OPGC

*Power for Progress*

32nd

# ANNUAL REPORT

2015-2016

## ON THE PATHWAY TO GROWTH

## Our Vision

A world-class power utility committed to generate clean, safe and reliable power, enhancing value for all stake holders and contributing to national growth.

## Our Mission

To attain global best practices by adopting, innovating and deploying cutting edge solutions

To achieve excellence in reliability, safety and quality of power by creating a culture of empowerment and high performance

To be a responsible corporate citizen having concern for environment, society, employees and people at large.

## Our Values

Put Safety First

Honour Our Commitments

Act with Integrity

Strive for Excellence

Have Organisational Pride

Foster Teamwork

# Contents

# About OPGC


Odisha Power Generation Corporation on November 14, 1984, started as a wholly owned Government Company of the State of Odisha with the main objective of establishing, operating & maintaining large thermal power generating stations. In the pursuit of its objective, OPGC established Ib Thermal Power Station having two units of 210 MW each in the Ib valley area of Jharsuguda District in the State of Odisha. The entire generation from these units is committed to GRIDCO on the basis of a long-term Power Purchase Agreement.

After divestment of 49% of the equity shares in favour of AES Corporation, USA in early 1999, OPGC with its present ownership structure is unique of its kind in the country and has excellent track record of plant performance and earnings. Today OPGC has firmly established its credentials as a successful power generating company both technically & commercially by providing clean, safe & reliable power. With the available resources and fuel security in terms of allocation of captive mine, the Company has rightfully capitalised on its credentials and experience to further expand its capacity by adding 2X660 MW units.

# OPGC II Program – AN OVERVIEW

OPGC had embarked upon a major expansion project to add 1320 MW (2x660 MW) coal fired supercritical plant adjacent to its 2x210 MW power plant at ITPS Banharpali, Jharsuguda. The scope of the OPGC II program includes construction of the Power Plant, Ashpond, dedicated rail corridor from the Manoharpur Coal Blocks to the Project and township facilities for the O&M staff.

## Power Plant

OPGC had issued NTP to BHEL and BGRE for BTG and BOP scope of the Power Plant in March 2014 with DCPL as the major consultant. The construction of the power plant is in full swing. In BTG, Boiler Pressure Parts, LP Turbine, Condenser, ESP and Auxiliaries erection under progress. All major work for BOP areas like switchyard and DM Water systems are completed. Civil and mechanical jobs in progress at BOP areas like IDCT, CW, CHP, AHP and Chimney. Major supply of BTG and BOP materials are completed. The project is on Track to achieve commercial operation in Mar 2018.

**(In View: Boiler 3&4)**

**(In View: TG Building, Boiler, ESP & Chimney)**

**(In View: IDCT and CW piping)**

(In View: Embankment of MGR by L&T)

## MGR:

EPC Contract was awarded to L&T on May 2015 with NTP in October 2015 for rail connectivity with Mines. Earthwork, Bridge construction, station Building construction and Track work is under progress.

## Township:

Under construction by NCC with Feedback Infra and Design Studio as consultants. The scope is to develop residential and recreational facility for the project and O&M staff. Construction work under progress at all fronts. Club and Residential apartment Occupancy is likely to start from end of Dec 2016.

(In View: D1 Block)

## Other Constituent Projects:

Ash Pond: Permit to work obtained for entire land, Award of Ash pond construction work is under progress and major Engineering finalized for ash corridor.

Mines: Manoharpur and Dip-side Manoharpur allocated to OCPL ( JV between OPGC and OHPC). Prebid activities for MO selection under progress.

Transmission Lines: Under execution by OPTCL and PGCIL for commissioning power as well as power evacuation.

# CSR ANNUAL ACTIVITY REPORT FOR THE YEAR 2015-16

Odisha Power Generation Corporation (OPGC) has always set a high standard in adopting sustainable practices in its business. Towards this direction OPGC has developed several guiding principles for effective community engagement enshrined in its Corporate Social Responsibility (CSR) Policy that address the Company's actions under the broad concept - 'care for the community'.

One of the pillars of OPGC's sustainable business practice is its constant endeavour towards contributing to all-round development of its immediate neighbouring villages which span six Gram Panchayats of Lakhanpur Block of Jharsuguda District. Through all our development interventions taken together we touch the lives of about fifty thousand people annually in one way or the other. The Present interventions are aimed at bringing about a perceptible qualitative change in people's lives by focusing on populations of all ages, sexes and groups.

OPGC's main CSR focus areas during the year centred around preventive health, provision of safe drinking water, sanitation, livelihoods enhancement, quality education for children, imparting skills to youth/ women/ girls for improving employability, developing critical community infrastructure for upgrading quality of rural life and sports training for rural youth/ boys and girls. Each of the intervention areas is aligned with one or many Sustainable Development Goals (SDGs) of the United Nations adopted worldwide in October 2015.

## Highlights of CSR Activities

Although a large number of programmes, projects and activities were carried out during the year, notable ones among these have been captured below under respective thematic interventions.

## Education:

- As a part of the ongoing Learning Enhancement Programme (LEP) for students through appropriate capacity building of teachers Training in English language, Science and Mathematics as per CAMaL methodology (Combined Activities for Maximised Learning) was imparted to school teachers of 28 primary and upper primary schools covered under the three-year long Learning Enhancement Programme (LEP) in partnership with Pratham Education Foundation. Around ninety school teachers underwent the training programme.

During the month, as the 28 target schools covered under 'Learning Enhancement Programme' were closed on account of summer vacation, the CSR team continued its efforts to strengthen education at the grassroots level in all the project villages in its periphery.

In order to maximize learning, students were also exposed to various types of learning activities inside and outside the schools. Learning campswereorganized in the village communities. These camps are short-duration, high-intensity interventions consisting of a gamut of activities aimed at improving learning levels of children, increasing community involvement in teaching-learning process and to influence effective teaching & learning practices. The camps were aided by volunteers from the local community. More than 100 volunteers - all educated girls - from the target villages, were mobilized and trained to reach out to target students, their parents and the village community. The camp comprised of the following:

- A "Mega Learning Carnival" was organised IB Thermal Power Station (ITPS) from 18th to 24th January in order to propagate creative and scientific temperament among students and teachers of 28 Primary, Upper Primary and Ashram Schools located in the peripheral areas. Above 1500 students and 100 school teachers attended the programme. Two national level agencies, 'Katha', New Delhi and 'Pratham Education Foundation' (Science Wing), Mumbai, were the technical partners for this event. Stalls

displaying scientific experiments, Library stalls and activity corners were set up by the agencies to engage the students and teachers in fun-centric and interactive teaching-learning methods.Under Pratham Science Programme, 42 models and experiments made with low-cost materials were put on display by 90 students selected from the target schools. Models of Human Torso, Buoyancy, Solar And Lunar Eclipse, Hydraulic Bridge, Archimedes Screw Pump, Solar Cooker along with various real-time experiments explaining scientific phenomena such as Light Reflection, Working of Eye, Spectrometer, Double Periscope, Kaleidoscope, Anant Path, Hole in Palm, Balancing Nail, Tornado and Stethoscope, etc. were lucidly explained by the students to the visiting school children, teachers and general public during all seven days of the event. Students were made aware of the environment by 'Katha' through action songs in which they learned about animals, birds, insects, space and their surroundings. Worksheets were provided to children to draw and write their own songs. Components for achieving Katha's established learning outcomes were: making shadow puppets and playing their part, usage of new words, sentence formation, dialogue writing and delivery, effective listening and speaking skills, story building & writing skills, team work and coordination skills.

### Skills Development and Livelihoods Promotion:

This is being done through many activities like training in advanced Desk Top Publishing (DTP), tailoring and stitching, organising self help groups (SHGs) into a Producer Company (PC) in order to facilitate different business opportunities, etc.

- Computer Training is provided to youth for skill enhancement and motivating them for setting up micro enterprises in partnership with **SAHAJ**. Towards this endan Advanced DTP Programme of six month duration was rolled-out in September2015. The course included training on softs skills as well.

- In the process of execution of an integrated sustainable livelihood project a major milestone has been achieved with incorporation of *"Ib Srushti Women's Livelihood Services Producer Company Limited"* on 15th September 2016 pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and rule 8 the Companies (Incorporation) Rules, 2014. The number of memberships of the Producer Company (PC) had reached about 800which included SHG members, fishermen and farmers of 22 participating villages from six (06) GPs (Telenpali, Kushraloi, Remenda, Tilia, Kumbharbandha and Dalgaon). All members have contributed Rs. 500 as Share Capital each and Rs. 50 each as Membership Fee. Four clusters, Prerana, Pragati, Pratibha and Pratishtha have been formed for operational efficiency and transparent decision-making. The Producer Company will roll-out its income generating activities during the next couple of months by progressively increasing the scale to create viable and sustainable livelihood models for visible income enhancement. Under this project, twenty-nine (29) youth have been mobilised from peripheral villages to undertake various placement-linked skills development programmes such as BPO and Hospitality Management at Jharusguda carried out as a part of Deen Dayal Upadhyaya Gramin Kaushal Yojana (DDU-GKY) scheme of Government of India. Further, life insurance cover totalling Rs. 1.11 crore @ Rs.1 lakh each for 111 fishermen has also been leveraged from the Fisheries Department of Government of Odisha through convergence and linkage approaches.


- In order to open up opportunities for youth to find suitable placement options in the job market, a skill development counselling session for youth from peripheral villages organised in February 2016 at Learning Centre on ITPS township campus. On this occasion five well known skill providers - CIPET (Govt. of India), ATDC (Govt. of India), ORMAS (Govt. of Odisha), Gram Tarang and Team Planet were invited by OPGC to interact and counsel local youth regarding various skill development programmes that could help them strengthen their career prospects and leverage life-long employment opportunities.

Local Youth Participating in the Skills Development Counselling Session organised by OPGC at ITPS, Banharpali

The focus was on addressing the career aspirations of local youth by providing skills of their choice which are effective and affordable. This effort is geared towards equipping them with skills to successfully look for employment opportunities in their own locality and help them secure decent placements commensurate with their skills and capability anywhere such opportunities are available.

The counselling session was inaugurated by Chairman, OPGC and Principal Secretary, Department of Energy, Govt. of Odisha, Sri Rajesh Verma, IAS. Sri Verma expressed that through this initiative planned by OPGC, youth will have better opportunities in the job market when the economy is poised to pick up momentum. On this occasion, Managing Director, OPGC, Shri Indranil Dutta shared that OPGC will continue to offer more such opportunities to local youth in future through its CSR initiative of developing skills of youth living in the nearby areas of ITPS. This will help youth to secure a better future for themselves. Director-Operations, OPGC, Shri Alok Mukherjee, encouraged youth to take part in the exercise to make the most out of the investments to be provided for skilling them.

**Training in Sports**

- School children and youth of the peripheral villages are provided training in football, volley ball and cricket. Training programmes are organized with the help of well recognized coaches in all these three areas. School children and youth from nearby villages and participate in the programmes. District authorities are suitably involved in these programmes. More than 150 youth and school children participated in these training programmes.

## Drinking Water Supply to Periphery Villages

*Water supply through Pipeline & water tankers in nearby villages*

- Filtered safe drinking water is provided to nearby villages through pipelines from OPGC Water Treatment Plant (WTP) at ITPS since 2006-07. It covers 17 periphery villages of 4 Gram Panchayats (GPs) spread over 7 Km radius from the plant site. Between 1100 to 1200 households directly benefit from this programme.

  Since 2012, 'ITPS Periphery Drinking Water Supply Management Committee' comprising of members of the constituent villages does the supervision of pipeline system and assists in day-to- day maintenance work

  Based on the request of District Administration, Jharsuguda, OPGC has been continuously supplying potable drinking water to about 30-40 nearby villages through water tankersduring summer season every year. This initiative reaches to 4000 to 5000 households during April to July months.

**Preventive Health Initiatives**

- Health Camps are a part of OPGC's preventive health initiatives. Several health camps are organized focusing on people from all groups – children, youth, adults and elders. People are made aware of various life-style diseases and how to prevent them for achieving the universal goal of a healthy and productive life.
- For malaria prevention, fogging is done every year in 20-30 nearby villages.
- Prevention programmes on HIV/AIDS and malnutrition are also organised.

**Building Critical Community Infrastructure for Raising Quality of Life**

Infrastructure plays a big role in rural development as well as in enhancing quality of life in rural areas. Among the infrastructure built by OPGC under its CSR initiatives are: community centres, excavation of ponds, construction of school buildings, development of village roads, etc.


Golden Peacock CSR Award by Institute of Directors given away to OPGC by Sri Sri Ravi Shankar

# FINANCIAL HIGHLIGHTS

(₹ in lakhs)

| FINANCIAL PERFORMANCE | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 |
|---|---|---|---|---|---|
| Revenue | 70,595.39 | 63,000.57 | 62,264.01 | 63,603.36 | 57,278.04 |
| PBDIT | 20,007.92 | 24,878.86 | 20,222.05 | 26,549.48 | 22,149.72 |
| Depreciation & Amortisation | 2,192.05 | 1,916.10 | 1,839.76 | 1,525.59 | 1,521.15 |
| PBT | 17,815.87 | 22,962.76 | 18,382.29 | 25,023.89 | 20,628.57 |
| Taxes | 6,333.22 | 7,905.65 | 5,625.12 | 8,280.80 | 6,919.71 |
| PAT | 11,482.65 | 15,057.11 | 12,757.17 | 16,743.09 | 13,708.86 |

| PER SHARE DATA | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 |
|---|---|---|---|---|---|
| EPS (₹) | 234.24 | 307.15 | 260.24 | 341.54 | 279.65 |
| Book Value (₹) | 3,209.94 | 3,047.91 | 2,831.03 | 2,646.84 | 2,602.32 |
| Dividend for Share (₹) | 65.00 | 75.00 | 65.00 | 255.00 | - |

(₹ in lakhs)

| FINANCIAL POSITION | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 |
|---|---|---|---|---|---|
| Share Capital | 49,071.74 | 49,021.74 | 4,9021.74 | 4,9021.74 | 4,9021.74 |
| Networth | 157,356.79 | 149,414.22 | 138,782.22 | 129,752.00 | 127,570.54 |
| Total Debt | 162,570.33 | 83,692.49 | 41,987.37 | - | - |
| Tangible Assets | 21,213.32 | 21,289.45 | 20,611.86 | 19,873.20 | 20,468.09 |
| Intangible Assets | 73.83 | 78.94 | 74.65 | 49.42 | 52.26 |
| Cash and Investments | 50,147.62 | 84,896.60 | 84,266.89 | 89,730.20 | 83,267.24 |
| Current Assets | 102,880.40 | 96,961.74 | 97,415.09 | 105,018.20 | 102,439.26 |

# DIRECTORS' PROFILE

**Mr. Rajesh Verma, IAS, Chairman :** Mr. Rajesh Verma is an IAS Officer of the 1987 batch. He holds a Bachelors Degree in Technology in Electrical Engineering from the Indian Institute of Technology, Delhi. Mr. Verma at present is the Principal Secretary in the Department of Energy, Govt. of Odisha. Prior to his present position, Mr. Verma was the Principal Secretary, Deptt. of Agriculture and Farmers' Empowerment, Govt. of Odisha. Mr. Verma had occupied various positions of responsibility in the Union and State Government.

**Mr. Indranil Dutta, Managing Director :** Mr Indranil Dutta is B.Tech (Hon's) in Mechanical Engineering from IIT, Kharagpur. He has a rich and varied experience of over 26 years of Commercial, Engineering, Project Services, Power Station Management, development and implementation of strategies for the profitability and efficient functioning of the Business Unit. He has worked in Tata Steel for more than a decade and also worked in Bharat Aluminium Company Ltd (Balco), before joining AES India in 2011. Before taking over Managing Director, OPGC, Mr. Dutta was Director (Operations) of OPGC since April, 2011. He has competence at both strategic and the operational levels as commercially astute business leader.

**Mr. H. P. Nayak, IRAS, Director (Finance) :** Mr. H. P. Nayak is an IRAS Officer of 1994 Batch and a M. Phil, M.A. and Diploma holder in Financial Management and Management. Mr. Nayak is on deputation from the Indian Railways as Director (Finance) to the Company. Prior to his present assignment he has served as the Deputy Financial Adviser & Chief Accounts Officer of the Gauge Conversion Project of Gondia-Jabalpur, Nagpur- Chhindwada narrow gauge lines from July 2010.

He is responsible for the financial management of the Organisation including financial resource mobilization, optimum utilization of funds, budgetary controls, investment decisions and also for establishing adequate internal control systems and adherence to sound corporate governance practices.

**Mr. Alok Mukherjee, Director (Operations) :** Mr. Mukherjee has an illustrious career span of more than 32 years in which he served companies like NTPC, Reliance Energy and ONGC Tripura Power Company Ltd. His last assignment was with LANCO Power Limited as Executive Director where he managed running units, construction units & project expansion. After completion of his B.Tech in Electrical Engineering from IIT - BHU, Varanasi, Mr. Mukherjee joined NTPC in 1984 and served for 20 years before joining Reliance Energy in 2005. Later, he moved to ONGC Tripura Power Company Limited as Director & CEO. In the early periods of his professional career, Mr. Mukherjee was mainly associated with O&M of a 1600 MW power station. Later he excelled himself in several other fields of power sector like successfully implementing several new projects, maintaining the cost effectiveness of construction, managing public relations and CSR activities, handling various environmental issues etc. Throughout his career, Mr. Mukherjee has played pivotal roles in the implementation of several power projects, and in successful handling of new power plant construction with budgeted performance parameters at the same time establishing cordial relationships with various stakeholders.

**Mr. Hemant Sharma, IAS, Director :** Mr. Hemant Sharma is the Chairman-cum-Managing Director of GRIDCO & OPTCL, Bhubaneswar and on the Board of OPGC. Mr. Sharma is an IAS Officer of 1995 Batch and a graduate in Electrical Engineering from BITS Pilani. Prior to his present assignment he had served as the Managing Director of Aska Sugar Co-Op Mill, Odisha State Financial Corp., Industrial Development Corp. of Odisha (IDC), Bargarh and was Director at various Government Department of Government of Orisha.

Mr. Sharma has a rich experience in power sector, he guides the Board on all crucial matters and he was very instrumental in providing valuable inputs to the Board for taking various strategic decisions to enable the Company in achieving its visions.

**Mr. Martin Charles Crotty, President, Asia Strategic Business Unit (SBU) :** Marty Crotty is the President for the Asia Strategic Business Unit. He oversees AES' businesses in India, Philippines, Sri Lanka and Vietnam, including our recently inaugurated 1,240 MW Mong Duong plant in Vietnam and 1,320 MW OPGC II facility under construction in India.

Marty was previously AES' Chief Operating Officer (COO) for the Asia SBU, responsible for driving operational results and implementing operations, maintenance and strategies across AES' platforms in Asia. Prior to rejoining AES in 2014, Marty served as Co-Founder and Chief Operating Officer of Threshold Power, a US Wind Generation business focused on consolidation through acquisition, and Chief Executive Officer (CEO) for Upwind Solutions, an independent provider offering operations and maintenance services to wind facilities.

Marty has a Master's degree in Engineering Management with a major in Environment and Energy from George Washington University and a Bachelor of Science in Human Resource Management from the New School for Social Research.

# NOTICE FOR THE 32nd ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Adjourned Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on **4th January, 2017 at 11.30 AM** at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following businesses:-

**ORDINARY BUSINESS:**

1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

2) To Declare dividend for the financial year 2015-2016.

By order of the Board

Date- 23.12.2016

Sd/-

**(M. MISHRA)**
COMPANY SECRETARY

Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur,
Bhubaneswar-751 023.

**Note:**
A member entitled to attend and vote may appoint Proxy to attend and vote in his/her place and the Proxy need not be a member of the Company.

# NOTICE FOR THE 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on **30th November, 2016 at 3.30 PM** at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following businesses:-

**ORDINARY BUSINESS:**

1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

2) To Declare dividend for the financial year 2015-2016.

3) To note the appointment of M/s. Nag & Associates, Chartered Accountants, as Statutory Auditors and authorize the Board to fix their remuneration.

By order of the Board

Date - 26.11.2016

Sd/-

Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur,
Bhubaneswar-751 023.

**(M. MISHRA)**
COMPANY SECRETARY

**Note:**
A member entitled to attend and vote may appoint Proxy to attend and vote in his/her place and the Proxy need not be a member of the Company.

# Management Report

# DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 32nd Annual Report on the performance and operating result of the Company for the financial year 2015-16 together with the Audited Financial Statement and the Report of the auditors thereon. The comments of the Statutory Auditors and Comptroller and Auditor General of India U/s 143 (6) (b) of the Companies Act, 2013 on the said accounts also form part of the report. We take this opportunity to share the performance of the Company on various fronts and major achievements during the year.

## PERFORMANCE HIGHLIGHTS OF OPGC

### Plant Operation:

The year under report has recorded a total generation of 3117.316 MUs corresponding to an average Plant Load Factor (PLF) of 84.50 % at plant availability of 91.27 % against the previous year performance of 2798.919 MUs corresponding to PLF of 76.07% at Plant availability of 78.23 %, registering a growth of more than 11% in the PLF. Your directors have the pleasure to inform you that with the PLF of 84.5% OPGC achieved 1st position among the state sector utilities in India and 9th position in all sectors at national level in financial year 2015-16.

This is worth mentioning that the Operation and Maintenance (O&M) team of your company are making their best efforts to run the plant at the optimum capacity with least interuptions.Since both of the units have been operating for more than 20 years, maintaining plant efficiency has become a continuous challenge which are required to be met with greater effort and use of newer technologies in the field of power plant maintenance and management. Hence, your company is attentive to improvement of plant reliability and productivity through renovation/ modernisation and system upgradation suitably aligned to the commercial prudence.

As a part of the above efforts new parallel ESP erection and commissioning works of both the units including rectification works of old ESPs which were initiated in previous years have been completed. Performance guarantee tests of both units are expected to be complete by 31st March, 2017.

### Project Development

Construction of power plant under OPGC's expansion project of 2x660 MW is continuing under the EPC contractors BHEL and BGR Energy. During 2015-16, BGR Energy made about 37% progress on the BOP works while BHEL made 47.5% progress on the BTG scope. Till end of FY 2016, overall progress of 51% and 66% has been achieved by BGR Energy and BHEL respectively. A close watch over the timelines for intermediary milestones as well as the overall completion of the project is kept by the construction management team to keep the project schedule intact and enable commissioning by middle of 2018-19.

EPC contract for construction of dedicated railway corridor (Merry Go Round 'MGR') for transportation of coal from Manoharpur coal blocks and from MCL's Lakhanpur Mines was executed with Larsen & Toubro Limited on 8th

May 2015 and limited notice to proceed was issued on 1st June 2015. Subsequently notice to proceed was issued to L&T on 17th October 2015. MGR is scheduled for completion in December 2017 subject to timely handover of land for construction.

