the date of the agreement and may be extended after approval of Board of Directors of the Company on the basis of request from OCPL.

Interest: Interest shall accrue on each loan disbursal at the rate charged by Power Finance Corporation Ltd. (PFC) to State sector borrower (Category A+) applicable on the date of disbursal. The interest shall accrue and compounded on quarterly basis.

Total inter company loan provided to OCPL during the year is Rs 406.59 lakhs (during FY 2015-16 is Rs 8892.18 lakhs). Interest accrued and compounded during 2015-16 and 2016-17are Rs.720.47 lakhs and Rs 640.17 lakhs respectively. Out of total inter company loan including interest accrued an amount of Rs 10,197.45 lakhs has been converted to equity shares in OCPL during the year 2016-17 as per Board approval dated July 30, 2015 and March 09, 2017.

(iv) The above loans and inter-corporate loans to OCPL have been given for business purpose.

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

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

15 - Other Financial Asset

(Rupees in Lakhs)

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

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

(Rupees in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Expenditures :				
Tangible & Intangible Assets	118.62		118.62	
Development Expenses and Capital works in progress	6,915.23		6,915.23	
Advance against land acquisition	14,800.08		18,239.46	
Other Capital Advances	570.37	22,404.29	570.37	25,843.68
Liabilities				
Security deposit & Retention money	78.09		78.09	
Borrowings [Refer Note-4(i)]	7,966.33		7,966.33	
Accumulated Depreciation	44.51	8,088.92	44.51	8,088.92
Net Expenditure Recoverable		14,315.37		17,754.76

(Rupees in Lakhs)

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

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Chartered Accountants FRN 312063E BHUBANESWAR

Odisha Power Generation Corporation Limited
Notes forming part of the financial statement
16 - Current tax assets and liabilities

(Rupees in Lakhs)

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

Current Tax Assets(Net)	**2,924.47**	2,935.31	2,459.28
Current Tax Liabilities (Net)	**490.56**		

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

Associates Chartered Accountants FRN 312063E BHUBANESWAR

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

17 - Other current assets

(Rupees in Lakhs)

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

(i) Other assets includes payment made for various insurance coverage and annual maintenance contracts etc.

(ii) Adavance to suppliers is unsecured and considered good.

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

18 - Equity Share Capital

(Rupees In Lakhs)

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

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

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

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

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

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

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

19. Other equity

(Rupees in Lakhs)

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

(i) General Reserve

(Rupees in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	8,960.23	8,960.23
Movements	-	-
Balance at the end of the year	**8,960.23**	8,960.23

(ii) Retained Earnings

(Rupees in Lakhs)

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

(iii) Security Premium Reserve

(Rupees in Lakhs)

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

The nature of reserves are follows:

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

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

(iv) Proposed Dividend:

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

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

& Associates Chartered Accountants FRN 312063E BHUBANESWAR

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

20. Borrowings

(Rupees in Lakhs)

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

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

(ii) Term loan of Rs 4,33,000 lakh each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2X660 MW Coal based Thermal Power Plant, Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC have off loaded proportionate sanctioned limit related to development of coal mine as the coal mine was cancelled and allotted in favour of Odisha Coal and Power Limited, a Joint venture company of OPGC & OHPC. Accordingly the sanctioned limit is reduced to Rs 3,81,187 lakh and Rs 3,81,200 lakh by PFC and REC respectively.

(iii) Security :-

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

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

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

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

(iv) Repayment:-

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

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

(v) Interest:-

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

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

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

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

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

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

(Rupees in Lakhs)

Contractual maturities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In one year or less or on demand	4,370.86	2,054.44	973.31
Between one & two years	25,595.35	-	-
Between two & tree years	22,264.51	6,705.66	-
Between three & four years	22,264.51	9,731.05	3,527.43
Between four & five years	22,264.51	9,731.05	5,068.21
More than five years	2,86,697.15	1,36,402.57	75,096.84
Total contractual cash flows	3,83,456.89	1,64,624.77	84,665.80
Less: Capitalisation of transaction costs	404.90	429.08	453.26
Total Borrowings	3,83,051.99	1,64,195.69	84,212.54

ODISHA POWER GENERATION CORPORATION LTD. BHUBANESWAR

ASSOCIATES Chartered Accountants FRN 312063E BHUBANESWAR