Coal for the power plant will be sourced from the Manoharpur coal blocks which were earlier being developed under OPGC and are now part of our subsidiary company Odisha Coal and Power Limited (OCPL). Joint Venture Agreement in respect of the OCPL was also finalized and approved in FY 2015-16 while it was subsequently signed on 21st April 2016. OCPL is working towards commencing operation by start of financial year 2019-20. OPGC expansion project would require coal much before and accordingly Bridge Linkage was applied to Ministry of Coal under the policy notified in February 2016.

Construction of Ash Pond is another important requirement of Power Plant. Land acquisition though slow has progressed in FY 2015-16 and is expected to be complete in FY 2016-17 to enable contracting and start of construction of the Project.

Power sale arrangement for 50% of the Power output was earlier tied up with GRIDCO under regulated sale basis while balance 50% power kept open to capture any upside. In the last financial year the situation remained unaltered. However, your management plans to tie up the balance power much before the estimated commercial operation of Unit 4.

The most important milestones of the expansion project that were accomplished during the year under report are as follows:

- Manufacturing of 88,654 MT of Boiler, ESP, Ducting, and Piping materials completed.
- Boiler # 3 –12348/36000 MT erection completed. Non pressure parts, Pressure Parts, Duct & Supporting structure, Rotary Equipment, Piping erection in progress.
- Boiler # 4 – 11733/36000 MT erection completed. Non pressure parts, Pressure Parts, Ducting, Rotary Equipment, Piping erection in progress.
- Power house # 3 – 5628/8100 MT erection completed. Structure erection is in progress. EOT erection and commissioning completed.
- Power house # 4 – 3756/8100 MT erection completed. Structure erection is in progress.
- TG & Aux # 3 – TG and Condenser erection is in progress. TDBFP and MDBFP erection is in progress.
- TG & Aux # 4 – TG preparatory works and Condenser Hot well pre-assembly is in progress. TDBFP preparatory works is in progress.
- 11 KV Switch Gear Room: 11/3.3 KV Panel and cable tray erection is in progress.
- ESP # 3 - 4011 /9935 MT erection completed.
- ESP # 4 - 3488 /9935 MT erection completed.
- Transformer Yard - RAT erection completed.
- ESP Control Room # 3 – Electrical Panel, Transformer and cable tray installation is in progress.
- Switchyard equipment Major erection work completed for Unit # 3 and Unit # 4.

- Chimney shell casting completed, Platform erection in progress.
- CW pipeline fabrication and laying in progress. CW Pump house slab casting completed, structure erection in progress.
- Coal handling plant – construction work in progress at entire CHP area like Track-hopper, Crusher, Stacker Reclaimer, Emergency Reclaim Hopper, CHP Switchgear, TPs and Galleries.
- MGR construction work in progress for Embankment , Bridges and Station Buildings.
- Project insurance placed for Power Plant.

## SAP Implementation

Implementation of SAP ERP, named as Project – Utkarsh, was started with the initial project kick off on 24th March 2015 by retaining Accenture Services Private Limited as the Implementation partner and targeting GO – LIVE on 1st Feb 2016. The system went live as scheduled. OPGC continues to strive for streamlining the system and extract the maximum value out of it.

## FINANCE & ACCOUNTS

The statement of accounts for the year under consideration accompanied by the auditors' report and management's views on the audit observations form integral part of this report.

The state of affairs of the company on the closing day of the year under report can be well appreciated from the Balance Sheet and operational result from the Statement of Profit and Loss.

The following summarised financial results as compared to that of the previous year are furnished below for easy appreciation of the financial health of the company.

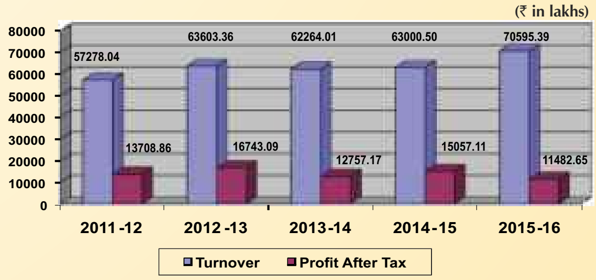
(₹ in lakhs)

| | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Income from sale of power | 62,753.49 | - | 62,753.49 | 53,926.64 |
| Other income | 7,042.87 | - | 7,841.90 | 9,073.86 |
| Total income | 69,796.36 | - | 70,595.39 | 63,000.50 |
| Expenses excluding interest and depreciation | 50,208.81 | - | 50,122.05 | 38,121.64 |
| Interest and depreciation | 2657.47 | - | 2,657.47 | 1,916.10 |
| Profit Before Tax | 16,930.08 | - | 17,815.87 | 22,962.76 |
| Provision for taxes | 6,330.77 | - | 6,333.22 | 7,905.65 |
| Minority Interest | 2.45 | - | - | - |
| Profit After Tax | 10,599.31 | - | 11,482.65 | 15,057.11 |

The following comparative figures of net profit and turn over are indicators of performance of the Company in monetary terms over a period of last five years.

## PROFIT & TURNOVER

(₹ in lakhs)




## DIVIDEND & DIVIDEND POLICY

With the objective of value creation and in order to honour the expectations of the shareholders for a reasonable return on their investment, your company has adopted a policy of declaring dividend at such percentage of paid up share capital for each financial year as is equal to a minimum of 25% of the net profit after tax for that financial year consistently till the commissioning of the OPGC expansion project of 2X660MW Units 3 & 4 and declare maximum dividend in post commissioning years subject to availability of distributable profit.

For the year under review, a dividend of 6% of the paid up capital has been recommended as final dividend with total payout of Rs. 2941.31 Lakhs yielding a return of Rs. 1500.07 Lakhs to the Govt. of Odisha and Rs.1441.24 Lakhs to AES towards their respective shareholdings.

## RESERVES AND SURPLUS

The balance amount in Reserves and Surplus stands at Rs. 1,08,335.05 lakhs (previous year Rs. 1,00,392.49 lakhs) at the year under review. There is no amount transferred to any reserve during the year.

## TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

There is no unpaid or unclaimed dividend amount outstanding for a period of seven years from the date of declaration, which needs to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

## GENERAL

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.
- Neither MD nor the Whole-time Directors of the Company receive any commission from the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate till the date of this report.

### *Risk and Areas of Concern*

The Company has laid down a well defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk.

### *Subsidiary, Joint Ventures and Associate Companies*

The Company has only one subsidiary company namely Odisha Coal and Power Limited (OCPL) which was formed as a wholly owned subsidiary Company of OPGC on 20th January, 2015. Pursuant to GoO Notification dated 4th, 11th and 21st February, 2015, 49% equity shares of OCPL was transferred to OHPC thus converting it into a joint venture (JV) company.

The Shareholders' Agreement between your company and OHPC was executed on 21st April, 2016. As per the Shareholders' Agreement, the Chairman, OPGC shall preside over the meeting of the Board and General Meetings of OCPL. Apart from the Chairman three directors each have been nominated on the Board of OCPL by both OPGC and OHPC.

The Board has reviewed the affairs of OCPL, Subsidiary Company, and confirms that there were no material changes in the said company or in the nature of business carried on by them. During the year under review for F.Y.2015-16, the Company has incurred a Loss of Rs.79.94 Lakh as the operational activities are yet to commence. The consolidated financial statements prepared taking into account the financials of OCPL are attached to the Annual Report.

OPGC has no Associate company during the year under review.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Companies Act, 2013 are given in the **Annexure-I** to this report.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure-II** to this Report.

## DIRECTORS

Mr. Rajesh Verma, IAS (DIN: 01725746) was appointed as Chairman of the Company w.e.f 4th December, 2015 in place of Mr. Suresh Chandra Mahapatra, IAS (DIN: 00229586) upon change of nomination by Government of Odisha. Mr. Alok Mukherjee (DIN: 02238599) was appointed in place of Mr. Sukanta Mahapatra (DIN: 07138506) w.e.f 26th October, 2015 and Mr. A. S. Rao (DIN: 00307270) ceased be a Director w.e.f 31.03.2016 upon withdrawal of nomination from the AES (the strategic partner).

Your Directors place on record their appreciation for the valuable services rendered by Mr. Suresh Chandra Mahapatra, IAS and Mr. A. S. Rao during their tenure as Chairman and Director of the Company respectively.

## STATUTORY AUDITORS

M/s JBMT & Associates, Chartered Accountants (Firm Regn. No. 320232E), Bhubaneswar were re-appointed by the C&AG of India as the Statutory Auditors for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2015-16 and comments of C&AG of India u/s 143 (6) (b) of the Companies Act, 2013 are enclosed as part of the report.

## COST AUDITORS

For the financial year 2015-16, the Board of Directors of the Company had appointed, after recommendations of the Audit Committee, M/s. S.S. Sonthalia & Co., Cost Accountants (Firm's Registration No. 00167), as Cost Auditors for auditing the cost accounts of the power plant. Their appointment was approved by the Central Government, in terms of the Companies (Cost Audit Report) Rules 2011, as amended. The cost audit report relating to Thermal Power Plant for the financial year ended 31st March, 2016 has been duly filed with the Ministry of Corporate Affairs. For the financial year 2016 - 17, the Board of Directors of the Company have re-appointed, on the recommendations of the Audit Committee, M/s. S. S. Sonthalia & Co. Cost Accountants, as Cost Auditors of the Company for auditing the cost accounts in respect of the power plant.

## INTERNAL AUDITORS

The Board of Directors of the Company has appointed, after recommendations of the Audit Committee M/s. SDR and Associates, Chartered Accountants (Firm Regn. No.326522E), as Internal Auditors. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee and Board.

## MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The comments of the statutory auditors and management's reply on each of the observations are placed in **Annexure – III** and form part of the Directors' Report. Members' attention is drawn to the contents thereof for critical appreciation of the finance and accounts of the Company.

## MANAGEMENT COMMENTS ON C&AG REVIEW

Review of the Accounts for the year ended March 31, 2016 by the Comptroller and Auditor General of India (C&AG) as furnished at **Annexure – IV** also forms part of this report and Management's replies there to given in the said annexure may also be read as a part of this report.

## PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

OPGC has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013 except for sharing of human resources of AES India Private Limited under a well defined policy duly approved by the Board of Directors of OPGC in the year 2008 and 2013. Particulars of such arrangements are placed in Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 as **Annexure -V**.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees or investments under Section 186 of the Companies Act, 2013 is given under Notes to Accounts of financial statements.

## INTERNAL CONTROL

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks.

Your Company has a well placed, proper and adequate Internal Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Firm of Chartered Accountants are appointed as auditors for conducting internal audit. The Internal Auditors independently evaluate the adequacy of internal controls and audit the majority of the transactions in terms of value and criticality. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee. Internal audit programme of the company adequately covers the project management and operational controls and ensures adherence to policies and systems. Budget variance analysis of physical and financial performance of the company is prepared for review of Board at the end of each quarter as a measure of budgetary control to ensure that the activities confirm to the annual plan. The Company has also prepared Standard Operating Procedures (SOP) for each of its processes like procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations etc. During the year, controls were tested and no reportable material weaknesses in design and effectiveness was observed.

## ENVIRONMENT, HEALTH & SAFETY (EHS)

### Creating a safer working environment:

For OPGC, Safety is just not important to all but it is first value statement of the company. It comes before everything else because your company cares for its people and wants them to return home safely each day. The goal is to make that possible for each OPGC person and contractor by creating and sustaining an incident-free workplace. Your company is striving hard to make it a reality.

OPGC has been continuing with its pro-active safety management procedures, nurturing a culture focused on safety. The safety strategy is centred on the belief that all occupational injuries can be prevented and zero harm is achievable. Your company's approach to safety is defined in the OPGC EHS Policy, Values & Beliefs. Our four safety beliefs depicted below are four corner pillars of our safety management system.

1. Safety comes first for our people, our contractors and the individuals in our communities, and all our work activities need to be conducted in a safe manner that promotes personal health, safety and well-being.
2. All occupational incidents can be prevented.
3. Working safely is a condition of employment and each person is responsible for their own safety as well as the safety of their teammates and the people in the communities in which we work.
4. All OPGC people and contractors have the right and obligation to stop work as soon as they identify a situation they believe to be unsafe

The basis of Zero Harm approach is that your company does not accept that harm should come to any of our employees, contractors and other people. Creating a safe and healthy workplace is one of the most important drivers of our business. Nothing is so urgent or so important that justifies neglecting Safety principles.

The aim is to challenge employee behaviour and change mind-sets, and as it is said, safety is a journey which does not end. Ways and means are continually explored to bring further improvement in the areas of health, safety and environment.

**"Put safety First" is our first value, Safety is our way of life and "Always on for Safety" is our habit.**

Your company's intelligent EHS management system in line with OHSAS 18001 & Global safety standards helps to reliably achieve what we really believe in: Your company is in the fifth year of LTI free journey in operation. It achieved 14.4 million LTI free man hours and 1569 LTI free man days as on 30.09.2016.The company has bagged number of State as well as National level EHS awards.

### Commitment to improved environmental performance

The Company has developed strategies and objectives designed to drive long term improvement in environmental performance, which have been integrated into the business planning processes.

### "We care for our environment" through:

- Fostering and promoting a continuous improvement culture
- Maintaining and improving our pollution control equipments and facilities
- The efficient use of resources
- Implementing Pollution prevention strategies and mitigation
- Reducing the environmental impact of our operations.

### Environment highlights:

- ESPs up-gradation to reduce emission
- Ambient Air Quality & Emission parameters being continuously monitored online.
- Real time emission and ambient air quality data is being transmitted to SPCB server.
- Maximum Recycle & Reuse of Liquid effluents up to 98%.
- Safe Ash Pond Management.
- Fugitive dust control measures through Dust suppression, Dust extraction and Dust agglomeration.
- Coal transport by rail wagons
- 01 MLD capacity zero discharge Sewage Treatment Plant.
- 01MT capacity Kitchen waste based biogas plant for **eco- friendly** disposal of kitchen waste.
- More than 34% Green Belt & Plantation coverage.
- **ISO14001** certification which provides external assurance.

### Our Environmental Challenge:

MoEF & CC, GoI have stipulated utilisation of 100% Fly Ash generated at Thermal Power Stations. However, achieving the ash utilisation target as stipulated has been a challenge for all Thermal Power Generating Stations. OPGC has been able to utilize only 20.5 % during the year.

| | |
|---|---|
| Quantity of Ash generated in the year: | 1162985 MT |
| Quantity of Bottom Ash generated in the year: | 232597 MT |
| Quantity of Fly Ash generated in the year: | 930388 MT |

### Initiatives to utilize maximum Fly Ash:

- Installed adequate dry ash storage and handling system
- Free of cost and timely availability of dry ash of different grades
- Captive Ash Brick production for all company constructional activities.
- Taken up R&D projects in Sambalpur University & IMMT, Bhubaneswar.
- Awareness campaign made in community to develop acceptance of ash brick.

**Main Constraints in achieving the target:**

- In the locality, only one cement plant (Ultratech Cement) produces fly ash based cement. The cement plant prefers to bring ash from nearest power plants.
- OPGC Plant is located at a remote location. Scope is very limited to utilize its ash in constructional activities.
- Limited low lying area filling scope. Stone quarry or low lands are not available in the locality.
- Being a Pit head plant, utilization in nearest mine void is the most feasible option & long term solution for 100% utilization. Unfortunately, mine void allotment has not happened, so far.

## INTEGRITY PACT

The Corporation has complied with Integrity Pact (IP) to enhance ethics/ transparency in the process of awarding contracts as per the Memorandum of Understanding (MoU) signed with Transparency International of India (TII) in the year 2011. OPGC has implemented the IP with effect from December 2011. The IP has now become integral part for bidding process for all tenders for supply and work execution worth Rs.2.5 crores and above. One Independent External Monitor has been nominated by the Transparency International of India. Regular meetings are being organised with Independent External Monitor.

## RIGHT TO INFORMATION

The Corporation has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has designated a Public Information Officer (PIO) and an Appellate Authority who are dealing with the information requests of the public in compliance with the applicable provisions of the said Act.

## INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an internal complaint committee under section 4 of The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said committee.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

OPGC's vision of sustainable growth drives both business decisions as well as Corporate Social Responsibility (CSR) initiatives. OPGC's CSR Policy in line with the Section 135 of the Companies Act, 2013 has been approved by the Board and has been placed in the Company's website, i.e. www.opgc.co.in. Seeking to herald an inclusive business paradigm, OPGC has CSR interventions that are based on social and environmental considerations and are well-integrated into the decision-making structures and processes of the organization. The Company's community interventions are based on **Schedule-VII** of the Companies Act, 2013 relating to CSR. OPGC works in the core sectors of Education, Community Health, Sustainable Livelihoods development and rural infrastructure development and its CSR projects are primarily focused on water and sanitation management, conservation of bio-diversity, providing infrastructure support in villages near our operational area, protection and preservation of heritage, education and skill development and support to rural sports training. During the year, the Company has spent Rs. 268.34 Lakhs as against the mandated spending of Rs. 751.52 Lakhs (including last year unspent amount of Rs. 308.89 Lakhs). As a matter of its policy, the Company has earmarked the unspent amount for CSR activities to be taken up in the following year. A detailed report on CSR activities prepared in line with various applicable provisions of the Companies Act, 2013 is attached at **Annexure - VI**.

## MEETINGS OF THE BOARD

During the year, nine Board meetings were held.

The details of attendance of the members of the Board during financial year 2015-16 are as under:

| Name & Position | No. of Meetings held during the tenure of the member | Number of Meetings attended |
|---|---|---|
| Mr. Rajesh Verma, IAS, Chairman (since 04.12. 2015) | 6 | 6 |
| Mr. S. C. Mahapatra, IAS, Chairman (till 04.12. 2015) | 3 | 3 |
| Mr. Indranil Dutta, Managing Director | 9 | 9 |
| Mr. Hemant Sharma, IAS, Director | 9 | 5 |
| Mr. A. S. Rao, Director | 9 | 9 |
| Mr. H P Nayak, IRAS, Director (Finance) | 9 | 9 |
| Mr. Alok Mukherjee, Director (Operations) (Since 26.10.2015) | 4 | 4 |
| Mr. Sukanta Mahapatra, Director (Operations) (Till 26.10.2015) | 5 | 3 |

## AUDIT COMMITTEE

As a measure of good Corporate Governance your company has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board comprising of three Directors. Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of internal audit environment and monitors implementation of internal audit recommendations including those relating to strengthening of company's control system against unscrupulous, unethical and fraudulent transactions.

Major terms of reference of the Committee include overseeing the financial reporting process, review of the financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of the internal, cost and statutory auditors to the Board of Directors and review of adequacy of internal control systems and internal audit function.

During the year under review, four meetings of the Committee were held on 30th July 2015, 26th September 2015, 9th December 2015 and 16th March 2016.

Composition of the Committee as on 31st March 2016 are as below:

| | | |
|---|---|---|
| 1 | Mr. Rajesh Verma, IAS | Chairman – non executive |
| 2 | Mr. Alok Mukherjee | Director, (Operations), Member- executive |
| 3 | Mr. A. S. Rao | Director, Member- non executive |

The details of attendance of the members of the Committee are as under:

| Name & Position | No. of Meetings held during the tenure of the member | Number of Meetings attended |
|---|---|---|
| Mr. Rajesh Verma, IAS, Chairman (since 04.12.2015) | 3 | 3 |
| Mr. S.C. Mahaptra, IAS, Chairman (till 04.12.2015) | 1 | 1 |
| Mr. Sukanta Mahapatra Director (Operations) (Till 26.10.2015), Director (Operations), Member | 3 | 3 |
| Mr. Alok Mukherjee, Director (Operations) (Since 26.10.2015) | 1 | 1 |
| Mr. A. S. Rao, Director, Member | 4 | 4 |

## H.R.D. & MANPOWER PLANNING

Your Company believes in retaining and nurturing a highly motivated work force to drive the company along its vision & mission with the values and work culture that foster operational excellence through team work.

Your company has devised an effective and progressive workforce intake strategy that is suited well to counter the varied complexities and evolving the business environment as well as aligned to the business needs of the organisation. During the year under report, 18 persons with requisite skill sets were inducted into the executive cadre to meet part of the manpower requirements of the Company as well as to replenish the manpower loss that occurred in the previous years. To support the expansion plan short term contract based on the CTC structure was introduced earlier and during the year 36 persons have joined in the Project Roll.

Your company believes in continuous development of its human resource to foster productivity and makes continuous endeavour to keep its employees updated in their respective areas of skill and proficiency. This was carried further during the year under report by imparting in-house training and encouraging their participation in external workshops, symposiums and crash courses organised by professional institutes of national repute. During the year, 36 in-house training programmes covering all employees were organised to empower them with up-to-date knowledge on various subjects and 292 employees were given opportunity to attend institutional training programmes and seminars. As part of career progression policy and broader objective of maintaining a motivated workforce, 48 executives and 43 non-executives were promoted to higher positions.

## INDUSTRIAL RELATIONS

Your company has maintained healthy, cordial and harmonious industrial relations at all levels. The year under report, has not registered any major concern in the industrial relation front and no man days were lost due to any industrial relation issues. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the company worked at site and corporate offices and made useful contribution to the all round progress of the company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134 (5) of the Companies Act, 2013 state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledge and place on record their appreciation for the support, guidance and co-operation extended to the Company by various departments of the Govt. of Odisha and Ministries of the Govt. of India particularly the Ministry of Power and Coal and Ministry of Environment & Forest.

Your Directors also place on record their appreciation on the continued co-operation and support received from GRIDCO, IDCO, MCL, Union Bank of India, State Bank of India, Central Bank, Andhra Bank, Yes Bank, REC, PFC, Auditors, Solicitors, business associates and shareholders during the year and look forward to continuance of the supportive relationship in future.

The Board also appreciates the contribution of contractors, vendors and consultants in the implementation of various projects of the Company.

We also acknowledge the constructive suggestions received from Government of Odisha and Internal and Statutory Auditors.

Your Directors also wish to place on records their appreciation for the support and co-operation extended by all members of the OPGC family.

**For and on behalf of the Board of Directors**

Place: Bhubaneswar

Sd/-

Date:17.12. 2016

**(Rajesh Verma)**
**CHAIRMAN**

# Annexure - I

**Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo**

| **A** | **Conservation of energy** | | |
|---|---|---|---|
| | (i) | the steps taken or impact on conservation of energy | • Flue gas duct replacement for reduction of power consumption of Induced Draft Fans<br>• BFP recirculation valve replacement for reduction of specific power consumption of Boiler Feed Pump<br>• Air Pre-Heater seal and Basket replacement to enhance Boiler Efficiency and reduce unit heat rate |
| | (ii) | the steps taken by the company for utilising alternative sources of energy | Nil |
| | (iii) | the capital investment on energy conservation equipments | |

| **B** | **Technology absorption** | | |
|---|---|---|---|
| | (i) | the efforts made towards technology absorption | Nil |
| | (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | Nil |
| | (iii) | in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) | Nil |
| | (iv) | the expenditure incurred on Research and Development | Nil |

| **C** | **Foreign exchange earnings and outgo** | | Nil |
|---|---|---|---|
| | (i) | The foreign exchange earned (actual inflows) | Nil |
| | (ii) | The foreign exchange outgo (actual outflows) | Nil |

# Annexure - II

## Form No. MGT-9
## EXTRACT OF ANNUAL RETURN
## as on the financial year ended on 31.03.2016

**[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]**

**I REGISTRATION AND OTHER DETAILS:**

| | | |
|---|---|---|
| i) | CIN | U40104OR1984SGC001429 |
| ii) | Registration Date | 14th November 1984 |
| iii) | Name of the Company | Odisha Power Generation Corporation Limited |
| iv) | Category / Sub - Category of the Company | Company limited by Shares / State Government Company |
| v) | Address of the registered office and contact details | Zone -A, 7th Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar, Orissa-751023 |
| vi) | Whether Listed company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| Sl No. | Name and Description of main products / Services | NIC Code of the Product / Services | % to total turnover of the company |
|---|---|---|---|
| 1 | Generation of Thermal Power | 40102 | 100.00 |

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sl No | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Odisha Coal and Power Limited | U10100OR2015SGC018623 | Subsidiary | 51.00% | 2(87) |

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category - wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2015) | | | | No. of Shares held at the end of the year (As on 31.03.2016) | | | | % Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | | | | | | | | | |
| b) Central Govt | | | | | | | | | |
| c) State Govt (s) | | 2500109 | 2500109 | 51.00 | | 2500109 | 2500109 | 51.00 | |
| d) Bodies Corp. | | 796178 | 796178 | 16.24 | | 796178 | 796178 | 16.24 | |
| e) Banks / FIs | | | | | | | | | |
| f) Any other | | | | | | | | | |
| **Sub-total (A) (1) :-** | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corp. | | 1605887 | 1605887 | 32.76 | | 1605887 | 1605887 | 32.76 | |
| d) Banks / FIs | | | | | | | | | |
| e) Any other | | | | | | | | | |
| **Sub-total (A) (2) :-** | | | | | | | | | |
| **Total shareholdings of Promoter (A) = (A) (1) + (A) (2)** | | **4902174** | **4902174** | **100** | | **4902174** | **4902174** | **100** | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c)Central Govt | | | | | | | | | |
| d) State Govt (s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| **Sub-total (B) (1) :-** | | | | | | | | | |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholdings | | | | | | | | | |
| holding nominal share capital upto | | | | | | | | | |
| Rs. 1 lakh | | | | | | | | | |
| ii) Individual shareholdings | | | | | | | | | |
| holding nominal share capital in | | | | | | | | | |
| excess of Rs. 1 lakh | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| i) NRI | | | | | | | | | |
| ii) Clearing Member | | | | | | | | | |
| **Sub-total (B) (2) :-** | | | | | | | | | |
| **Total Public Shareholding (B) = (B) (1) + (B) (2)** | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs (C)** | | | | | | | | | |
| **Grand Total (A+B+C)** | | **4902174** | **4902174** | **100.00** | | **4902174** | **4902174** | **100.00** | |

## ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2015) | | | Shareholding at the end of the year (As on 31.03.2016) | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | % change in shareholding during the year |
| 1 | Government of Odisha | 2500109 | 51.00 | | 2500109 | 51.00 | | Nil |
| 2 | AES India Private Limited | 796178 | 16.24 | | 796178 | 16.24 | | Nil |
| 3 | AES OPGC Holding (Incorporated in Mauritius) | 1605887 | 32.76 | | 1605887 | 32.76 | | Nil |
| | **Total** | **4902174** | **100.00** | | **4902174** | **100.00** | | |

## iii) Change in Promoters' Shareholding (Please specify, if there is no change)

There are no changes in the Promoter's shareholding during the Financial Year 2015-16

## iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl No. | | Shareholding at the begining of the year (As on 01.04.2015) | | Cumulative Shareholding during the year (01.04.2015 -31.03.2016) | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| a | At the begining of the year as on 01.04.2015 | NA | | | |
| b | Changes during the year | NA | | | |
| c | At the end of the year as on 31.03.2016 | NA | | | |

## v) Shareholding of Directors and Key Managerial Personnel:

| Sl No. | | Shareholding at the beginning of the year (As on 01.04.2015) | | Cumulative Shareholding during the year (01.04.2015 - 31.03.2016) | |
|---|---|---|---|---|---|
| | For Each of the Directors and KMP | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| a | At the begining of the year as on 01.04.2015 | NA | | | |
| b | Changes during the year | NA | | | |
| c | At the end of the year as on 31.03.2016 | NA | | | |

### vi) INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

**Rs. In Lakhs**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 83692.49 | | | 83692.49 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 973.31 | | | 973.31 |
| **Total (i+ii+iii)** | 84665.80 | | | 84665.80 |
| **Change in Indebtedness during the financial year** | | | | |
| ● Addition | 78877.85 | | | 78877.85 |
| ● Reduction | | | | |
| **Net Change** | 78877.85 | | | 78877.85 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 162570.33 | | | 162570.33 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 2054.44 | | | 2054.44 |
| **Total (i+ii+iii)** | 164624.77 | | | 164624.77 |

### vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Rs. In Lakhs)

| Sl No | Particulars of Remuneration | Mr. H. P. Nayak, Director (F) | | Total Amount |
|---|---|---|---|---|
| 1 | Gross Salary | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | 26.40 | |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 5.02 | 31.42 |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commision<br>- as % of profit<br>- others, specify... | <br>-<br>- | <br>-<br>- | <br>-<br>- |
| 5 | Others, please specify | - | - | - |
| | Total (A) | **-** | **31.42** | **31.42** |
| | Ceiling as per the Act | | | |

**B. Remuneration to other directors:** NA

| Sl No | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| 1 | **Independent Directors** | | | | | | |
| | a) Fee for attending Board/Committee meetings | | | | | | |
| | b) Commission | | | | | | |
| | c) others, please specify | | | | | | |
| | **Total (1)** | | | | | | |
| 2 | **Other Non-Executive Directors** | | | | | | |
| | a) Fee for attending Board/Committee meetings | | | | | | |
| | b) Commission | | | | | | |
| | c) others, please specify | | | | | | |
| | **Total (2)** | | | | | | |
| | **Total (B) = (1+2)** | | | | | | |
| | Total Managerial Remuneration (A+B) | | | | | | |
| | Overall ceiling as per the Act | | | | | | |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD** NA

| Sl No | Particulars of Remuneration | Key Managerial Personnel | | | | |
|---|---|---|---|---|---|---|
| 1 | Gross Salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commision | | | | | |
| | - as % of profit | - | - | - | - | - |
| | - others, specify... | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | **Total** | **-** | **-** | **-** | **-** | **-** |

vii) **PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Componding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| **B. DIRECTORS** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

# Annexure - III

## Replies of the Management
## On the Comments of Statutory Auditors on Accounts for the Year-2015-16

| Sl.No. | Comments of the Statutory Auditors | Management Reply |
|---|---|---|
| 1. | Four Mini Micro Hydel Projects namely Harbhangi, Banpur, Barboria and Badanala have been under execution since more than eighteen years with almost no progress since last few years due to which the provision to the extent of expenditure amounting to Rs.1314.76 Lakhs incurred lying in CWIP minus salvage value should have been made in the books of accounts. In the absence of technical/economic estimate of salvage value the amount of provision is not ascertainable for which the profit for the year and the amount of carrying value of CWIP is overstated to that extent. | The matter was reviewed during the year 2014-15 and placed before the Committee of Directors (COD) in their meeting held on dated. 16.03.2015. OPGC has submitted Power Purchase Agreement (PPA) to GRIDCO in respect of its operational units. COD advised to wait till approval of PPA with GRIDCO as the execution of balance work will be taken up after finalization of PPA of operational units.<br>However, the matter will be reviewed during the year 2016-17. |
| 2. | Attention is invited to Note No.25 to the Notes to financial statements regarding non-provision of gratuity liability, calculated as per OPGC Rule to the tune of Rs.388.60 lakh (Previous year Rs152.20 Lakh). The non provision of the same resulted in overstatement of profit by Rs.388.60 lakh( Previous year Rs 152.20 Lakh) overstatement of Reserves & Surplus and understatement of Long term provisions by the like amount. | The proposal for provision & payment of gratuity liability as per OPGC Group Gratuity Scheme are under review by the Management. The same will be provided during 2016-17 after such review. |
| 3. | Revenue work contracts valuing Rs.934 lakh was awarded to M/s Ranchi Security Private Limited on 26.06.2015 which was enhanced to Rs.1091 lakh on 04.11.2015. Based on the reply of management the 28th Audit Committee in their meeting held on 16.03.2016 decided that post facto approval of Board should be taken for such deviation. However, no such approval of the Board of Directors have been obtained. | Noted |

# Annexure - IV

## Replies of the Management on the comments of C & AG of India on the Standalone Financial Statements for the year 2015-16

| Sl.No. | Comments of the C & AG Auditors | Management Reply |
|---|---|---|
| A | Comments on standalone Financial Position<br>Balance Sheet<br>Assets; Non-Current :<br>Capital Work in Progress (Note-13)<br>For Expansion Power Plants: Rs.3255.18 Crore | |
| 1. | The above is understated by Rs.9.83 crore due to non-accounting of the value of Plant and Machinery received from a vender(BGR Energy System Limited) within March 2016 for expansion of Power plant. This has also resulted in corresponding Under statement of Current Liabilities to the same extent. | The Invoices for the material supplied by BGRE amounting to Rs 9.83 Cr. were received only on 31st May 2016. Under the BOP Contract, the payments are released on NTP Milestone achievement basis where as the material received is accounted and shown as payable which will be adjusted on close of contract. Above materials received have been accounted for during the year 2016-17. The accounting of the material has no financial impact on profitability for the year 2015-16. |
| B | Comments on Cash Flow Statement | |
| 2 | Power Finance Corporation Limited (P.F.C) and Rural Electrification Corporation Limited (R.E.C) had Sanctioned (November2012 )Loan of Rs.7624Crore for the Company's expansion projects( Unit 3&4 ) schedule to be completed in March 2018. As of March 2016, the Company has drawn a sum of Rs 1625.72crore out of the sanctioned amount, leaving an undrawn balance of Rs.5998.28 crore. As per AS-3 THE Company was required to disclose the above undrawn borrowings facilities that are available for future operating activities and to settle Capital Commitments .However the same has not been complied. | Paragraph 8 of the Accounting Standard (AS-3)<br>States that "the cash flow statement should report cash flows during the period classified by operating, investing and financing activities" only.<br>Paragraph 47 (a)of AS-3 states that the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities is to be disclosed.<br>As per Paragraph-5.4, Operating activities are the principal revenue-producing activities of the enterprise and other activities that are not investing or financing activities. |

| | | |
|---|---|---|
| | | So in view of above, in compliance to the Accounting Standard-3, the Company prepared the Cash flow statement which is forming part of the financial statements. There is no such mandatory requirement of disclosure of the undrawn borrowing related to Project activities. |
| C | Comments on Disclosure<br>Contingent Liabilities not provided for (Note-38 )<br>Claims against the Company not acknowledged as debt Rs. 242.48 crore. | |
| 3. | Under the above, the Company has disclosed a contingent liability of Rs.122.29 crore towards corporate guarantee given to Yes Bank for issue of Bank Guarantee (BG ) in favour of Ministry of Coal (MoC) Government of India (GoI) on behalf of Odisha Coal and Power Limited (OPCL). However, the Company gave(April 2015) corporate guarantee for Rs.153.92 crore to Yes Bank to enable OCPL to obtain BG for submission to MoC towards performance security. Hence, the disclosure of contingent liability has been understated by Rs.31.63Cr. (Rs.153.92-Rs.122.29) | OPGC Board in their 180th meeting held on 20.04.2015 accorded approval for providing loan/or guarantee (including corporate guarantee) and or security in connection with Loan to OCPL not exceeding Rs.210 Cr. Out of above, Rs.56 Cr. is cash advance to meet upfront payment and guarantee commission. Balance Rs.122.92 Cr. is for corporate guarantee and of OPGC Fixed Deposit to be pledged in order to enable OCPL for obtaining Bank Guarantee worth of Rs.153.92 Cr. from intending Bank. Accordingly the pledging of Fixed Deposit amounting to Rs.31 Cr. has been disclosed at Note on Accounts No.19 and Corporate Guarantee of Rs.122.29 Cr. has been disclosed in the Notes No.38 of the financial statements. |

## Replies of the Management on the comments of C & AG of India on the Consolidated Financial Statements for the year 2015-16

| A | Comments on Disclosure | |
|---|---|---|
| 1 | As per Schedule –III of the Companies Act 2013 (General Instructions for preparation of CFS ), the Company is required to disclose the percentage of consolidated net assets of parent as well as subsidiary company by way of additional information. However, the company has not disclosed the same in its Consolidated Financial Statements. | Noted |

# Annexure-V

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   (a) Name(s) of the related party and nature of relationship:

   **Odisha Coal and Power Ltd. (OCPL), Subsidiary Company**

   (b) Nature of arrangements:

   **(i) Loan and Advances to OCPL**

   **(ii) Receivable from OCPL**

   (c) Duration of the arrangements: **Open Ended**

   (d) Salient terms of the arrangements including the value, if any:

   **I. OCPL: Loan and Advances Rs. 9,612.65 Lakhs**

   **II. OCPL: Receivables Rs. 26,913.32 Lakhs**

   (e) Justification for entering into such arrangements: **As per Board approval.**

   (f) Date(s) of approval by the Board: 20.04.2015; 13.05.2015 and 08.07.2015

   (g) Amount paid as advances, if any: **9,612.65 Lakhs**

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   (a) Name(s) of the related party and nature of relationship: **NA**

   (b) Nature of contracts/arrangements/transactions: **NA**

   (c) Duration of the contracts / arrangements/transactions: **NA**

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**

   (e) Date(s) of approval by the Board, if any: **NA**

   (f) Amount paid as advances, if any: **NA**

# Annexure-VI

## ANNUAL REPORT ON CSR ACTIVITIES

**FY: 2015-16**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The CSR Policy of OPGC was developed and modified by the CSR Committee and subsequently, the same was approved by the Board of Directors (BoD) on recommendation of CSR Committee. The CSR Policy of OPGC provides for projects and programmes, i.e.preventive health, education, nutrition, drinking water, sanitation, vocational skills for employability, sustainable livelihoods and income generation for empowerment of women and youth, creation and development of critical community infrastructure (e.g. roads, renovation of water bodies, community centres, educational facilities, etc.) for rural development, water resource management and water conservation and training of children/youth in sports.

   The strategy outlined in the CSR Policy is aimed to ensure a sustainable and responsible development of its business that serves broader economic and societal interests of the community thereby underlining sustainability inherent in its business model.The strategy covers three broad areas:

   (1) Promoting good CSR Governance;

   (2) Projects to be aligned with CSR Rules; and

   (3) Monitoring and Measurement of CSR Projects

   The CSR Policy and a brief update on CSR programmes are available at: http//www.opgc.co.in/

2. The composition of the CSR Committee.

   There were three members in the CSR Committee as approved by OPGC Board of Directors (BoD) during FY 2015-16.

   a. Managing Director : Mr. Indranil Dutta.

   b. Director-Finance : Mr. Hara Prasad Nayak.

   c. Non-executive Director : Mr. A.S. Rao (Director till the end of FY 2015-16).

3. Average Net Profit of the Company for last three financial years.
   Rs. 22131.39 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).
   Rs. 442.63 Lakhs

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year: Rs. 442.63 Lakhs (Additionally, Rs. 308.89 Lakhs of unspent balance of 2014-15 was carried forward and projects were identified as well as approved too)

(b) Amount unspent, if any: Rs. 483.18 Lakhs

(c) Manner in which the amount spent during the financial year detailed below.

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| Sl. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or program wise (Rs.) | Amount spent on the projects of programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs.) | Cumulative expenditure up to the reporting period (Rs.) | Amount spent: Direct or through implementing agency* |
| 1 | Preventive Health (Malaria Prevention; HIV/AIDS Prevention and Malnutrition Prevention) | Schedule-VII Sl. No. (i) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State- Odisha | 52,00,000.00 | (1) Direct: 713,906.00 (2) Overhead: Nil | 730,697.00 | Direct& Implementing Agency |
| 2 | Sanitation | Schedule-VII Sl. No. (i) | Program: (1) undertaken in local area (2) Dist.-Puri; State- Odisha | 7,500,000.00 | (1) Direct: 4,944,668.00 (2) Overhead: Nil | 4,944,668.00 | Implementing Agency |
| 3 | Safe Drinking Water | Schedule-VII Sl. No. (i) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda State- Odisha | 54,50,000.00 | (1) Direct: 19,98,486.00 (2) Overhead: Nil | 36,73,390.00 | Direct |
| 4 | Livelihood Enhancement | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda State- Odisha | 12,000,000.00 | (1) Direct: 910,380.00 (2) Overhead: Nil | 987,032.00 | Direct and Implementing Agency |
| 5 | Vocational Skill Development | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda & Dist.-Sundargarh; State- Odisha | 28,50,000.00 | (1) Direct: 19,17,245.00 (2) Overhead: Nil | 43,12, 968.00 | Direct and through SAHAJ & MAITRI |
| 6 | Education | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State- Odisha | 74,50,000.00 | (1) Direct: 54,40,263.00 (2) Overhead: Nil | 73,76, 263.00 | Direct & through Pratham Education Foundation |
| 7 | Ensuring Environmental Sustainability and Ecological Balance | Schedule-VII Sl. No. (iv) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State- Odisha | 10,000,000.00 | (1) Direct: Nil (2) Overhead: Nil | Nil | N.A. (the project couldn't be undertaken for lack of government approval) |
| 8 | Protection of National Heritage, Art and Culture | Schedule-VII Sl. No. (iv) | Program: (1) undertaken in local area (2) Dist.-Puri; State- Odisha | 4,000,000.00 | (1) Direct: 3998916.00 (2) Overhead: Nil | 39,98,916.00 | Direct |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 9 | Rural Sports Training | Schedule-VII Sl. No. (vii) | Program: (1) undertaken in local area (2) Dist.- Jharsuguda; State- Odisha | 4,50,000.00 | (1) Direct: 4,34,449.00 (2) Overhead: Nil | 6,45, 289.00 | Direct |
| 10 | Rural Development | Schedule-VII Sl. No. (x) | Program: (1) undertaken in local area (2) Dist.- Jharsuguda & Dist.- Sundargarh; State- Odisha | 2,21,50,000.00 | (1) Direct: 62,40,190.00 (2) Overhead: Nil | 11,619,712.00 | Direct |
| 11 | Overheads (Monitoring, Capacity Building, etc.) | N.A. (as per provisions of Section 135) | Program: (1) Undertaken in local area (2) Dist.- Jharsuguda State- Odisha | 500,000.00 | (1) Direct: Nil (2) Overhead: 227,465.00 | 245,345.00 | Direct |

Note: The CSR Committee approved projects worth Rs. 76,200,000.00 during FY 2015-16. The mandated spend for the year was Rs. 442.63 Lakhs and the aspiration was to spend the unspent balance of FY 2014-15 along with the mandated spend of FY 2015-16.

* Give details of implementing agency:

i. Bharat Pest Management, Plot No. 579, At: Nuagaon, P.O. Itipur, PS-Lingaraj, Old Town, Bhubaneswar-751002 (Engaged for Preventive Health Project: Malaria Prevention).

ii. Anchalik Jana KalyanAnusthan (AJKA), Pradhan Complex, College Road, Panchagaon, Jharsuguda-768226, Odisha (implemented HIV/AIDS prevention awareness programme under preventive health category).

iii. Bharat GyanVigyanSamiti (BGVS), C-124, BHB Colony, Baramunda, Near Trinatha Bazar, Bhubaneswar-751003, Odisha, (implemented HIV/AIDS prevention awareness programmeunder preventive health category).

iv. Sulabh International Social Service Organisation, Sulabh Gram, Mahavir Enclave, Palam-Dabri Road, New Delhi-110045 (for sanitation projects).

v. Access Livelihood Consulting India Ltd., 17-1-383/47, 4thCross Road, Vinay Nagar Colony, Saidabad, Hyderabad – 500059 (for Livelihood Enhancement Programme)

vi. SAHAJ, Sahaj e-Village Limited, Mirania Garden, Plot No # 43, 10/B, Topsia Road (East), Kolkata - 700046 (For advanced DTP and other computer skilling courses).

vii. MAITRI Employability Services & Consultancy Pvt. Ltd. (Sister Concern of MITS Group), MITS Corporate House, 2(P), Infocity, Patia, Chandaka Industrial Estate, Bhubaneswar-751024.

1. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board Report.

   The Company hasn't been able to spend the mandated amount of CSR expenditure in the financial year under reporting. In fact,as mentioned at point no. 5 above, the Company was able to spend only Rs. 268.34 Lakhs out of mandated spend of Rs. 751.52 Lakhs. The reasons for this shortfall in spending are as follows:

   - The tendering process takes very long as OPGC has to go through a number of rules and procedures as a Government Company.
   - Suitable parties are not available in case of some projects.
   - Dispute in the community delays implementation and completion of many projects.

   However, the Board of Directors of the Company has decided to carry forward the unspent balance to next financial year (2016-17) so that it could be spent for community development.

2. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives of the company.

   The CSR Committee declares that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives of our Company.

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| (Chief Executive Officer or Managing Director or Director) | (Chairman, CSR Committee) | (Person specified under clause (d) of sub-section (1) of section 380 of the Act) |

# Financials

JBMT & ASSOCIATES
Chartered Accountants

# Independent Auditor's Report

To
The members of
ODISHA POWER GENERATION CORPORATION LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **ODISHA POWER GENERATION CORPORATION LIMITED,** ('the company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information in terms of the letter of appointment issued by Office of The Comptroller & Auditor General of India.

## 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 preparation and presentation of these Standalone financial statements that gives a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of The Act, read with Rule 7 of The Companies (Accounts) Rules, 2014. 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 for preventing and detecting frauds and other irregularities, selection of 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 accounting records, relevant to the preparation and presentation of the 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 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to frauds or errors. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of controls. An audit also includes evaluating the appropriateness of 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 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 financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statement give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, it's Profit and it's cash flows for the year ended on that date.

## Emphasis of Matter:

We draw attention to the matters in our separate observations in **Annexure- A**.

## Report on Other Legal and Regulatory requirements

1. As required by The Companies (Auditor's report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of the Section 143 of the Act, we give in the **Annexure-B** a statement on the matters specified in paragraphs 3 of the Order.

2. As required by the Directions issued by The Comptroller and Auditor General of India in terms of Sub-section (5) of the Section 143 of the Act, we give in **Annexure-C** a statement on the matters specified in the aforesaid Directions to the extent applicable.

3. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;

   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. In terms of Government of India, Ministry of Corporate Affairs Notification No. GSR 463(E) dated 5th June, 2015, Government companies are exempt from the applicability of provisions of Section 164(2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-D**.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38(a) to the financial statements.

   ii. 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.

   iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the company.

**For JBMT & ASSOCIATES**
*Chartered Accountants*
FRN: 320232E

Place : Bhubaneswar
Dated : 23rd September,2016

Sd/-

(CA. B.D. OJHA, FCA)
Partner
(M.No. 055193)

## ANNEXURE – A

# TO THE AUDITORS' REPORT
## Referred to in our report of even date

1. Four Mini Micro Hydel projects namely Harbhangi, Banpur, Barboria and Badanela have been under execution since more than nineteen years with almost no progress since last few years due to which the provision to the extent of expenditure amounting to ₹ 1314.76 Lakh incurred lying in CWIP minus salvage value should have been made in the books of accounts. In the absence of technical/economic estimate of salvage value the amount of provision is not ascertainable for which the profit for the year and the amount of carrying value of CWIP is overstated to that extent.
2. Attention is invited to Note No.25 to the Notes to financial statements regarding non provision of gratuity liability, calculated as per OPGC Rule to the tune of ₹ 388.60 lakh (previous year ₹152.20 Lakh). The non provision of the same resulted in overstatement of profit by ₹388.60 lakh, (Previous year ₹ 152.20 lakh) overstatement of Reserves & Surplus and understatement of Long term provisions by the like amount.
3. Revenue work contracts valuing ₹ 934 lakh was awarded to M/s Ranchi Security Private Limited on 26.06.2015 which was enhanced to ₹ 1091 lakh on 04.11.2015. Based on the reply of management the 28th Audit Committee in their meeting held on 16.03.2016 decided that post facto approval of Board should be taken for such deviation. However, no such approval of the Board of Directors have been obtained.

For **JBMT & ASSOCIATES**
Chartered Accountants
FRN: 320232E

Sd/-
**(CA. B. D. OJHA)**
Partner
M. No.055193

Date: Bhubaneswar
Date: 23rd September,2016

## ANNEXURE – B

## TO THE AUDITORS' REPORT
## Referred to in our report of even date

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The company has maintained proper records showing, full particulars including quantitative details and situation of its major portion of fixed assets.

   b) The management has carried out physical verification of a major portion of fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

   c) The title/lease deeds of all immovable properties are held in the name of the company except as follows:

| Mouza | Area (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 — |
| Baragad | 32.24 | 1997 | — do — |
| Telenpali | 10.27 | 1997 | — do — |
| Telenpali | 7.99 | 1997 | — do — |
| Kusuraloi | 5.34 | 1997 | — do — |
| Khadam | 0.32 | 1997 | — do — |
| Sahajbahal | 11.26 | 1997 | — do — |
| Banhrapali | 5.95 | 2003 | Pending Registration |
| Baragad | 52.84 | 2003 | — do — |
| Telenpali | 2.01 | 2003 | — do — |

2. The inventories have been physically verified by the management during the year end. The procedures for 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 its business. The discrepancies between physical stocks and book records arising out of physical verification, which were not material, have been dealt with in the books of account.

3. 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. Hence, the provisions of Clauses 3(iii) of the Order are not applicable to the company

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

5. No deposits have been accepted by the company within the meaning of directives issued by 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.

6. 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 are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7. a) According to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value added tax, Wealth Tax, Service tax, Customs duty, Excise duty, Cess and other statutory dues, with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are disputed statutory dues which have not been deposited as given herein below:

(₹ in lakh)

| Name of the Statute | Nature of Dues | Amount | Amount Deposited | Forum where dispute are pending |
|---|---|---|---|---|
| The Orissa Sales Tax Act | Sales Tax | 15.90 | 14.72 | Sales Tax Tribunal, Odisha |
| The Income Tax Act,1961 | Income Tax | 150.25 | 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** | **1177.57** | **804.72** | |

8. The company has not defaulted in repayment of loans or borrowings to Financial Institutions and banks.

9. The Company did not raise any money by way of initial public offer or further public offer(including debt instruments) during the year. The term loans were applied for the purposes for which the loans were obtained.

10. To the best of our knowledge and belief and according to the information and explanations given to us, we report that we have neither come across any instance of fraud by or on the company by its officers or employees, noticed or reported during the year nor have been informed of such case by the management.

11. As per notification no. GSR 463 (E) dated 5th June,2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to Government Companies. Accordingly, Caluse 3(xi) of the Order is not applicable to the company.

12. The company is not a Nidhi Company and therefore, the provisions of clause 3(xii) is not applicable to the company.

13. All transactions with the related parties are in compliance with section 177 and 188 of The Act and the details have been disclosed as required by applicable Accounting Standard (Refer Note No.20,21 & 33) to the Financial Statements.

14. The company has not made any preferential allotment or private placement of shares or fully convertible debentures during the year. Therefore provision of Clause 3(xiv) of the Order is not applicable to the company.

15. The company has not entered into any non–cash transactions prescribed under section 192 of The Act with directors or persons connected with them during the year.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934. Accordingly, Provision of Clause 3(xvi) of the Order is not applicable to the company.

For **JBMT & ASSOCIATES**
Chartered Accountants
FRN: 320232E

Date: Bhubaneswar
Date: 23rd September,2016

**(CA. B. D. OJHA, FCA)**
Partner
M. No.055193

## ANNEXURE – C

## TO THE AUDITORS' REPORT
## Referred to in our report of even date

### POWER SECTOR

1. According to the information and explanations given to us, the land owned by the company are in bounded and the company is in possession of the same having no encroachments and no land is declared by the Company as surplus.
2. According to the information and explanations given to us there is no direct acquisition of land made by the company. The land required to be acquired for Ash pond and coal transportation by rail is being acquired through Industrial Development Corporation of Odisha( IDCO).
3. To the best of our knowledge and belief, and according to the information and explanations given to us, 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 account in compliance with the applicable Accounting standards.
4. To the best of our knowledge and belief, and according to the information and explanations given to us, the company has not declared any projects as abandoned .

### GENERATION

1. According to the information and explanations given to us, the Company follows a policy to comply with various pollution control acts and the impact thereof. The company has made arrangements through outside agencies for utilization and disposal of ash.
2. To the best of our knowledge and belief, and according to the information and explanations given to us, the Company has not entered into revenue sharing agreements with private parties for extraction of coal at pit heads.
3. To the best of our knowledge and belief, and according to the information and explanations given to us, the Company has a project system for reconciliation of quantity/ quality of coal ordered and received. The grade of coal moisture and demurrage etc. are properly recorded in the books of account.
4. To the best of our knowledge and belief, and according to the information and explanations given to us, the entire power generated by the Company is sold to GRIDCO and no share of free power is due to State Government.
5. To the best of our knowledge and belief, and according to the information and explanations given to us, the company has adhered to the guidelines/policy issued by State Government with regard to water discharge and maintaining bio diversity for it's three Hydro Electricity Projects at Biribati, Kenduapatna and Andharbhanga.

## OTHER MATTERS

1. The title / lease deeds of all immovable properties are held in the name of the company except as follows:

| Mouza | Area (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 — |
| Baragad | 32.24 | 1997 | — do — |
| Telenpali | 10.27 | 1997 | — do — |
| Telenpali | 7.99 | 1997 | — do — |
| Kusuraloi | 5.34 | 1997 | — do — |
| Khadam | 0.32 | 1997 | — do — |
| Sahajbahal | 11.26 | 1997 | — do — |
| Banhrapali | 5.95 | 2003 | Pending Registration |
| Baragad | 52.84 | 2003 | — do — |
| Telenpali | 2.01 | 2003 | — do — |

2. There have been no waiver/write off of debt/loans/interest etc. during the year.
3. According to the information and explanations given to us, there are no inventories lying with third parties and the company has not received any asset from Government of India or other Authorities as gift.

For **JBMT & ASSOCIATES**
Chartered Accountants
FRN: 320232E

Sd/-
**(CA. B. D. OJHA, FCA)**
Partner
M. No.055193

Date: Bhubaneswar
Date: 23rd September,2016

## ANNEXURE – D

# REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of **Odisha Power Generation Corporation Limited** "the Company" as of March 31, 2016 in conjunction with our audit of the 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 on 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 Act.

### AUDITORS' RESPONSIBILITY

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

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose 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 details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2016, 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 on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JBMT & ASSOCIATES**
Chartered Accountants
FRN: 320232E

Sd/-
**(CA. B. D. OJHA, FCA)**
Partner
M. No.055193

Date: Bhubaneswar
Date: 23rd September,2016

## Odisha Power Generation Corporation Ltd.

### Balance Sheet as at 31st March, 2016

₹ in lakh

| Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' Funds** | | | |
| Share Capital | 2 | 49,021.74 | 49,021.74 |
| Reserves and Surplus | 3 | 1,08,335.05 | 1,00,392.49 |
| | | **1,57,356.79** | 1,49,414.23 |
| **Non-Current Liabilities** | | | |
| Long-term borrowings | 4 | 1,62,570.33 | 83,692.49 |
| Deferred tax liability (Net) | 5 | 1,261.35 | 1,923.96 |
| Other Long term liabilities | 6 | 540.29 | 200.23 |
| Long- term provisions | 7 | 3,593.72 | 2,398.60 |
| | | **1,67,965.69** | 88,215.28 |
| **Current Liabilities** | | | |
| Short-term borrowings | 8 | - | - |
| Trade payables | 9 | 2,206.52 | 977.95 |
| Other current liabilities | 10 | 1,88,330.55 | 78,885.43 |
| Short-term provisions | 11 | 4,525.05 | 5,049.70 |
| | | **1,95,062.12** | 84,913.08 |
| **TOTAL** | | **5,20,384.60** | 3,22,542.59 |
| **ASSETS** | | | |
| **Non-Current assets** | | | |
| **Fixed assets** | | | |
| Tangible assets | 12 | 21,213.32 | 21,259.26 |
| Intangible assets | 12 | 73.83 | 35.01 |
| Capital work-in-progress | 13 | 3,33,148.33 | 1,16,129.57 |
| Intangible assets under development | 13 | 834.27 | 81.32 |
| Non-Current Investments | 14 | 2.55 | 2.55 |
| Long -term loans and advances | 15 | 62,190.71 | 61,889.12 |
| Other non-current assets | 16 | 41.19 | 101.17 |
| | | **4,17,504.20** | 1,99,498.00 |
| **Current assets** | | | |
| Inventories | 17 | 4,877.58 | 5,960.25 |
| Trade receivables | 18 | 9,014.58 | 4,375.73 |
| Cash and Bank Balances | 19 | 50,147.62 | 84,896.60 |
| Short-term loans and advances | 20 | 10,650.33 | 246.38 |
| Other current assets | 21 | 28,190.29 | 27,565.63 |
| | | **1,02,880.40** | 1,23,044.59 |
| **TOTAL** | | **5,20,384.60** | 3,22,542.59 |

**Significant Accounting Policies**

**The accompanying notes form an integral part of these financial statements 1 to 41**

In terms of our report of even date attached

For JBMT & ASSOCIATES
Chartered Accountants.

(B. D. Ojha)
Partner
Membership No. 055193

For & on behalf of Board of Directors

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| (M. R. Mishra) | (H. P. Nayak) | (Indranil Dutta) |
| Company Secretary | Director(Finance) | Managing Director |

Bhubaneswar
Date: 23.09.2016
FRN : 320232E

## Odisha Power Generation Corporation Ltd,

### Statement of Profit and Loss for the Year ended 31st March, 2016

₹ in lakh

| Particulars | Note No. | 2015-16 | 2014-15 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | 22 | 62,753.49 | 53,926.64 |
| Other Income | 23 | 7,841.90 | 9,073.86 |
| **Total Revenue** | | **70,595.39** | 63,000.50 |
| **EXPENSES** | | | |
| Cost of Material Consumed | 24 | 35,225.15 | 26,085.63 |
| Employee Benefits Expense | 25 | 5,993.92 | 4,230.76 |
| Finance costs | 26 | 465.42 | - |
| Depreciation and amortisation expense | 27 | 2,192.05 | 1,916.10 |
| Generation and Other Expenses | 28 | 8,483.37 | 7,718.45 |
| CSR Expenditure | 29 | 268.34 | 117.09 |
| Prior Period Expenses ( net) | 30 | 151.27 | (30.29) |
| **Total Expenses** | | **52,779.52** | 40,037.74 |
| **Profit before Exceptional and Extraordinary items and tax** | | 17,815.87 | 22,962.76 |
| Exceptional items | | - | - |
| **Profit Before Extraordinary items and tax** | | 17,815.87 | 22,962.76 |
| Extraordinary items | | - | - |
| **Profit Before tax** | | 17,815.87 | 22,962.76 |
| Current Tax | | 6,973.72 | 7,933.40 |
| Earlier years Tax | | 22.12 | (1.59) |
| Deferred Tax | | (662.62) | (26.16) |
| **Profit for the Year** | | **11,482.65** | 15,057.11 |
| Earning per equity share of face value of ₹.1000/- each | | | |
| Basic & Diluted (in ₹.) | | 234.24 | 307.15 |

**Significant Accounting Policies**

**The accompanying notes form an integral part of these financial statements - 1 to 41**

There are no exceptional and extra ordinary items in the above period which needs to be disclosed.

In terms of our report of even date attached

For JBMT & ASSOCIATES
Chartered Accountants.

For & on behalf of Board of Directors

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| (B.D Ojha) | ( M.R.Mishra ) | ( H. P. Nayak ) | ( Indranil Dutta) |
| Partner | Company Secretary | Director(Finance) | Managing Director |
| Membership No. 055193 | | | |

Bhubaneswar
Date: 23.09.2016
FRN : 320232E

# Odisha Power Generation Corporation Ltd.

**Cash Flow Statement for the Year ended 31st March, 2016**

₹. in lakh

| | Particulars | 2015-16 | | 2014-15 | |
|---|---|---|---|---|---|
| A | **Cash Flow from Operating Activities** | | | | |
| | **Net profit before tax** | | **17,815.86** | | 22,962.76 |
| | **Adjustment for** | | | | |
| | Depreciation | 2,212.70 | | 1,930.32 | |
| | Interest & finance charges | 465.42 | | - | |
| | Provisions ( net) | 1,606.82 | | (32.59) | |
| | Effect of Exchange rate change | (0.95) | | (1.82) | |
| | Interest Income from investment & deposits | (7,459.06) | | (8,262.15) | |
| | Consumption of mechanical spare(capital spare adj.) | - | | - | |
| | Stores & spares written off | 29.75 | | 32.68 | |
| | Asset Written off | - | | 41.50 | |
| | Loss/(Profit) on sale / retired assets / stock | (2.53) | | 0.79 | |
| | Excess provision written back / off (net) | (51.34) | | (292.88) | |
| | CSR expenditure | 268.34 | | | |
| | Trade Receivables written off | 6.06 | | - | |
| | Provision for doubtful trade receivables | - | | - | |
| | Prior Period Adjustment (net) | 54.14 | | 50.71 | |
| | Assets & advances written off | - | | 31.45 | |
| | | | **(2,870.64)** | | (6,384.89) |
| | Operating profit before working capital changes | | **14,945.22** | | 16,577.87 |
| | Adjustment for | | | | |
| | Inventories | 1,052.92 | | (955.36) | |
| | Trade & other receivables | (15,806.36) | | (12,753.20) | |
| | Trade payables, other liabilities and provisions | 1,09,933.96 | | 72,880.03 | |
| | | | 95,180.52 | | 59,171.47 |
| | Cash Generated from Operations | | **1,10,125.73** | | 75,749.34 |
| | CSR expenditure | (268.34) | | | |
| | Direct taxes paid ( net ) | (7,471.86) | | (7,831.29) | |
| | | | **(7,740.20)** | | (7,948.38) |
| | **Net Cash from Operating Activities** | | **1,02,385.55** | | 67,800.96 |
| B | **Cash Flow from Investing Activities** | | | | |
| | Purchase of fixed assets ( net) | (2,07,453.09) | | (1,05,996.55) | |
| | Interest received | 7,857.60 | | 7,902.65 | |
| | **Net Cash Used in Investing activities** | | **(1,99,595.49)** | | (98,093.92) |
| C | **Cash Flow from Financing Activities** | | | | |
| | Short term borrowing | - | | - | |
| | Long term borrowing | 78,877.84 | | 41,705.12 | |
| | Interest and Finance charges | (11,991.77) | | (7,054.52) | |
| | Dividend including dividend tax paid | (4,425.11) | | (3,727.94) | |
| | **Net cash used in financing activities** | | **62,460.97** | | 30,922.67 |
| D | **Net changes in Cash & Cash equivalents (A+B+C)** | | **(34,748.99)** | | 629.70 |
| E | **Cash & Cash Equivalents - Opening balance** | | **84,896.60** | | 84,266.90 |
| F | **Cash & Cash Equivalents - Closing balance (D+E)** | | **50,147.62** | | 84,896.59 |

Note: (I) Cash and Bank Balances under Current Assets at note 19 are Cash and Cash Equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under Para 42 of the Accounting Standard 3 is not furnished separately.
(ii)Figures in brackets are cash outflows / incomes as the case may be.
(iii)Previous years figures have been rearranged / regrouped wherever necessary to conform to current year classification.

In terms of our report of even date attached
For JBMT & ASSOCIATES
Chartered Accountants.
Sd/-
(B.D Ojha)
Partner
Membership No. 055193

For & on behalf of Board of Directors

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| ( M.R.Mishra ) | ( H. P. Nayak ) | ( Indranil Dutta) |
| Company Secretary | Director(Finance) | Managing Director |

Bhubaneswar
Date: 23.09.2016
FRN : 320232E

# Note 1 - Significant Accounting Policies

## 1. Basis of Preparation :

The financial statements are prepared on accrual basis of accounting under historical cost convention, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## 2. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses during reporting period and the disclosure of contingent liabilities as at the end of financial year. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystalized.

## 3. Grants-in aid

3.1 Grants-in-aid received from Central / State Government or any other authorities towards capital expenditure are initially treated as capital reserve and adjusted in the carrying cost of such asset on the commencement of commercial production.

3.2 Grants received from Government and other agencies towards revenue expenditure, are recognized over the period in which related costs are incurred and are deducted from related expenses.

## 4. Fixed Assets

4.1 Tangible assets are carried at historical cost less accumulated depreciation / amortization.

4.2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.3 Expenditure on renovation and modernisation of tangible assets resulting in increased life and / or efficiency of an existing asset is added to the cost of related assets.

4.4 Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses including expenses on development of land related to acquisition of land are treated as cost of land.

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

4.6 Capital expenditure on assets not owned by the company related to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter under tangible assets. However, similar expenditure for CSR / community development is charged off to revenue.

4.7 Machinery spares which can be used only in connection with an item of plant and machinery and there use is expected to be irregular (except small value items valuing less than ₹1 lakh per unit) are capitalized and fully depreciated over the residual useful life of related plant and machinery.

4.8 Application software packages acquired / developed from / by outside agencies for internal use treated as intangible asset are recorded at their cost of acquisition.

4.9 Fixed assets retired from active use and held for disposal are stated at net book value less provision for doubtful realization if any and considered as other current asset till the time of its disposal.

## 5. Capital Work in Progress

5.1 Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress.

5.2 In respect of project contracts, the value of supplies is taken as capital work in progress on receipt of material at site. In respect of project supply contracts, wherever ownership of materials have been transferred to the company are accounted as material in transit and disclosed under Capital Work in Progress.

5.3 Administrative and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified for allocation on a systematic basis to the cost of related asset on capitalization.

5.4 Deposit work / cost plus contracts are accounted for on the basis of statement of accounts received from the contractors.

5.5 Unsettled liability for price variation / exchange rate variation in case of contracts, are accounted for on receipt/ acceptance of bills.

5.6 Employees benefits expenses, administration and other general overhead expenses related to capital projects are treated as revenue expenditure if the projects are inordinately delayed for commissioning.

5.7 Apportionment of expenses not clearly identifiable to specific assets including common expenses of operation and construction between pre commissioning and post commissioning period as per the scope of the contract is made on the basis of best judgement.

## 6. Development of Power Projects

6.1 Expenditure on development of new power projects is capitalized as "Development of Power Projects" under Capital Work in Progress.

6.2 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/ techno economic clearance are charged to revenue.

## 7. Provisions, Contingent Liabilities and Contingent Assets

7.1 A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

7.2 Contingent assets are neither recognized nor disclosed in the financial statements.

## 8. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on "Cash Flow Statements".

## 9. Inventories

9.1 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.

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

9.3 Transit and handling losses including carpeting of coal or gain arises on physical verification 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.

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

## 10. Revenue Recognition

10.1 Sale of Energy and other revenue is recognized when no significant uncertainty as to the measurability or collectability exists.

10.2 The delayed payment surcharge on late payment/ overdue payment from debtor on sale is recognized when no significant uncertainty as to the measurability or collectability exists.

10.3 Interest recoverable on advances to suppliers including other parties, warranty claims, liquidated damages, subsidies wherever there is uncertainty of realization / acceptance are not treated as accrued and therefore accounted for on receipt / acceptance.

10.4 Revenue from sale of scrap is recognized in the statement of profit and loss only on disposal.

10.5 Insurance claims are accounted for based on certainty of realization.

## 11. Depreciation and Amortization

11.1 Depreciation on fixed assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except the following:

**Tangible Assets**

| Particulars | Depreciation / amortisation |
|---|---|
| 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 |

**Intangible Assets**

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

11.2 Assets including Tools and Tackles costing up to ₹.5,000/- are fully depreciated in the year in which put to use.

11.3 Capital expenditure on assets not owned by the company referred to in accounting policy clause 4.6 is amortized over a period of 5 years from the month in which the relevant asset is ready for put to use. However, such expenditure for community or periphery development in case of stations under operation is charged off to revenue.

11.4 Wherever the life and efficiency of an asset is increased due to renovation, modernization or replacement, the expenditure there on along with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

11.5 Depreciation on additions to / deductions from fixed assets during the year is charged on pro rata basis from / up to the month in which the assets is available for use / disposal / retirement from active use.

11.6 Depreciation on Value adjustment is provided prospectively.

**12. Prior Period Income / Expenditure and Prepaid Expenses**

Prior period income / expenses and prepaid expenses of items of ₹.0.50 lakh and below in each case are charged to natural head of accounts in the current year.

**13. Exceptional Items**

Exceptional Items are the items of income and expenses within profit or loss from ordinary activities of such size, mature or incidence whose disclosure is necessary.

**14. Employee Benefits**

Employee benefits inter-alia includes Provident fund, gratuity, leave benefits (including compensated absence), economic rehabilitation scheme and other terminal benefits

14.1 Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

14.2 Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through group gratuity assurance scheme of Life Insurance Corporation of India. The company accounted for gratuity liability determined by independent actuary, at the yearend using the projected unit credit method.

14.3 Company's Contribution paid / payable during the year to the provident fund is recognized in the statement of profit and loss. The same is paid to the fund administered through a separate Trust. Any payment made by the company towards deficiency of the trust fund is charged to statement of profit and loss.

14.4 Company's liabilities towards leave benefits (including compensated absence) are determined by independent actuary, at the yearend by using the projected unit credit method.

14.5 Expenses on ex-gratia payment under voluntary separation scheme are charged to statement of profit and loss in the year in which it is incurred.

14.6 Expense on leave travel concession and leave salary including pension contribution of deputation employees are accounted for on cash basis.

**15. Taxes on Income**

15.1 Current tax is determined on the basis of taxable income in accordance with provisions of the Income Tax Act, 1961.

15.2 Deferred tax liability / asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate and laws that have been enacted or substantially enacted as on the reporting date.

15.3 Deferred tax asset, is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their reliability.

## 16. Impairment of Assets

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Thermal power plant and each of mini hydel projects are treated separately as cash generating units for determination of impairment of assets.

## 17. Borrowing Cost

17.1 Borrowing costs attributable to the acquisition, construction, renovation/ modernization of a qualifying fixed asset are capitalized as part of the cost of that asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

17.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

## 18. Investments

18.1 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

18.2 Long Term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investment.

## 19. Foreign Exchange Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses in foreign exchange transactions other than those long term liabilities relating to fixed assets, are recognized in the statement of profit and loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognized in the statement of profit and loss over the period of the contract.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities relating to fixed assets are adjusted in the carrying cost of such assets.

## Notes to the Financial Statements for the Year ended 31st March, 2016

₹ in lakh

| | | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|---|
| **2** | **SHARE CAPITAL** | | | | |
| | **Authorised Share Capital:** | | | | |
| | 100,00,000 ( Previous Year 100,00,000 ) Equity Shares of ₹.1000/-each. | | 1,00,000.00 | | 1,00,000.00 |
| | **Issued , Subscribed & fully Paid Up :** | | | | |
| | 49,02,174 (Previous Year 49,02,174 )Equity Shares of ₹.1000 each fully paid up. | 49,021.74 | | 49,021.74 | |
| | | | 49,021.74 | | 49,021.74 |
| | **TOTAL** | | **49,021.74** | | 49,021.74 |

| | | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|---|
| **2.1** | **Reconciliation of shares outstanding at the beginning and at the end of the reporting period.** | **Nos.** | **Amount** | Nos. | Amount |
| | Equity Share at the beginning of the year | 49,02,174.00 | 49,021.74 | 49,02,174.00 | 49,021.74 |
| | Add:Equity Shares issued during the year | - | - | - | - |
| | Less: Equity Shares bought back during the year | - | - | - | - |
| | **Equity Share at the end of the year** | **49,02,174.00** | **49,021.74** | 49,02,174.00 | 49,021.74 |

The Company has only one class of equity shares having a par value ₹.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.

| | | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|---|
| **2.2** | **The details of Shareholders holding more than 5% of shares** | No. of Shares | % held | No. of Shares | % held |
| | Governor of Odisha | 25,00,109.00 | 51.00% | 25,00,109.00 | 51.00% |
| | AES India Pvt Ltd | 7,96,178.00 | 16.24% | 7,96,178.00 | 16.24% |
| | AES OPGC holding (Incorporated in Mauritius) | 16,05,887.00 | 32.76% | 16,05,887.00 | 32.76% |
| | **Total number of Shares** | **49,02,174.00** | **100.00%** | 49,02,174.00 | 100.00% |

| | | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|---|
| **3** | **RESERVE AND SURPLUS** | | | | |
| **3.1** | **Securities Premium Reserve** | | | | |
| | As per Last Balance Sheet | 5,888.43 | | 5,888.43 | |
| | Add- Addition during the year | - | | - | |
| | Less- Adjustment During the year | - | | - | |
| | | | 5,888.43 | | 5,888.43 |
| **3.2** | **Grant -in-Aid *** | | | | |
| | As per Last Balance sheet | 185.58 | | 185.58 | |
| | Less:Adjusted to carrying cost of assets | - | | - | |
| | | | 185.58 | | 185.58 |
| | *Received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects | | | | |
| **3.3** | **Other Reserves** | | | | |
| | **(i) General Reserve** | | | | |
| | As per Last Balance sheet | 8,960.23 | | 8,960.23 | |
| | Add: Transferred from Statement of Profit & Loss | - | | - | |
| | | | 8,960.23 | | 8,960.23 |
| | **(ii)Surplus in Statement of Profit and Loss** | | | | |
| | As per Last Balance sheet | 85,358.26 | | 74,726.25 | |
| | Add- Profit for the year | 11,482.64 | | 15,057.12 | |
| | | 96,840.90 | | 89,783.37 | |
| | Less : Appropriations | | | | |
| | Transfer to General Reserve | - | | - | |
| | Dividend Paid ₹. Nil per Share (previous year ₹ Nil ) | | | | |
| | Tax on Dividend Paid | - | | - | |
| | Proposed Dividend - ₹.60 per Share (previous year ₹.75) | - | | - | |
| | Tax on Dividend | 598.78 | | 748.48 | |
| | | | 93,300.81 | | 85,358.26 |
| | **TOTAL** | | **1,08,335.05** | | 1,00,392.50 |

During the year, the Company has proposed final dividend of ₹.60 (previous year ₹.75) per equity share of par value ₹.1000 each for the year 2015-16.

₹ in lakh

| 4 LONG TERM BORROWINGS | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Secured** | | | | |
| **Terms Loan - Others** | | | | |
| Loan from Power Finance Corporation Ltd | 94,864.54 | | 43,816.12 | |
| Loan from Rural Electrification Corporation Ltd | 67,705.79 | | 39,876.36 | - |
| | | **1,62,570.33** | | 83,692.48 |

(I) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and interest thereon paid by draw down and utilised for development of coal mine by the company as prior allottee amounting to ₹. 9,024.91 lakh (Previous Year ₹.7,966.32 lakh). As per 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 shall be payable by OCPL to the Company 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 of the loan outstanding up to date of off loading (already drawn by the comapny and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of off load), aginst sanctioned loan made by PFC . Pending with such off loading as well as approval of Govt. of Odisha ₹.9,024.91 lakhs shown under Term loan as above.

(ii) Term loan of ₹.4,33,000 lakh each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2X660 MW Coal based Thermal Power Plant, Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC has off loaded proportionate sanctioned limit related to development of coal mine as the coal mine is 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 ₹.3,81,187 lakh and ₹.3,81,200 lakh by PFC and REC respectively.

(iii) **Security:**

(a) The term loan including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of project ( 2 * 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 the 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, 15th day of July and 15th day of October 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 instalment and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires and all subsequent loan repayment due dates shall be 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 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. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate.

(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) There has been no default in repayment of any of the loan or interest there on at the end of the reporting year.

**5 DEFERRED TAX LIABILITY ( NET)**

₹ in lakh

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Deferred Tax Liability** | | | | |
| Difference of book depreciation and tax depreciation | 2,627.29 | | 2,803.42 | |
| **Less: Deferred Tax Assets** | | | | |
| On retirement Benefit Expenses | 1,323.74 | | 867.05 | |
| On other disallowances for tax purposes | 42.20 | | 12.40 | |
| **TOTAL** | | **1,261.35** | | 1,923.97 |

(I) The net decrease in the deferred tax liability during the year amounting to ₹.662.62 lakh (previous year of ₹.26.16 lakh) has been credited in statement of profit and loss.

(ii) Deferred tax asset and deferred tax liabilities have been offset, as they relate to the same governing laws.

**6 OTHER LONG TERM LIABILITIES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Trade Payables | 12.13 | | 16.88 | |
| Security Deposits | 395.38 | | 131.22 | |
| EMD and Retention Money | 132.78 | | 52.14 | |
| **TOTAL** | | **540.29** | | 200.23 |

**7 LONG TERM PROVISIONS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Provision for Employees benefit | 3,593.72 | | 2,398.60 | |
| Others | - | | - | |
| **TOTAL** | | 3,593.72 | | **2,398.60** |

Provision for employee benefits includes retirement benefits and disclose as per AS- 15 "Employee Benefits" is made in Note 25

**8 SHORT TERM BORROWINGS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| (i)Secured Loans | | | | |
| (ii)Unsecured Loans | - | | - | |
| Loans repayable on demand | - | | - | |
| from banks | - | | - | |
| from other parties | - | | - | |
| Loans & advances from related parties | - | | - | |
| Other Loans & Advances | - | | - | |
| **TOTAL** | | **-** | | **-** |

**9 TRADE PAYABLES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Micro and Small Enterprise (Note 9.1) | 23.25 | | 3.45 | |
| Others* | 2,183.27 | | 974.50 | |
| **TOTAL** | | **2,206.52** | | 977.95 |

*It includes ₹.28.28 lakh (net) in MCL account which is due to non adjustment of differential entry tax, quantity difference, pumping charges of water supplied and credit allowed in un-graded coal etc at their end.

**9.1 The details of amount outstanding to Micro and Small Enterprises based on available information with the Company is as under.**

| Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Principal amount due and remaining unpaid | 23.25 | | 3.45 | |
| Interest due on above and unpaid interest | Nil | | Nil | |
| Interest paid | Nil | | Nil | |
| Payment made beyond appointed day during the year | Nil | | Nil | |
| Interest due and payable for the period of delay | Nil | | Nil | |
| Interest accrued and remaining unpaid | Nil | | Nil | |
| Amount of further interest remaining due and payable in succeeding years | Nil | | Nil | |
| **TOTAL** | | 23.25 | | 3.45 |

**10 OTHER CURRENT LIABILITIES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Interest accrued but not due on borrowings | 2,054.44 | | 973.31 | |
| Interest accrued and due on borrowings | - | | - | |
| Advances from customers and others | 71.00 | | 25.20 | |
| Unpaid Dividend | - | | - | |
| Sundry Creditors (Other Contract Job) | 617.92 | | 106.63 | |
| Other payables * | 1,85,587.19 | | 77,780.29 | |
| **TOTAL** | | **1,88,330.55** | | 78,885.43 |
| * Other payables includes: | | | | |
| Statutory dues | 975.30 | | 628.01 | |
| Liability for expenses | 6,245.39 | | 4,249.88 | |
| Liability towards equipment supplier of project | 1,75,668.27 | | 70,888.68 | |
| Deposits and retention money from contractors | 2,689.37 | | 2,011.44 | |
| Other dues | 8.86 | | 2.27 | |

**11 SHORT TERM PROVISIONS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Provision for employee benefits* | 231.24 | | 106.74 | |
| Others | | | | |
| Provision for taxation | - | | - | |
| Proposed dividend | 2,941.30 | | 3,676.63 | |
| Tax on dividend | 598.78 | | 748.48 | |
| Other provisions** | 753.73 | | 517.85 | |
| **TOTAL** | | **4,525.05** | | 5,049.70 |
| *It includes retirement benefits and disclosure as required by AS 15 "Employee Benefits" is made in Note 25 | | | | |
| (**)Other provisions include | | | | |
| Provision for performance incentive | 706.43 | | 495.15 | |
| Provision for MAT credit payable to customer | - | | - | |
| Provision for Management Service Charges | 47.30 | | 22.70 | |
| Provision for salary | - | | - | |

## 12 FIXED ASSETS

**Notes to the Financial Statement for the year ended 31st March, 2016**

₹. in lakh

| Descriptions | Gross Block | | | | Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2015 | Addition | Deduction/ Adjustment | As on 31.03.2016 | Up to 01.04.2015 | For the Year | Arrear Depreciation | Deduction/ Written Back | As on 31.03.2016 | As on 31.03.2016 | As at 31.03.2015 |
| **A: TANGIBLE ASSETS:** | | | | | | | | | | | |
| Freehold Land including development cost | 25.49 | - | (9.74) | 15.75 | - | - | - | - | - | **15.75** | 15.75 |
| Leasehold Land including development cost | 2,615.15 | 139.58 | (0.91) | 2,753.81 | 1,128.07 | 104.38 | 40.18 | (0.03) | 1,272.59 | **1,481.23** | 1,486.20 |
| Total Land | 2,640.64 | 139.58 | (10.65) | 2,769.56 | 1,128.07 | 104.38 | 40.18 | (0.03) | 1,272.59 | **1,496.98** | 1,501.95 |
| Building | 7,638.90 | 70.07 | (0.61) | 7,708.35 | 5,117.73 | 274.88 | (0.99) | (0.02) | 5,391.60 | **2,316.76** | 2,520.58 |
| Plant & Equipment | 1,11,292.81 | 1,466.97 | (400.82) | 1,12,358.96 | 96,237.69 | 1,543.43 | - | (354.48) | 97,426.64 | **14,932.32** | 15,055.12 |
| Furniture & Fixture. | 419.62 | 46.78 | (1.88) | 464.53 | 249.99 | 27.11 | - | (0.77) | 276.33 | **188.20** | 168.53 |
| Vehicle. | 252.65 | 9.57 | (28.53) | 233.69 | 124.59 | 23.12 | - | (21.28) | 126.44 | **107.25** | 122.39 |
| Office & Other Equipment. | 2,800.72 | 312.31 | (18.08) | 3,094.95 | 1,968.10 | 293.97 | - | (5.88) | 2,256.20 | **838.75** | 820.41 |
| **Others** | - | - | - | - | - | - | - | - | - | **-** | - |
| Road Bridge & Culvert. | 1,624.03 | 329.81 | - | 1,953.84 | 888.52 | 70.85 | - | - | 959.37 | **994.47** | 735.51 |
| Water Supply Drainage & Sewerage. | 471.26 | 18.06 | - | 489.33 | 307.22 | 32.65 | - | - | 339.87 | **149.45** | 164.04 |
| Power Supply Distribution & Lighting. | 552.22 | 48.21 | - | 600.43 | 413.34 | 22.05 | - | - | 435.39 | **165.04** | 138.88 |
| Heavy Mobile Equipment. | 305.94 | - | - | 305.94 | 274.09 | 7.75 | - | - | 281.84 | **24.10** | 31.85 |
| Library and Books | 14.09 | 0.26 | (0.01) | 14.34 | 14.09 | 0.26 | - | (0.01) | 14.34 | **-** | - |
| **Sub Total** | **1,28,012.88** | **2,441.62** | **(460.58)** | **1,29,993.92** | **1,06,723.43** | **2,400.45** | **39.19** | **(382.47)** | **1,08,780.61** | **21,213.32** | **21,259.26** |
| **B: INTANGIBLE ASSETS:** | | | | | | | | | | | |
| Software & SAP licence | 145.97 | 72.00 | (81.67) | 136.30 | 67.03 | 33.18 | - | (37.74) | 62.47 | **73.83** | 35.01 |
| **Sub Total** | **145.97** | **72.00** | **(81.67)** | **136.30** | **67.03** | **33.18** | **-** | **(37.74)** | **62.47** | **73.83** | **35.01** |
| **Total** | **1,28,158.85** | **2,513.62** | **(542.25)** | **1,30,130.22** | **1,06,790.46** | **2,433.63** | **39.19** | **(420.21)** | **1,08,843.08** | **21,287.15** | **21,294.27** |
| **Previous Year** | **1,25,491.79** | **2,922.68** | **(255.62)** | **1,28,158.85** | **1,04,805.29** | **2,055.28** | **85.10** | **(155.21)** | **1,06,790.46** | **21,368.39** | **-** |

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

(ii) Leasehold Land is amortized over a period of 30 years from the year following commissioning of both the units.

(iii) Value of land includes advance payments made for the land which are in possession of the company. Out of the total land AC.452.00 of Hirakud Reservoir land, lease deeds for AC.226.46 . Village Forest land & AC.60.80 patta land (in the possession of the company) are yet to be executed.

(iv) Land includes AC.69.38 of Govt. land and AC.104.47 of private land valuing ₹.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. Pending restoration as above, the same has been disclosed under land including land development and amortized over balance life as per accounting policy

(v) Plant and Machinery under Tangible Assets includes an amount of ₹.4575.72 lakh incurred during the year 2010-11 to 2015-16 and claimed from GRIDCO as reimbursement in tariff under power purchase agreement which has not been accepted / confirmed on the ground that these reimbursement is subject to regulatory approval of Odisha Electricity Regulatory Commission. In absence of such confimation by GRIDCO and uncertaininty in relalisation, above amount has been capitalised during the year of aquisition / installation and depreciation chrged in the accounts.

(vi) The above adjustment figure includes Rs 118.62 lakhs towards transfer of coal mines assets to Subsidiary company OCPL.

(vii) Details of component of assets of operational units , expansion of power plant and development of coal mines are as follows.

| Descriptions | Gross Block | | | | Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2015 | Addition | Deduction / Adjustment | As on 31.03.2016 | Up to 01.04.2015 | For the Year | Arrear Depreciation | Deduction/ Written Back | Deduction/ Written Back | As at 31.03.2016 | As at 31.03.2015 |
| Operational Units | 1,27,357.88 | 1,812.67 | (423.62) | 1,28,746.94 | 1,06,634.38 | 2,212.70 | 39.19 | (375.70) | 1,08,510.57 | 20,236.36 | 20,723.50 |
| Power Plant - 3 & 4 | 682.35 | 700.93 | - | 1,383.28 | 111.57 | 220.92 | - | - | 332.49 | 1,050.79 | 570.77 |
| Coal Mine | 118.62 | - | (118.62) | - | 44.51 | - | - | (44.51) | - | - | 74.11 |
| **Total** | **1,28,158.85** | **2,513.61** | **(542.24)** | **1,30,130.22** | **1,06,790.46** | **2,433.62** | **39.19** | **(420.20)** | **1,08,843.07** | **21,287.14** | **21,368.39** |

13 **CAPITAL WORK IN PROGRESS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Tangible Assets** | | | | |
| For Operational Power Plants | 6,314.58 | | 4,587.43 | |
| For Mini Micro Hydel Projects | 1,314.76 | | 1,314.76 | |
| For Expansion Power Plants | 3,25,518.99 | | 1,10,227.37 | |
| **TOTAL** | | 3,33,148.33 | | 1,16,129.56 |

13 **CAPITAL WORK IN PROGRESS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Intangible Assets under Development** | | | | |
| Software | 834.27 | | 81.32 | |
| **TOTAL** | | **834.27** | | 81.32 |

(i)The Board of Directors have approved execution of four Mini Micro Hydel Projects in a phased manner. Execution of balance work in respect of said four projects will be taken up on the basis of commercial viability and expenditures incurred so far is disclosed under Capital Works in Progress for Mini Micro Hydel Projects.

**(ii) Details of expenditure for expansion power plant included under Capital Work in Progress are as follows**

| Particulars | As at 01.04.2015 | Additions | Deductions / Adjustments | Capitalized | As at 31.03.2016 |
|---|---|---|---|---|---|
| Roads, Bridges & Culverts | 121.14 | - | 117.67 | - | **3.47** |
| Building Others | 1,116.26 | 4,924.24 | - | - | **6,040.50** |
| Temporary erection | 243.78 | 151.78 | - | - | **395.56** |
| Water Supply, Drainage & Swerage system | 15.31 | - | - | - | **15.31** |
| Power supply ,distribution and lighting System | 6.88 | 76.52 | - | - | **83.40** |
| Boiler, Turbine and Generator (BTG) | 38,517.59 | 1,52,978.54 | - | - | **1,91,496.13** |
| Balance of Plants (BOP) | 14,618.46 | 32,187.60 | - | - | **46,806.06** |
| Materials supplied under Project contract in Transit (Ref: Clause 5.2 of Note 1 - Significant Accounting Policies) * | 40,671.08 | 6,015.60 | - | - | **46,686.68** |
| **Expenditure Pending Allocation:** | | | | | |
| Survey, investigation, Consultancy and supervision charges | 1,849.72 | 1,199.06 | - | - | **3,048.78** |
| Expenditure during construction period | 13,067.17 | 17,875.94 | - | - | **30,943.11** |
| **TOTAL** | **1,10,227.39** | **2,15,409.28** | **117.67** | **-** | **3,25,518.99** |

* Addition made during the year is the net of receipt of material which are in transit on 31st March 2015 and addition of matrial in transit as on 31st March 2016.

14 **NON-CURRENT INVESTMENT**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Long Term - Trade** | | | | |
| **Equity Instrument *** | | | | |
| Un quoted | | | | |
| Subsidiary ( Odisha Coal and Power Ltd) | 2.55 | 2.55 | 2.55 | 2.55 |
| **Aggregate Value of Unquoted Investment** | | **2.55** | | 2.55 |

*** Equity Instrument for 25,500 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. As per section 129(3) of Companies Act, 2013, the reporting company prepared its Consolidated financial statement as per Accounting Standard (AS) 21 and accordingly no disclosure has been made in the accounts in line with para 6 of the Accounting Standard (AS) 27 and has been disclosed as investment in subsidiary company.

**15 LONG TERM LOANS AND ADVANCES (Considered good, unless other wise stated.)**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Unsecured considered good | | | | |
| Advance against land acquisition * | 10,885.89 | | 8,558.78 | |
| Loans and advances to related parties | - | | - | |
| Loans and advances to employees | 346.65 | | 303.92 | |
| Capital Advances | 47,956.19 | | 50,316.42 | |
| Advance to others | 51.94 | | 235.99 | |
| Advance Sales Tax | - | | - | |
| Advance tax including refunds receivables (net of provision)) | 2,935.31 | | 2,459.28 | |
| Disputed Sales Tax | 14.73 | | 14.73 | |
| **TOTAL** | | **62,190.71** | | 61,889.12 |

*(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".

**16 OTHER NON CURRENT ASSETS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Long term trade Receivable** | | | | |
| Unsecured considered good | | | | |
| Others Receivables | - | | 60.58 | |
| Security Deposits | 41.19 | | 40.59 | |
| **TOTAL** | | **41.19** | | 101.17 |

**17 INVENTORIES***

| | | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|---|
| Raw Materials | | 1,472.37 | | 2,344.25 | |
| Components, Chemicals, Stores & spares | 3,476.32 | | | - | |
| Less: Provison for Obsolete Stores & Spares | 91.58 | 3,384.74 | | 3,353.15 | |
| Loose Tools & Tackles | | 11.11 | | 12.25 | |
| Stock in Transit and Stock pending Inspection | | 9.36 | | 250.61 | |
| **TOTAL** | | | **4,877.58** | | 5,960.26 |

* Except oil, all other inventories have been physically verified by third party and valued as per clause 9 of the Accounting Policies at Note No.1.

**18 TRADE RECEIVABLES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Outstanding for a period exceeding six months from the date it is due for payment: | | | | |
| Unsecured - Considered good | - | | - | |
| Considered doubtful | - | | 25.23 | |
| Less: Provision for bad and doubtful recoveries | - | | 25.23 | |
| | - | | - | |
| Others - Unsecured Considered good | 9,014.58 | | 4,375.73 | |
| **TOTAL** | | **9,014.58** | | 4,375.73 |

Trade receivables as on 31st March 2016 has been confirmed by the customer (previous year not confirmed for ₹.25.23 lakh was disputed and a provision for doubtful debt was provided in the accounts).

**19 CASH AND BANK BALANCES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **(i) Cash and cash equivalents** | | | | |
| (a) Balance with banks | - | | - | |
| In current accounts | 1,107.95 | | 957.50 | |
| In cash credit account | - | | 805.49 | |
| Deposits with original maturity period of up to three months | 24,712.63 | | 5,200.00 | |
| (b) Cheque draft on hand / transit | - | | - | |
| (c ) Cash on hand | 3.21 | | 2.79 | |
| **(d) Other bank balances** | | | - | |
| (i)Deposits with original maturity of more than three months but not more than twelve months | 11,400.00 | | 68,100.00 | |
| (ii) Deposits with banks held as security against guarantees * | 12,745.84 | | 9,645.84 | |
| (iii) Deposits with banks pledged as security or margin money | 177.99 | | 184.99 | |
| **TOTAL** | | **50,147.62** | | 84,896.61 |

* It includes Deposit of ₹.3,100 Lakh with Yes Bank, pledged for issue of Bank Guarantee in favour of Nominated Authority , Ministry of Coal, Govt. of India as required by Odisha Coal and Power Company Ltd which is a subsidiary of reporting company.

**20 SHORT TERM LOANS AND ADVANCES**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Unsecured considered good | | | | |
| Loans and advances to related parties * | 9,612.65 | | - | |
| Loans and advances to employees | 123.15 | | 109.17 | |
| Advance to suppliers and contractors | 881.14 | | 110.83 | |
| Advance to Group Gratuity Trust | - | | 4.67 | |
| Advance to others | 33.39 | | 21.71 | |
| **TOTAL** | | **10,650.33** | | 246.38 |

*It include Inter Company loan of ₹.9,612.65 lakh to related party that is M/s Odisha Coal and Power Ltd. (Previous Year ₹.Nil)

**21 OTHER CURRENT ASSETS**

| | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| Interest accrued on fixed deposits | 621.08 | | 1,019.62 | |
| Security deposits | 0.28 | | 0.35 | |
| Receivable From related parties (Ref: Note 21A and 21B) | 26,913.32 | | 26,082.85 | |
| Other receivable | 173.96 | | 144.80 | |
| Prepaid expenses | 481.65 | | 318.00 | |
| **TOTAL** | | **28,190.29** | | 27,565.62 |

**21A** Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of India vide its Judgment dated.24th / 25th September 2014. Both the coal blocks were allotted by the Nominated Authority, Ministry of Coal, Govt. of India vide its letter No. 103/25/2015/NA dated 24th March 2015 to Odisha Coal and Power Ltd. (OCPL) a subsidiary and joint venture company of the Company and Odisha Hydro Power Corporation Ltd. (OHPC). As per Clause 5 of the Shareholder's Agreement signed by the Company, OHPC and OCPL on 21st April 2016

(a) Any freehold land acquired or in process of acquisition by the Company as a prior allottee of Manoharpur and Dipside Manoharpur coal blocks shall be transferred to OCPL.

(b) Any land acquired or in the process of acquisition for the Company as prior allottee of the Manoharpur and Dipside Manoharpur coal blocks shall be changed in the name of OCPL being the new allottee of the said mines.

(c) Land acquired for facilitating efficient mining and transportation of coal which has been acquired or in the process of acquisition as part of the Merry Go Round Railway of the Company at the mine end shall be transferred to OCPL by suitable means.

(d) The Rehabilitation & Resettlement Colony under construction and under planning stage shall be transferred to OCPL including land, building, roads, electricity lines, sub-stations, right of way, etc.

(e) The Company shall submit the list of work orders, contracts, agreements including the status of work and payment thereunder made by the Company related to Manoharpur and Dipside Manoharpur coal blocks to OCPL. OCPL shall assume the pending liabilities under the current operational agreement associated with the above.

(f) All licenses, permits, approvals, clearances, consents, permissions, etc. obtained by the Company as prior allottee from any competent authority for the Manoharpur and Dipside Manoharpur coal blocks shall be transferred to OCPL through applicable procedures.

(g) The expenditure incurred by OPGC for development of the Manoharpur and Dipside Manoharpur coal blocks shall be payable by OCPL to the company after certification by Statutory Auditor of the Company and approval by Govt. of Odisha.

(h) Accordingly an amount of ₹177,54.75 lakhs (net off liabillties for security deposit & retention money from contractor ₹ 78.09 lakh, accumulated depreciation ₹ 44.51 lakh and borrowings ₹.7966.33 lakh) details of which is given below incurred by the company up to 31st March 2015 as a prior allottee has been certified by the Statutory Auditors of the Comany and submitted OCPL for Govt. of Odisha approval. Pending with approval of Govt. of Odisha, above amount has been shown as receivable from OCPL, a subsidiary company.

| Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Expenditures :** | | | | |
| Tangible & Intangible Assets | 118.62 | | 118.62 | |
| Development Expenses and Capital works in progress | 6,915.23 | | 7,277.31 | |
| Advance against land acquisition | 18,239.46 | | 18,239.16 | |
| Other Capital Advances | 570.37 | 25,843.68 | 570.37 | 26,205.46 |
| **Liabilities** | | | | |
| Security deposit & Retention money | 78.09 | | 78.09 | |
| Borrowings | 7,966.33 | | 7,966.33 | |
| Accumulated Depreciation | 44.51 | 8,088.93 | 44.51 | 8,088.93 |
| **Net Expenditure Recoverable** | | **17,754.75** | | **18,116.53** |

21B

| Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|---|---|---|---|
| **Other Expenses:** | | | | |
| Interest on borrowed capital utilised for development of coal mine * | 1,023.55 | - | - | |
| Contract Payment | 64.00 | - | - | |
| Salary of Deputed Employees | 87.39 | - | - | |
| Other Admin Expenses | 17.30 | 1,192.24 | - | - |
| TOTAL | | **1,192.24** | | - |

* Refering to Note 4(i), interest accrued on loan utilised for development of coal mine for the reporting year 2015-16 is receivable from subsidiary company

## 22 REVENUE FROM OPERATION

₹. in lakh

| | 2015-16 | 2014-15 |
|---|---|---|
| Sale of Power | 62,753.49 | 53,926.64 |
| **TOTAL** | **62,753.49** | **53,926.64** |

(I) Sale has been accounted as per tariff calculated on the basis of power purchase agreement with Customer which has been approved by Orissa Electricity Regulatory Commission vide its order dated.27th April 2015.

(ii) Sale does not include internal consumption of 344.496 MU including transformer loss of 16.218 MU for the reporting year (previous year 300.373 MU including transformer loss of 19.267MU), the cost of which has been determined at ₹.5835.61 lakh (previous year ₹.4222.15 lakh) approximately.

(iii) In absence of power purchase agreement, 0.342 MU net (previous year0.248MU net ) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.

(iv) Sales of previous year includes ₹.1079.68 lakh received towards delayed payment surcharge from customer on settlement of arrear claims.

### 22.1 Particulars of Generation, Auxiliary Consumption and Sale of power

| Particulars | 2015-16 | 2014-15 |
|---|---|---|
| Generation (MU)* | 3,117.32 | 2,798.92 |
| Sale ( MU ) | 2,772.82 | 2,498.55 |
| Internal consumption (MU)** | 344.50 | 300.37 |
| Sale (Net) (₹. in lakh) | 62,753.49 | 53,926.64 |
| Internal consumption (₹. in lakh) | 5,838.92 | 4,222.15 |

*It does not include 0.342 MU net (previous year 0.248 MU net) generated by Mini Hydel Projects and exported to Customer.

**It includes transformer loss of 16.218 MU ( previous year 19.267 MU).

## 23 OTHER INCOME

| | 2015-16 | 2014-15 |
|---|---|---|
| **23.1 Interest** | | |
| From Fixed Deposits with banks | 6,653.21 | 8,262.15 |
| From loan to subsidiary company | 805.85 | - |
| From Others | 20.51 | 20.59 |
| | 7,479.57 | 8,282.74 |
| **23.2 Other Non-Operating Income** | | |
| Sale of Scrap / residual materials | 37.69 | 234.48 |
| Miscellaneous Income * | 269.82 | 262.74 |
| Profit on sale of Fixed Assets (net) | 2.53 | (0.79) |
| Exchange Gain (net) | 0.95 | 1.82 |
| Excess Provision written back | 51.34 | 292.88 |
| | 362.33 | 791.13 |
| **TOTAL** | **7,841.90** | 791.13 |

*** It includes**

(I) township recoveries of ₹. 71.67 lakh (previous year ₹.57.89 lakh)

(ii) ₹.68.77 lakh (previous year ₹.76.77 lakh) liquidated damage and penalty recovered from contractors and others.

(iii) ₹. 28.90 lakh (previous year [₹.26.67 lakh] ) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

**(ii) Excess Provision written back related to**

| | | |
|---|---|---|
| Provision for Debtor | 25.23 | - |
| Obsolete stores/spares | - | - |
| Employee benefits and expense | 0.39 | 246.95 |
| Generation and other expenses | 13.26 | 39.56 |
| Administrative expenses | 12.46 | 6.37 |

## 24 COST OF RAW MATERIALS CONSUMED

| | 2015-16 | 2014-15 |
|---|---|---|
| Imported | - | - |
| Indigenous | 35,225.15 | 26,085.63 |
| **TOTAL** | **35,225.15** | 26,085.63 |

Shortage of Coal for 10,505.81 MT amounting to ₹.163.31 lakh (Previous year shortage of 11,950.62 MT amounting to ₹.130.78 lakh) and Shortage of Oil Nil (Previous year 9. 32 KL of oil sludge having value of ₹.4.72 lakh) found during physical verification has been accounted to cost of coal and oil respectively.

### 24.1 Particulars of raw materials consumed

| | 2015-16 | 2014-15 |
|---|---|---|
| COAL | 34,626.33 | 25,114.31 |
| FO /LDO | 598.82 | 971.32 |
| **TOTAL** | 35,225.15 | 26,085.63 |

## 25 EMPLOYEE BENEFIT EXPENSES

| | 2015-16 | 2014-15 |
|---|---|---|
| Salaries and Wages * | 8,013.75 | 6,162.23 |
| Contribution to | - | - |
| Provident fund | 459.67 | 396.46 |
| Gratuity fund | 523.24 | 40.53 |
| Staff Welfare Expenses | 625.21 | 578.39 |
| | **9,621.87** | 7,177.61 |
| Less: Allocated to fuel cost | 559.33 | 563.73 |
| Less: Transferred to Expenditure during construction period - unit 3 & 4 ( Ref. Note 31) | 3,068.62 | 1,874.45 |
| Less: Transferred to development of Coal Mine ( Refer Note 32) | - | 508.67 |
| **TOTAL** | **5,993.92** | 4,230.76 |

*( i ) It includes an amount of ₹.706.43 lakh (previous year ₹. 495.15 lakh) towards provision for Variable Pay of the employees under approved performance management system of the company.

(ii) Disclosure as per AS-15 in respect of provision made towards various employee benefits are given as follows.

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

B. Gratuity: a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance) for each completed year of service subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity limit of ₹10 lakh, in place of providing liability @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme. Extra liability towards gratuity as per OPGC Ltd Rule for Group Gratuity Scheme amounting to ₹.388.60 lakh (previous year ₹.152.20 lakh) determined by actuarial valuation could not be accounted for in the statement of profit and loss pending decision of the management.

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

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

## Notes to the Financial Statements for the Year ended 31st March,2016

(iv) The summarised position of various defined benefits recognised in the Statement of Profit and Loss, Balance Sheet is as under:

| Sl.No. | Particulars | 2015-16 | | | | 2014-15 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Provident fund | Earned Leave | Gratuity | Half Pay Leave | Provident fund | Earned Leave | Gratuity | Half Pay Leave |
| **( A)** | The amounts to be recognized in balance sheet and related analysis | | | | | | | | |
| a) | Present value of obligation as at the end of the Year | 9,559.45 | 2,428.95 | 3,185.76 | 786.38 | 8,167.81 | 1,858.47 | 2,488.25 | 581.70 |
| b) | Fair value of plan assets as at the end of the Year | 9,719.74 | - | 2,717.81 | - | 8,275.89 | - | 2,566.52 | - |
| c) | Funded status / difference | 160.29 | (2,428.95) | (467.95) | (786.38) | 108.08 | (1,858.47) | 78.27 | (581.70) |
| d) | Excess of actual over estimated return on plan asset | - | - | (30.93) | - | - | - | 6.61 | - |
| e) | Unrecognized actuarial (gains)/losses | - | - | - | - | - | - | - | - |
| f) | Net asset/(liability)recognized in balance sheet | 160.29 | (2,428.95) | (467.95) | (786.38) | 108.08 | (1,858.47) | 78.27 | (581.70) |
| **(B)** | **Expenses recognized in the statement of profit and loss** | | | | | | | | |
| a) | Current service cost | - | 124.15 | 154.79 | 33.36 | 0 | 99.44 | 120.71 | 25.61 |
| b) | Past service cost | - | - | - | - | 0 | - | - | - |
| c) | Interest cost | - | 146.82 | 196.57 | 45.95 | 0 | 163.99 | 216.57 | 49.73 |
| d) | Expected return on plan assets | - | - | (241.25) | - | 0 | - | (198.17) | - |
| e) | Curtailment cost / (Credit) | - | - | - | - | 0 | - | - | - |
| f) | Settlement cost / (credit) | - | - | - | - | 0 | - | - | - |
| g) | Net actuarial (gain)/ loss recognized in the period | - | 309.49 | 449.75 | 125.35 | 0 | (168.06) | (171.03) | (28.40) |
| h) | Company Contribution to the PF Fund | - | - | - | - | 0 | - | - | - |
| i) | Expenses recognized in the statement of profit & loss* | - | 580.46 | 559.86 | 204.67 | 0 | 95.37 | (31.93) | 46.93 |
| **(C)** | Change in present value of obligation | | | | | | | | |
| a) | Present value of obligation as at the beginning of the period | - | 1,858.47 | 2,488.25 | 581.70 | - | 1,763.38 | 2,328.67 | 534.77 |
| b) | Acquisition adjustment | - | - | - | - | - | - | - | - |
| c) | Interest cost | - | 146.82 | 196.57 | 45.95 | - | 163.99 | 216.57 | 49.73 |
| d) | Past service cost | - | - | - | - | - | - | - | - |
| - | Past service cost (vested benefits) | - | - | - | - | - | - | - | - |
| e) | Current service cost | - | 124.15 | 154.79 | 33.36 | - | 99.44 | 120.71 | 25.61 |
| f) | Curtailment cost / (Credit) | - | - | - | - | - | - | - | - |
| g) | Settlement cost / (Credit) | - | - | - | - | - | - | - | - |
| h) | Benefits paid | - | (9.98) | (72.67) | - | - | (0.28) | (13.27) | - |
| i) | Actuarial (gain)/loss on obligation | - | 309.49 | 418.82 | 125.35 | - | (168.06) | (164.42) | (28.40) |
| j) | Present value of obligation as at the end of period | - | 2,428.95 | 3,185.76 | 786.38 | - | 1,858.47 | 2,488.25 | 581.70 |

**(D) Movement in the liability recognized in the balance sheet**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| a) | Opening net liability | - | 1,858.47 | 2,488.25 | 581.70 | - | 1,763.38 | 2,328.67 | 534.77 |
| b) | Expenses as above | - | 580.46 | 559.86 | 204.67 | - | 95.37 | (31.93) | 46.93 |
| c) | Benefits paid | - | (9.98) | (72.67) | - | - | (0.28) | (13.27) | - |
| d) | Actual return on plan assets | - | - | 210.32 | - | - | - | 204.78 | - |
| e) | Closing net Liability | - | 2,428.95 | 3,185.76 | 786.38 | - | 1,858.47 | 2,488.25 | 581.70 |

(E) Principal Assumptions used for actuarial valuation

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| a) | Method used | - | Projected Unit Credit Method | | | | Projected Unit Credit Method | | |
| b) | Discounting Rate | 8.80% | 7.85% | 7.85% | 7.85% | 8.75% | 7.90% | 7.90% | 7.90% |
| c) | Future salary Increase | | 8.80% | 8.80% | 8.80% | | 6.46% | 6.46% | 6.46% |
| d) | Expected rate of return on plan assets | | | 0.00% | | | | 9.40% | |
| e) | Retirement age (Years) | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |

(F) **Major categories of plan assets (as percentage of total plan assets)**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **a)** | Funds managed by Insurer | OPGC Ltd EPF Trust | - | 100% | - | OPGC Ltd EPF Trust | - | 100% | - |
| | Total | - | - | 100% | - | - | - | 100% | - |

(v) Besides above, the company estimated the liability towards gratuity and leave encashment in respect of employees ceased from services / opted for market based salary structure and whose dues are not settled by the reporting date and not considered in actuarial valuation. An amount of ₹.58.56 lakh (previous year excess return of ₹.31.93 lakh net) and an amount of ₹. 30.97 lakh (previous year ₹.12.46 lakh) towards liability for gratuity and leave encashment respectively not considered in the actuarial valuation is recognised in the financial statement.

(vi) Employee benefit expenses charged to statement of profit and loss for the reporting year does not include an amount of ₹.4.69 lakhs as gratuity, ₹.5.85 lakhs as earned leave and ₹.1.26 lakhs as half pay leave in respect of employees posted on secondment basis to Odisha Coal and Power Company Ltd and same is receivable as on 31st March 2016.

(vii) The estimate of future salary increases considered in actuarial valuation by taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

| 26 | FINANCE COST | 2015-16 | 2014-15 |
|---|---|---|---|
| | **Interest On** | | |
| | Rupee Term Loans | 12,607.49 | 7,784.99 |
| | Short Term Loan against Fixed Deposit | 465.42 | - |
| | Other Borrowing Cost | - | - |
| | | **13,072.91** | 7,784.99 |
| | Less Transferred to expenditure during construction period - unit 3 & 4 (Refer Note 31 ) | 12,607.49 | 6,722.62 |
| | Less Transferred to development of coal mine (Refer Note 32) | - | 1,062.37 |
| | **TOTAL** | **465.42** | **-** |

| 27 | DEPRECIATION AND AMORTISATION EXPENSES | 2015-16 | 2014-15 |
|---|---|---|---|
| | Depreciation | 2,433.62 | 2,059.98 |
| | Impairment of Assets | - | - |
| | Total Depreciation and Amortisation | **2,433.62** | 2,059.98 |
| | Less: Allocated to Fuel Cost | 20.65 | 14.22 |
| | Less: Transferred to expenditure during construction period - unit 3 & 4 (Refer Note 31) | 220.92 | 100.05 |
| | Less: Transferred to development of coal mine-(Refer Note 32) | - | 24.91 |
| | Less: Related to prior period adjustments | - | 4.70 |
| | **TOTAL** | **2,192.05** | 1,916.10 |

| 28 | GENERATION AND OTHER EXPENSES | 2015-16 | 2014-15 |
|---|---|---|---|
| 28.1 | **Generation Expenses:** | | |
| | Consumption of Stores, spares & chemicals | 1,672.93 | 1,781.47 |
| | Electric Power, Electricity Duty and Water | 1,562.98 | 1,340.80 |
| | Contract Job outsourcing expenses | 1,691.11 | 1,669.25 |
| | Insurance | 70.14 | 69.36 |
| | Other generation expenses | 435.23 | 354.77 |
| | Repairs to buildings | 419.87 | 354.28 |
| | Repairs to Machinery | 59.85 | 51.49 |
| | | **5,912.11** | 5,621.42 |
| 28.2 | **Selling and Distribution Expenses:** | | |
| | Rebate in the nature of cash discount to customer | 1,151.81 | 1,145.01 |
| | | **1,151.81** | 1,145.01 |
| 28.3 | **Administrative Expenses:** | | |
| | Rent | 266.98 | 312.38 |
| | Professional Fees and expenses | 12.55 | 12.78 |
| | General expenses | 2,169.24 | 1,788.84 |
| | Management Service Charges | 27.65 | 25.55 |
| | Rate, Taxes & Cess | 220.76 | 33.55 |
| | Other Repairs | 65.22 | 84.88 |
| | Travelling expenses | 252.24 | 270.38 |
| | Watch and Ward expenses | 431.77 | 303.97 |
| | Township development expenses | 140.80 | 113.39 |
| | | **3,587.21** | 2,945.72 |

**28.4 Other Expenses**

| | | |
|---|---|---|
| Payment to Auditors | 10.14 | 7.88 |
| Peripheral development expenses | 12.17 | 0.20 |
| Donation | 132.60 | 118.60 |
| Provision for Advances / Trade Receivable( net) | - | - |
| Provision for Shortage and Obsolecence of Stores( net) | - | - |
| Trade Receivables Written Off (Net) | 6.06 | - |
| Advances & other receivables Written Off (net) | - | 31.45 |
| Inventories / assets written off / witten back(net) | 29.75 | 74.19 |
| | **190.72** | 232.32 |
| | **10,841.85** | 9,944.47 |
| Less Allocated to Fuel Cost | 581.19 | 618.56 |
| Less Transferred to expenditure during construction period - unit 3 & 4 (Refer Note 31 ) | 1,777.29 | 1,321.14 |
| Less Transferred to development of coal mine (Refer Note 32) | - | 286.32 |
| **TOTAL** | **8,483.37** | 7,718.45 |

(i)In absence of demand raised by the Govt. of Odisha in favour of the company, no provision has been made in the accounts for the year in respect of outstanding ground rent and land cess of the land in physical possession.

**28.5 Payment to Auditors As:**

| | **2015-16** | 2014-15 |
|---|---|---|
| (a)As Auditors | | |
| Statutory Audit Fees | 6.33 | 4.56 |
| Statutory Audit expenses | 1.01 | 0.65 |
| Tax Audit Fees | 0.75 | 0.74 |
| (b)Certification fee | 0.74 | 0.74 |
| (c) As Cost Auditors | | |
| Cost Audit Fees | 1.03 | 0.90 |
| Cost Audit expenses | 0.29 | 0.28 |
| **TOTAL** | **10.15** | 7.87 |

**29 CSR EXPENDITURE**

| | **2015-16** | 2014-15 |
|---|---|---|
| CSR expenditure in compliance to Envoinmental Clearance | 469.96 | 131.89 |
| Less: Transferred to expenditure during construction period - unit 3 & 4 (Refer Note 31 ) | 201.62 | 14.80 |
| Less: Transferred to development of coal mine (Refer Note 32) | - | - |
| **TOTAL** | **268.34** | 117.09 |

(i)In terms of section 135 of the companies act 2013, the company is required to make an expenditure on Corporate Social Responsibility for an amount of ₹. 442. 63 lakh during the reporting year .

(ii) Out of ₹.442.63 lakh, the company spent as follows during the year

| **PARTICULARS** | **In Cash** | Yet to be paid in Cash | **Total** |
|---|---|---|---|
| Construction / acquisition of any asset | Nil | Nil | Nil |
| On purpose other than (i) above | 241.47 | 26.87 | 268.34 |
| **Total** | **241.47** | **26.87** | **268.34** |

(iii)No related party transaction that is contribution to a trust controlled by the company in relation to CSR expenditure has been made during the year.

**30 PRIOR PERIOD EXPENSES (Net)**

| | 2015-16 | 2014-15 |
|---|---|---|
| Sale of Power | - | (109.11) |
| Other non operating income | 12.75 | 1.02 |
| Administrative Expenses | 9.60 | 8.47 |
| Employee benefit expenses | 1.59 | - |
| Depreciation & amortisation (net) | 54.14 | 50.71 |
| Generation and other expenses | 73.19 | 18.63 |
| **TOTAL** | **151.27** | (30.28) |

**31 EXPENDITURE DURING CONSTRUCTION PERIOD OF UNIT 3 & 4**

| | 2015-16 | 2014-15 |
|---|---|---|
| **A. EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries & Wages | 2,933.63 | 1,829.62 |
| Contribution to | | |
| Provident fund | 115.80 | 41.61 |
| Gratuity fund | - | - |
| Staff Welfare Expenses | 19.20 | 3.22 |
| | **3,068.63** | 1,874.45 |
| **B FINANCE COST** | | |
| **Interest Expenses** | 12,607.49 | 6,722.62 |
| **Other borrowing Cost** | - | - |
| | **12,607.49** | 6,722.62 |
| **C DEPRECIATION AND AMORTISATION EXPENSES** | | |
| **Depreciation** | 220.92 | 100.05 |
| | **220.92** | 100.05 |
| **D ADMINSTRATIVE AND OTHER EXPENSES** | | |
| **Administrative Expenses** | | |
| Rent | 141.55 | 157.08 |
| Professional Fees and expenses | - | - |
| General expenses | 1,443.42 | 1,037.63 |
| Management Service Charges | - | - |
| Rate, Taxes & Cess | 8.74 | 0.58 |
| Other Repairs | - | - |
| Travelling expenses | 81.94 | 73.71 |
| Watch and Ward expenses | 85.49 | 43.79 |
| Community development and welfare expenses | 4.96 | 6.32 |
| **Other Expenses** | - | - |
| Payment to Auditors | - | - |
| Peripheral development expenses | 11.19 | 2.02 |
| Donation | - | - |
| | **1,777.29** | 1,321.13 |
| CSR expenditure in compliance to Envoinmental Clearance | **201.62** | 14.80 |
| **TOTAL** | **17,875.95** | 10,033.05 |

**32 EXPENDITURE ON DEVELOPMENT OF COAL MINES**

| | 2015-16 | 2014-15 |
|---|---|---|
| **A EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries & Wages | - | 479.50 |
| Contribution to | | |
| Provident fund | - | 23.69 |
| Gratuity fund | - | - |
| Staff Welfare Expenses | - | 5.48 |
| | **-** | 508.67 |

| | | | |
|---|---|---|---|
| **B** | **FINANCE COST** | | |
| | Interest Expenses | - | 1,062.37 |
| | Other borrowing Cost | - | - |
| | | **-** | 1,062.37 |
| **C** | **DEPRECIATION AND AMORTISATION EXPENSES** | | |
| | Depreciation and Amortisation | - | 24.91 |
| | | **-** | 24.91 |
| **D** | **ADMINSTRATIVE AND OTHER EXPENSES** | | |
| | **Administrative Expenses** | | |
| | Rent | - | 36.23 |
| | Professional Fees and expenses | - | - |
| | General expenses | - | 192.92 |
| | Management Service Charges | - | - |
| | Rate, Taxes & Cess | - | 1.57 |
| | Other Repairs | - | - |
| | Travelling expenses | - | 46.57 |
| | Watch and Ward expenses | - | 11.55 |
| | Community development and welfare expenses | - | - |
| | **Other Expenses** | | |
| | Donation | - | - |
| | Peripheral development expenses | - | -2.52 |
| | | **-** | 286.32 |
| | **TOTAL** | **-** | 1,882.27 |

| **33** | **VALUE OF STORES, SPARES, CHEMICALS CONSUMED** | **2015-16** | | **2014-15** | |
|---|---|---|---|---|---|
| | | **Value** | % | **Value** | **%** |
| | Imported | 33.17 | 1.98 | 71.94 | 4.04 |
| | Indigenous | 1,639.76 | 98.02 | 1,709.53 | 95.96 |
| | **TOTAL** | **1,672.93** | 100.00 | **1,781.48** | **100.00** |

| **34** | **VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF** | **2015-16** | 2014-15 |
|---|---|---|---|
| | Raw Materials | Nil | Nil |
| | Components and spare parts | 43.55 | 71.94 |
| | Capital Goods | Nil | Nil |

| **35** | **EXPENDITURE AND EARNING IN FOREIGN CURRENCY:** | **2015-16** | 2014-15 |
|---|---|---|---|
| | (a)Travelling Expenses & Consultancy Charges | 16.72 | 10.81 |
| | (b)Earning in Foreign Currency: | Nil | Nil |

**36 EARNINGS PER SHARE(EPS)**

| Particulars | 2015-16 | 2014-15 |
|---|---|---|
| Net Profit after Tax as per Statement of Profit and Loss attributable to equity shareholders used as numerator - ₹ in lakh | 11,482.64 | 15,057.12 |
| Weighted average number of equity shares used as denominator for calculating EPS | 49,02,174.00 | 49,02,174.00 |
| Earning per equity share (Basic and Diluted) - in ₹ | 234.24 | 307.15 |
| Face value per equity share - in ₹ | 1,000 | 1,000 |

**37 RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

**(a)Related Parties:**

AES India Pvt Ltd
AES OPGC holding (Incorporated in Mauritius)
Odisha Coal and Power Ltd.(OCPL)

**(b)Key Management Personnel**

| | |
|---|---|
| Sri Indranil Dutta | Managing Director |
| Sri Hara Prasad Nayak | Director (Finance) |
| Sri Alok Mukharjee | Director (Operation) 26.10.2015 |
| Sri Sukanta Mahapatra | Director (Operation) up to 25.10.2015 |

**(C ) Transaction with related parties for the year ended 31st March, 2016** ( ₹. in lakh)

| Nature of Transactions | AES India Pvt Ltd | OCPL |
|---|---|---|
| Employee Benefits Expense in respect of deputed employees under reciprocal sharing of resources * | 825.80 | - |
| | (720.46) | - |
| Towards Management Services Charges * | 27.65 | - |
| | (25.55) | - |
| Receivable from Odisha Coal and Power Ltd | - | 26,913.32 |
| | - | - |
| Loan and Advance to Odisha Coal and Power Ltd | - | 9,612.65 |
| | | |

* Previous year figures shown in brackets

No transaction made with AES OPGC holding (Incorporated in Mauritius) and Key Managerial Personnel during reporting period and previous year

**38 CONTINGENT LIABILITIES NOT PROVIDED FOR:** ₹. in lakh

| Particulars | Opening Balance as on 01.04.2015 | During the Year 2015-16 | | Closing Balance as on 31.03.2016 |
|---|---|---|---|---|
| | | Additional Provision | Amount Reversed | |
| (a) Claims against the company not acknowledged as debt | - | - | - | - |
| Income Tax demands | 1,161.07 | 0.61 | - | 1161.68 |
| Indirect tax demands | 15.90 | - | - | 15.90 |
| Land Acquisition / Interest on unpaid Land Premium | 659.12 | - | 659.12 | - |
| Claims of Contractors & Others | 756.62 | 262.07 | - | 1,018.70 |
| (b) Outstanding letter of credit and guarantees | 9,645.84 | 177.78 | - | 9,823.62 |
| (c)Other money for which the company is contingently liable | 12,229.00 | - | - | 12,229.00 |
| **Total** | **24,467.55** | **440.46** | **659.12** | **24,248.89** |

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

(ii) Guarantee fee is calculated and paid on the reduced balance of outstanding guarantee as on 1st April of the year with reference to the resolution no.52214 dt.12th December 2002 and office memorandum no. 23663/F dt.4th April 2003 issued by Finance Department, Govt. of Odisha. Without reducing the guarantee on repayment of loan, the Finance Department, Govt. of Odisha has raised a demand of ₹. 977.19 lakh towards guarantee fee which has not been accounted for as there is remote possibility of any such payment required to be made in future.

(iii) A demand of ₹. 722 lakh was raised by OHPC Ltd. towards compensation against water drawal from Hirakud Reservoir with reference to letter No.6140 dtd.31.07.2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from Customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.

(iv) Other company contingent liability includes corporate guarantee given to Yes bank for issue of bank guarantee in favour of nominated authority Ministry of Coal GOI for subsidiary company i.e. Odisha Power and Coal Ltd.

**39 CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and LC) is ₹.5,56,671.55 lakh (previous year ₹.5,18,478.82lakh)

**40 SEGMENT REPORTING**

The company has more than one business segment but not reportable segment since generation from Mini Hydel Projects has not been recognized in absence of power purchase agreement. In view of above fact, segment information required as per Accounting Standard -17 is not provided.

**41** Previous year's figures have been regrouped wherever necessary to confirm with the current years' classification.

In terms of our report of even date attached

For JBMT & ASSOCIATES

Chartered Accountants.

For & on behalf of Board of Directors

| | | | |
|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- |
| (B. D. Ojha) | ( M.R.Mishra ) | (H. P. Nayak ) | (Indranil Dutta) |
| Partner | Company Secretary | Director(Finance) | Managing Director |
| Membership No. 055193 | | | |

Bhubaneswar

Date: 23.09.2016

FRN : 320232E

## Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Standalone Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2016.

The preparation of financial statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2016 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 23rd September 2016.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2016. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Financial Position**

Balance Sheet

Assets

Non-Current

Capital work-in-progress (Note-13)

For expansion power plants: Rs.3255.18 crore

1. The above is understated by Rs.9.83 crore due to non-accounting of the value of plant and machinery received from a vendor (BGR Energy Systems Limited) within March 2016 for expansion of power plants. This has also resulted in corresponding understatement of Current Liabilities to the same extent.

**B. Comments on Cash Flow Statement**

2. Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) had sanctioned (November 2012) loan of Rs.7624 crore for the Company's expansion projects (Units-3&4), scheduled to be completed in March 2018. As of March 2016, the Company has drawn a sum of Rs.1625.72 crore out of the sanctioned amount, leaving an undrawn balance of Rs.5998.28 crore. As per AS-3, the

Company was required to disclose the above undrawn borrowing facilities that are available for future operating activities and to settle capital commitments. However, the same has not been complied.

## C. Comments on Disclosure

Contingent Liabilities not provided for (Note-38)

Claims against the Company not acknowledged as debt: Rs.242.48 crore.

3. Under the above, the Company has disclosed a contingent liability of Rs.122.29 crore towards corporate guarantee given to Yes Bank for issue of Bank Guarantee (BG) in favour of Ministry of Coal (MoC), Government of India (GoI) on behalf of Odisha Coal and Power Limited (OCPL). However, the Company gave (April 2015) corporate guarantee for Rs.153.92 crore to Yes Bank to enable OCPL to obtain BG for submission to MoC towards performance security. Hence, the disclosure of contingent liability has been understated by Rs.31.63 crore (Rs. 153.92 – Rs.122.29).

For and on behalf of the
Comptroller and Auditor General of India

Date: Bhubaneswar
Date: 22.11.2016

Sd/-
**(DEVIKA NAYAR)**
PRINCIPAL ACCOUNTANT GENERAL

JBMT & ASSOCIATES
Chartered Accountants

# Independent Auditor's Report

To
The members of
ODISHA POWER GENERATION CORPORATION LIMITED

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of ODISHA POWER GENERATION CORPORATION LIMITED, (hereinafter referred to as 'the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act,2013("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of The Act, read with Rule 7 of The Companies (Accounts) Rules,2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the consolidated financial statements, whether due to frauds or errors. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2016, their consolidated Profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter:

We draw attention to the matters in our separate observations in **Annexure-A** to our report on standalone financial statements.

## Other Matters:

We did not audit the financial statements of Odisha Coal and Power Limited, whose financial statements reflect total assets of Rs.14969.50 Lakh as at 31st March,2016, the total revenue of Rs.6.82 Lakh and net cash flows amounting to Rs.743.68 Lakh for year then ended. These financial statements and other financial information have been audited by other auditors whose reports has been furnished to us, and our opinion is based solely on the report of other auditor.

## Report on Other Legal and Regulatory requirements

1. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and the report of other auditors ;

c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. In terms of Government of India, Ministry of Corporate Affairs Notification No. GSR 463(E) dated 5th June,2015, Government companies are exempt from the applicability of provisions of Section 164(2) of the Companies Act, 2013.

f. With respect to the adequacy of the internal controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-1**.

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

    i. The consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements - Refer Note 34(a) to the consolidated financial statements.

    ii. Provision has made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivative contracts.

    iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Group.

**For JBMT & ASSOCIATES**
*Chartered Accountants*
FRN: 320232E

Place : Bhubaneswar
Dated : 23rd September,2016

Sd/-
(CA. B.D. OJHA, FCA)
Partner
(M.No. 055193)

## ANNEXURE – 1

# REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

In conjunction with our audit of the consolidated financial statements of the company of and for the year ended 31st March,2016, We have audited the internal financial controls over financial reporting of Odisha Power Generation Corporation Limited ("the Holding Company") and it's subsidiary company.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and it's Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants on 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 Act.

## AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING.**

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

**OPINION**

In our opinion, the Holding Company and it's subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its subsidiary is based on the corresponding report of the auditors of the said subsidiary company. The auditors of the subsidiary company have observed that " on evaluation of Internal Financial Control, it was observed that the management has not formulated any formal Internal Financial Control mechanism to be followed by the company".

For **JBMT & ASSOCIATES**
Chartered Accountants
FRN: 320232E

Sd/-
**(CA. B. D. OJHA, FCA)**
Partner
M. No.055193

Date: Bhubaneswar
Date: 23rd September,2016

## Odisha Power Generation Corporation Ltd.

### Consolidated Balance Sheet as at 31st March, 2016

₹ in lakh

| Particulars | Note No. | As at 31st March, 2016 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Shareholders' Funds** | | |
| Share Capital | 2 | 49,021.74 |
| Reserves and Surplus | 3 | 1,07,451.72 |
| | | **1,56,473.46** |
| **Minority Interest** | | - |
| **Non-Current Liabilities** | | |
| Long-term borrowings | 4 | 1,62,570.33 |
| Deferred tax liability (Net) | 5 | 1,261.35 |
| Other Long term liabilities | 6 | 540.29 |
| Long- term provisions | 7 | 3,593.72 |
| | | **1,67,965.69** |
| **Current Liabilities** | | |
| Short-term borrowings | 8 | 3,000.00 |
| Trade payables | 9 | 2,206.52 |
| Other current liabilities | 10 | 1,89,614.54 |
| Short-term provisions | 11 | 4,525.05 |
| | | **1,99,346.11** |
| **TOTAL** | | **5,23,785.26** |
| **ASSETS** | | |
| **Non-Current assets** | | |
| **Fixed assets** | | |
| Tangible assets | 12 | 21,221.79 |
| Intangible assets | 12 | 74.65 |
| Capital work-in-progress | 13 | 3,44,866.60 |
| Intangible assets under development | 13 | 834.27 |
| Long -term loans and advances | 14 | 63,798.13 |
| Other non-current assets | 15 | 41.19 |
| | | **4,30,836.62** |
| **Current assets** | | |
| Inventories | 16 | 4,877.58 |
| Trade receivables | 17 | 9,014.58 |
| Cash and Bank Balances | 18 | 50,891.30 |
| Short-term loans and advances | 19 | 1,154.08 |
| Other current assets | 20 | 27,011.09 |
| | | 92,948.63 |
| **TOTAL** | | **5,23,785.26** |

**Significant Accounting Policies**
**The accompanying notes form an integral part of these financial statements -1 to 37**

**In terms of our report of even date attached**
**For JBMT & ASSOCIATES**
**Chartered Accountants.**

**For & on behalf of Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **(B.D Ojha)** | **( M.R.Mishra )** | **( H. P. Nayak )** | **(Indranil Dutta)** |
| **Partner** | **Company Secretary** | **Director(Finance)** | **Managing Director** |

Membership No. 055193
Bhubaneswar
Date: 23.09.2016

## Odisha Power Generation Corporation Ltd.

### Consolidated Statement of Profit and Loss for the Year ended 31st March, 2016

₹ in lakh

| Particulars | Note No. | 2015-16 |
|---|---|---|
| **INCOME** | | |
| Revenue from Operations | 21 | 62,753.49 |
| Other Income | 22 | 7,042.87 |
| **Total Revenue** | | **69,796.36** |
| **EXPENSES** | | |
| Cost of Material Consumed | 23 | 35,225.15 |
| Employee Benefits Expense | 24 | 5,993.92 |
| Finance costs | 25 | 465.42 |
| Depreciation and amortisation expense | 26 | 2,192.05 |
| Generation and Other Expenses | 27 | 8,570.13 |
| CSR Expenditure | 28 | 268.34 |
| Prior Period Expenses ( net) | 29 | 151.27 |
| **Total Expenses** | | **52,866.28** |
| Profit before Exceptional and Extraordinary items and tax | | 16,930.08 |
| Exceptional items | | - |
| **Profit Before Extraordinary items and tax** | | **16,930.08** |
| Extraordinary items | | - |
| **Profit Before tax** | | **16,930.08** |
| Current Tax | | 6,973.72 |
| Earlier years Tax | | 22.12 |
| Deferred Tax | | (662.62) |
| **Profit for the Year** | | **10,596.86** |
| **Minority Interest** | | **2.45** |
| | | **10,599.31** |
| Earning per equity share of face value of ₹.1000/- each Basic & Diluted (in ₹. ) | | 216.22 |

**Significant Accounting Policies**
**The accompanying notes form an integral part of these financial statements -1 to 37**
**There are no exceptional and extra ordinary items in the above period which needs to be disclosed.**
**In terms of our report of even date attached**

**For JBMT & ASSOCIATES**
**Chartered Accountants.**

Sd/-
**(B.D Ojha)**
**Partner**
Membership No. 055193
Bhubaneswar
Date: 23.09.2016
FRN - 320232E

**For & on behalf of Board of Directors**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **( M.R.Mishra )** | **( H. P. Nayak )** | **( Indranil Dutta)** |
| **Company Secretary** | **Director(Finance)** | **Managing Director** |

## Odisha Power Generation Corporation Ltd.

**Consolidated Cash Flow Statement for the Year ended 31st March, 2016** ₹ in lakh

| Particulars | | 2015-16 |
|---|---|---|
| **A Cash Flow from Operating Activities** | | |
| **Net profit before tax** | | **17,735.92** |
| Adjustment for | | |
| Depreciation | 2,212.70 | |
| Interest & finance charges | (340.44) | |
| Provisions ( net) | 1,606.82 | - |
| Effect of Exchange rate change | (0.95) | |
| Interest Income from investment & deposits | (7,459.06) | |
| Stores & spares written off | 29.75 | |
| Loss/(Profit) on sale / retired assets / stock | (2.53) | |
| Excess provision written back / off (net) | (51.34) | |
| CSR expenditure | 268.34 | - |
| Trade Receivables written off | 6.06 | |
| Prior Period Adjustment (net) | 54.14 | - |
| | | (3,676.49) |
| **Operating profit before working capital changes** | | **14,059.43** |
| Adjustment for | | |
| Inventories | 1,052.92 | |
| Trade & other receivables | (17,018.27) | |
| Trade payables, other liabilities and provisions | 1,09,389.13 | |
| | | 93,423.78 |
| **Cash Generated from Operations** | | **1,07,483.21** |
| CSR expenditure | (268.34) | - |
| Direct taxes paid ( net ) | (7,471.86) | |
| | | **(7,740.20)** |
| **Net Cash from Operating Activities** | | **99,743.01** |
| **B Cash Flow from Investing Activities** | | |
| Purchase of fixed assets ( net) | (2,14,445.94) | |
| Interest received | 7,857.60 | |
| | | **(2,06,588.35)** |
| **C Cash Flow from Financing Activities** | | |
| Short term borrowing | - | |
| Long term borrowing | 88,446.05 | |
| Interest and Finance charges | (11,185.92) | |
| Issue of Shares | 2.45 | |
| Dividend including dividend tax paid | (4,425.11) | |
| Net cash used in financing activities | | **72,837.48** |
| Net changes in Cash & Cash equivalents (A+B+C) | | **(34,007.86)** |
| Cash & Cash Equivalents - Opening balance | | **84,899.15** |
| Cash & Cash Equivalents - Closing balance (D+E) | | **50,891.29** |

Note: (i) Cash and Bank Balances under Current Assets at note 19 are Cash and Cash Equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under Para 42 of the Accounting Standard 3 is not furnished separately.
(ii) Figures in brackets are cash outflows / incomes as the case may be.

**In terms of our report of even date attached**
**For JBMT & ASSOCIATES**
**Chartered Accountants.**
Membership No. 055193
Bhubaneswar
Date: 23.09.2016
FRN - 320232E

Sd/-
**(B. D. Ojha)**
**Partner**

**For & on behalf of Board of Directors**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **(M. R. Mishra)** | **(H. P. Nayak)** | **(Indranil Dutta)** |
| **Company Secretary** | **Director(Finance)** | **Managing Director** |

# Note 1 - Significant Accounting Policies

## 1. Basis of Preparation :

The financial statements are prepared on accrual basis of accounting under historical cost convention, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## 2. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses during reporting period and the disclosure of contingent liabilities as at the end of financial year. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystalized.

## 3. Grants-in aid

3.1 Grants-in-aid received from Central / State Government or any other authorities towards capital expenditure are initially treated as capital reserve and adjusted in the carrying cost of such asset on the commencement of commercial production.

3.2 Grants received from Government and other agencies towards revenue expenditure, are recognized over the period in which related costs are incurred and are deducted from related expenses.

## 4. Fixed Assets

4.1 Tangible assets are carried at historical cost less accumulated depreciation / amortization.

4.2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.3 Expenditure on renovation and modernisation of tangible assets resulting in increased life and / or efficiency of an existing asset is added to the cost of related assets.

4.4 Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses including expenses on development of land related to acquisition of land are treated as cost of land.

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

4.6 Capital expenditure on assets not owned by the company related to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter under tangible assets. However, similar expenditure for CSR / community development is charged off to revenue.

4.7 Machinery spares which can be used only in connection with an item of plant and machinery and there use is expected to be irregular (except small value items valuing less than ₹1 lakh per unit) are capitalized and fully depreciated over the residual useful life of related plant and machinery.

4.8 Application software packages acquired / developed from / by outside agencies for internal use treated as intangible asset and are recorded at their cost of acquisition.

4.9 Fixed assets retired from active use and held for disposal are stated at net book value less provision for doubtful realization if any and considered as other current asset till the time of its disposal.

## 5. Capital Work in Progress

5.1 Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress.

5.2 In respect of project contracts, the value of supplies is taken as capital work in progress on receipt of material at site. In respect of project supply contracts, wherever ownership of materials have been transferred to the company are accounted as material in transit and disclosed under Capital Work in Progress.

5.3 Administrative and general overhead expenses attributable to construction of fixed assets incurred till they are ready for their intended use are identified for allocation on a systematic basis to the cost of related asset on capitalization.

5.4 Deposit work / cost plus contracts are accounted for on the basis of statement of accounts received from the contractors.

5.5 Unsettled liability for price variation / exchange rate variation in case of contracts, are accounted for on receipt/ acceptance of bills.

5.6 Employees benefits expenses, administration and other general overhead expenses related to capital projects are treated as revenue expenditure if the projects are inordinately delayed for commissioning.

5.7 Apportionment of expenses not clearly identifiable to specific assets including common expenses of operation and construction between pre commissioning and post commissioning period as per the scope of the contract is made on the basis of best judgement.

## 6. Development of Power Projects

6.1 Expenditure on development of new power projects is capitalized as "Development of Power Projects" under Capital Work in Progress.

6.2 Preliminary expenses on account of new projects incurred prior to approval of feasibility report/ techno economic clearance are charged to revenue.

## 7. Provisions, Contingent Liabilities and Contingent Assets

7.1 A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

7.2 Contingent assets are neither recognized nor disclosed in the financial statements.

## 8. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on "Cash Flow Statements".

## 9. Inventories

9.1 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.

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

9.3 Transit and handling losses including carpeting of coal or gain arises on physical verification 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.

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

## 10. Revenue Recognition

10.1 Sale of Energy and other revenue is recognized when no significant uncertainty as to the measurability or collectability exists.

10.2 The delayed payment surcharge on late payment/ overdue payment from debtor on sale is recognized when no significant uncertainty as to the measurability or collectability exists.

10.3 Interest recoverable on advances to suppliers including other parties, warranty claims, liquidated damages, subsidies wherever there is uncertainty of realization / acceptance are not treated as accrued and therefore accounted for on receipt / acceptance.

10.4 Revenue from sale of scrap is recognized in the statement of profit and loss only on disposal.

10.5 Insurance claims are accounted for based on certainty of realization.

## 11. Depreciation and Amortization

11.1 Depreciation on fixed assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except the following:

**Tangible Assets**

| Particulars | Depreciation / amortisation |
|---|---|
| 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 |

**Intangible Assets**

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

11.2 Assets including Tools and Tackles costing up to ₹.5,000/- are fully depreciated in the year in which put to use.

11.3 Capital expenditure on assets not owned by the company referred to in accounting policy clause 4.6 is amortized over a period of 5 years from the month in which the relevant asset is ready for put to use. However, such expenditure for community or periphery development in case of stations under operation is charged off to revenue.

11.4 Wherever the life and efficiency of an asset is increased due to renovation, modernization or replacement, the expenditure there on along with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

11.5 Depreciation on additions to / deductions from fixed assets during the year is charged on pro rata basis from / up to the month in which the assets is available for use / disposal / retirement from active use.

11.6 Depreciation on Value adjustment is provided prospectively.

## 12. Prior Period Income / Expenditure and Prepaid Expenses

Prior period income / expenses and prepaid expenses of items of ₹.0.50 lakh and below in each case are charged to natural head of accounts in the current year.

## 13. Exceptional Items

Exceptional Items are the items of income and expenses within profit or loss from ordinary activities of such size, mature or incidence whose disclosure is necessary.

## 14. Employee Benefits

Employee benefits inter-alia includes Provident fund, gratuity, leave benefits (including compensated absence), economic rehabilitation scheme and other terminal benefits

14.1 Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

14.2 Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through group gratuity assurance scheme of Life Insurance Corporation of India. The company accounted for gratuity liability determined by independent actuary, at the yearend using the projected unit credit method.

14.3 Company's Contribution paid / payable during the year to the provident fund is recognized in the statement of profit and loss. The same is paid to the fund administered through a separate Trust. Any payment made by the company towards deficiency of the trust fund is charged to statement of profit and loss.

14.4 Company's liabilities towards leave benefits (including compensated absence) are determined by independent actuary, at the yearend by using the projected unit credit method.

14.5 Expenses on ex-gratia payment under voluntary separation scheme are charged to statement of profit and loss in the year in which it is incurred.

14.6 Expense on leave travel concession and leave salary including pension contribution of deputation employees are accounted for on cash basis.

## 15. Taxes on Income

15.1 Current tax is determined on the basis of taxable income in accordance with provisions of the Income Tax Act, 1961.

15.2 Deferred tax liability / asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate and laws that have been enacted or substantially enacted as on the reporting date.

15.3 Deferred tax asset, is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their reliability.

**16. Impairment of Assets**

The carrying amount of cash generating units is reviewed at each balance sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. The impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Thermal power plant and each of mini hydel projects are treated separately as cash generating units for determination of impairment of assets.

**17. Borrowing Cost**

17.1 Borrowing costs attributable to the acquisition, construction, renovation/ modernization of a qualifying fixed asset are capitalized as part of the cost of that asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

17.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

**18. Investments**

18.1 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

18.2 Long Term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investment.

**19. Foreign Exchange Transactions**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses in foreign exchange transactions other than those long term liabilities relating to fixed assets, are recognized in the statement of profit and loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognized in the statement of profit and loss over the period of the contract.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities relating to fixed assets are adjusted in the carrying cost of such assets.

**Notes to the Consolidated Financial Statements for the Year ended 31st March, 2016** ₹ in lakh

**2 SHARE CAPITAL**

| | As at 31st March, 2016 | |
|---|---|---|
| **Authorised Share Capital:** | | |
| 100,00,000 ( Previous Year 100,00,000 ) Equity Shares of ₹.1000/-each. | | **1,00,000.00** |
| Issued , Subscribed & fully Paid Up : | | |
| 49,02,174 (Previous Year 49,02,174 )Equity Shares of ₹.1000 each fully paid up. | 49,021.74 | |
| | | 49,021.74 |
| **TOTAL** | | **49,021.74** |

**2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period.**

| | As at 31st March, 2016 | |
|---|---|---|
| | **Nos.** | **Amount** |
| Equity Share at the beginning of the year | 49,02,174 | 49,021.74 |
| Add:Equity Shares issued during the year | - | - |
| Less: Equity Shares bought back during the year | - | - |
| Equity Share at the end of the year | 49,02,174 | 49,021.74 |

The Company has only one class of equity shares having a par value ₹.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.

**2.2 The details of Shareholders holding more than 5% of shares**

| | As at 31st March, 2016 | |
|---|---|---|
| | No. of Shares | % held |
| Governor of Odisha | 25,00,109 | 51% |
| AES India Pvt Ltd | 7,96,178 | 16% |
| AES OPGC holding (Incorporated in Mauritius) | 16,05,887 | 33% |
| **Total number of Shares** | 49,02,174 | 100% |

**3 RESERVE AND SURPLUS**

| | As at 31st March, 2016 | |
|---|---|---|
| **3.1 Securities Premium Reserve** | | |
| As per Last Balance Sheet | 5,888.43 | |
| Add- Addition during the year | - | |
| Less- Adjustment During the year | - | |
| | | 5,888.43 |
| **3.2 Grant -in-Aid *** | | |
| As per Last Balance sheet | 185.58 | |
| Less:Adjusted to carrying cost of assets | - | |
| | | 185.58 |

*Received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects

| | | |
|---|---|---|
| **3.3 Other Reserves** | | |
| **(i) General Reserve** | | |
| As per Last Balance sheet | 8,960.23 | |
| Add: Transferred from Statement of Profit & Loss | - | |
| | | 8,960.23 |
| **(ii)Surplus in Statement of Profit and Loss** | | |
| As per Last Balance sheet | 85,358.26 | |
| Add- Profit for the year | 10,599.31 | |
| | 95,957.57 | |
| **Less : Appropriations** | | |
| Transfer to General Reserve | - | |
| Dividend Paid ₹. Nil per Share (previous year ₹ Nil ) | - | |
| Tax on Dividend Paid | - | |
| Proposed Dividend - ₹.60 per Share (previous year ₹.75) | 2,941.31 | |
| Tax on Dividend | 598.78 | |
| | | 92,417.48 |
| **TOTAL** | | **1,07,451.72** |

During the year, the Company has proposed final dividend of ₹.60 (previous year ₹.75) per equity share of par value ₹.1000 each for the year 2015-16.

## 4 LONG TERM BORROWINGS

| | | As at 31st March, 2016 |
|---|---|---|
| **Secured** | | |
| **Terms Loan - Others** | | |
| Loan from Power Finance Corporation Ltd | 94,864.54 | |
| Loan from Rural Electrification Corporation Ltd | 67,705.79 | |
| **TOTAL** | | **1,62,570.33** |

**(i)** Loan from Power Finance Corporation Ltd (PFC) includes loan availed and interest thereon paid by draw down and utilised for development of coal mine by the company as prior allottee amounting to ₹. 9,024.91 lakh (Previous Year ₹. 7,966.32 lakh). As per 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 shall be payable by OCPL to the Company 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 of the loan outstanding up to date of off load (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 . Pending with such off loading as well as approval of Govt. of Odisha.

**(ii)** Term loan of ₹.4,33,000 lakh each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2X660 MW Coal based Thermal Power Plant , Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC has off loaded proportionate sanctioned limit related to development of coal mine as the coal mine is 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 ₹.3,81,187 lakh and ₹.3,81,200 lakh by PFC and REC respectively.

**(iii) Security:**

(a) The term loan including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of project ( 2 * 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 the 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, 15th day of July and 15th day of October 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 instalment and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires and all subsequent loan repayment due dates shall be 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 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. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate.

(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)** There has been no default in repayment of any of the loan or interest there on at the end of the reporting year.

**5 DEFERRED TAX LIABILITY ( NET)**

| | As at 31st March, 2016 | |
|---|---|---|
| **Deferred Tax Liability** | | - |
| Difference of book depreciation and tax depreciation | 2,627.29 | |
| **Less: Deferred Tax Assets** | - | - |
| On retirement Benefit Expenses | 1,323.74 | |
| On other disallowances for tax purposes | 42.20 | |
| **TOTAL** | | **1,261.35** |

(i) The net decrease in the deferred tax liability during the year amounting to ₹.662.62 lakh (previous year of ₹.26.16 lakh) has been credited in statement of profit and loss

(ii) Deferred tax asset and deferred tax liabilities have been offset, as they relate to the same governing laws.

**6 OTHER LONG TERM LIABILITIES**

| | As at 31st March, 2016 | |
|---|---|---|
| Trade Payables | 12.13 | |
| Security Deposits | 395.38 | |
| EMD and Retention Money | 132.78 | |
| **TOTAL** | | 540.29 |

**7 LONG TERM PROVISIONS**

| | As at 31st March, 2016 | |
|---|---|---|
| Provision for Employees benefit | 3,593.72 | |
| Others | - | |
| **TOTAL** | | **3,593.72** |

Provision for employee benefits includes retirement benefits and disclose as per AS- 15 "Employee Benefits" is made in Note 25

**8 SHORT TERM BORROWINGS**

| | As at 31st March, 2016 | |
|---|---|---|
| **(i)Secured Loans** | | - |
| **(ii)Unsecured Loans** | - | |
| Loans repayable on demand | - | |
| from banks | - | |
| from other parties | - | |
| Loans & advances from related parties * | | |
| Odisha Hydro Power Corporation Limited | 3,000.00 | |
| Other Loans & Advances | - | |
| **TOTAL** | | **3,000.00** |

* Short term borrowings of Rs 3,000 lakhs represents loan taken by Subsidiary company from related parties(OHPC)

**9 TRADE PAYABLES**

| | As at 31st March, 2016 | |
|---|---|---|
| Micro and Small Enterprise (Note 9.1) | 23.25 | |
| Others* | 2,183.27 | |
| **TOTAL** | | **2,206.52** |

*It includes ₹.28.28 lakh (net) in MCL account which is due to non adjustment of differential entry tax, quantity difference, pumping charges of water supplied and credit allowed in un-graded coal etc at their end.

**9.1 The details of amount outstanding to Micro and Small Enterprises based on available information with the Company is as under.**

| Particulars | As at 31st March, 2016 | |
|---|---|---|
| Principal amount due and remaining unpaid | 23.25 | |
| Interest due on above and unpaid interest | Nil | |
| Interest paid | Nil | |
| Payment made beyond appointed day during the year | Nil | |
| Interest due and payable for the period of delay | Nil | |
| Interest accrued and remaining unpaid | Nil | |
| Amount of further interest remaining due and payable in succeeding years | Nil | |
| **TOTAL** | | 23.25 |

## 10 OTHER CURRENT LIABILITIES

| | As at 31st March, 2016 | |
|---|---|---|
| Interest accrued but not due on borrowings | 2,054.44 | |
| Interest accrued and due on borrowings | 37.34 | |
| Advances from customers and others | 71.00 | |
| Unpaid Dividend | - | |
| Sundry Creditors (Other Contract Job) | 1,008.90 | |
| Other payables * | 1,86,442.85 | |
| **TOTAL **** | | **1,89,614.54** |
| *** Other payables includes:** | | |
| Statutory dues | 1,068.38 | |
| Liability for expenses | 6,247.34 | |
| Liability towards equipment supplier of project | 1,75,668.27 | |
| Deposits and retention money from contractors | 3,103.24 | |
| Amount Recovered from Contractors for Mobilisation Advance | 346.76 | |
| Other dues | 8.86 | |

** Other current liabilities include Rs.1275.48 lakh from subsidiary company

## 11 SHORT TERM PROVISIONS

| | As at 31st March, 2016 | |
|---|---|---|
| Provision for employee benefits* | 231.24 | |
| Others | | |
| Provision for taxation | - | |
| Proposed dividend | 2,941.30 | |
| Tax on dividend | 598.78 | |
| Other provisions** | 753.73 | |
| **TOTAL** | | **4,525.05** |
| *It includes retirement benefits and disclosure as required by AS 15 "Employee Benefits" is made in Note 25 | | |
| (**)Other provisions include | | |
| Provision for performance incentive | 706.43 | |
| Provision for MAT credit payable to customer | - | |
| Provision for Management Service Charges | 47.30 | |
| Provision for salary | - | |

## Notes to the Consolidated Financial Statement for the year ended 31st March, 2016

### 12 FIXED ASSETS

₹. in lakh

| Descriptions | Gross Block | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2015 | Addition | Deduction / Adjustment | As on 31.03.2016 | Up to 01.04.2015 | For the Year | Arrear Depreciation | Deduction/ Written Back | As on 31.03.2016 | As on 31.03.2016 |
| **A:TANGIBLE ASSETS:** | | | | | | | | | | |
| Freehold Land including development cost | 25.49 | - | (9.74) | 15.75 | - | - | - | - | - | 15.75 |
| Leasehold Land including development cost | 2,615.15 | 139.58 | (0.91) | 2,753.82 | 1,128.07 | 104.38 | 40.18 | (0.03) | 1,273 | 1,481.22 |
| Total Land | 2,640.64 | 139.58 | (10.65) | 2,769.57 | 1,128.07 | 104.38 | 40.18 | (0.03) | 1,273 | 1,496.97 |
| Building | 7,638.90 | 70.07 | (0.61) | 7,708.36 | 5,117.73 | 274.88 | (0.99) | (0.02) | 5,392 | 2,316.76 |
| Plant & Equipment | 1,11,292.81 | 1,466.97 | (400.82) | 1,12,358.96 | 96,237.69 | 1,543.43 | - | (354.48) | 97,427 | 14,932.32 |
| Furniture & Fixture. | 419.62 | 51.68 | (1.88) | 469.42 | 249.99 | 27.19 | - | (0.77) | 276 | 193.00 |
| Vehicle. | 252.65 | 9.57 | (28.53) | 233.69 | 124.59 | 23.12 | - | (21.28) | 126 | 107.26 |
| Office & Other Equipment. | 2,800.72 | 316.08 | (18.08) | 3,098.72 | 1,968.10 | 294.09 | - | (5.88) | 2,256 | 842.41 |
| **Others** | - | - | - | - | - | - | - | - | - | - |
| Road Bridge & Culvert. | 1,624.03 | 329.81 | - | 1,953.84 | 888.52 | 70.85 | - | - | 959 | 994.47 |
| Water Supply Drainage & Sewerage. | 471.26 | 18.06 | - | 489.32 | 307.22 | 32.65 | - | - | 340 | 149.45 |
| Power Supply Distribution & Lighting. | 552.22 | 48.21 | - | 600.43 | 413.34 | 22.05 | - | - | 435 | 165.04 |
| Heavy Mobile Equipment. | 305.94 | - | - | 305.94 | 274.09 | 7.75 | - | - | 282 | 24.10 |
| Library and Books | 14.09 | 0.26 | (0.01) | 14.34 | 14.09 | 0.26 | - | (0.01) | 14 | - |
| **Sub Total** | **1,28,012.88** | **2,450.29** | **(460.58)** | **1,30,002.59** | **1,06,723.43** | **2,400.65** | **39.19** | **(382.47)** | **1,08,780.80** | **21,221.79** |
| **B:INTANGIBLE ASSETS:** | - | - | - | - | - | - | - | - | - | - |
| Software & SAP licence | 145.97 | 73.02 | (81.67) | 137 | 67.03 | 33.38 | - | (37.74) | 63 | 74.65 |
| **Sub Total** | **145.97** | **73.02** | **(81.67)** | **137.32** | **67.03** | **33.38** | **-** | **(37.74)** | **62.67** | **74.65** |
| **Total** | **1,28,158.85** | **2,523.31** | **(542.25)** | **1,30,139.91** | **1,06,790.46** | **2,434.03** | **39.19** | **(420.21)** | **1,08,843.47** | **21,296.43** |
| **Previous Year** | **1,25,491.79** | **2,922.68** | **(255.62)** | **1,28,159** | **1,04,805.29** | **2,055.28** | **85.10** | **(155.21)** | **1,06,790** | **21,368.39** |

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

(ii) Leasehold Land is amortized over a period of 30 years from the year following commissioning of both the units.

(iii) Value of land includes advance payments made for the land which are in possession of the company. Out of the total land AC.452.00 of Hirakud Reservoir land, lease deeds for AC.226.46 . Village Forest land & AC.60.80 patta land (in the possession of the company) are yet to be executed.

(iv) Land includes AC.69.38 of Govt. land and AC.104.47 of private land valuing ₹.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. Pending restoration as above, the same has been disclosed under land including land development and amortized over balance life as per accounting policy

(v) Plant and Machinery under Tangible Assets includes an amount of ₹.4575.72 lakh incurred during the year 2010-11 to 2015-16 and claimed from GRIDCO as reimbursement in tariff under power purchase agreement which has not been accepted / confirmed on the ground that these reimbursement is subject to regulatory approval of Odisha Electricity Regulatory Commission. In absence of such confimation by GRIDCO and uncertaininty in relalisation, above amount has been capitalised during the year of aquisition / installation and depreciation chrged in the accounts.

(vi) The above adjustment figure includes Rs 118.62 lakhs towards transfer of coal mines assets to Subsidiary company OCPL.

(vii) Details of component of assets of operational units, expansion of power plant and development of coal mines are as follows.

| Descriptions | Gross Block | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2015 | Addition | Deduction / Adjustment | As on 31.03.2016 | Up to 01.04.2015 | For the Year | Arrear Depreciation | Deduction/ Written Back | Deduction/ Written Back | As at 31.03.2016 |
| Operational Units | 1,27,357.88 | 1,812.67 | (423.62) | 1,28,746.94 | 1,06,634.38 | 2,212.70 | 39.19 | (375.70) | 1,08,510.57 | 20,236.36 |
| Power Plant - 3 & 4 | 682.35 | 700.93 | - | 1,383.28 | 111.57 | 220.92 | - | - | 332.49 | 1,050.79 |
| Coal Mine | 118.62 | - | (118.62) | - | 44.51 | - | - | (44.51) | - | - |
| **Total** | **1,28,158.85** | **2,513.61** | **(542.24)** | **1,30,130.22** | **1,06,790.46** | **2,433.62** | **39.19** | **(420.20)** | **1,08,843.07** | **21,287.14** |

**13 CAPITAL WORK IN PROGRESS**

| | As at 31st March, 2016 | |
|---|---|---|
| **Tangible Assets** | | |
| For Operational Power Plants | 6,314.58 | |
| For Mini Micro Hydel Projects | 1,314.76 | |
| For Expansion Power Plants | 3,25,518.99 | 3,33,148.33 |
| Development of Coal Mines * | 11,718.27 | 11,718.27 |
| **TOTAL** | | **3,44,866.60** |

**13 Intangible Assets under Development**

| | | |
|---|---|---|
| Software | 834.27 | |
| **TOTAL** | | **834.27** |

(i)The Board of Directors have approved execution of four Mini Micro Hydel Projects in a phased manner. Execution of balance work in respect of said four projects will be taken up on the basis of commercial viability and expenditures incurred so far is disclosed under Capital Works in Progress for Mini Micro Hydel Projects.

**(ii) Details of expenditure for expansion power plant included under Capital Work in Progress are as follows**

| Particulars | As at 01.04.2015 | Additions | Deductions / Adjustments | Capitalized | As at 31.03.2016 |
|---|---|---|---|---|---|
| Roads, Bridges & Culverts | 121.14 | - | 117.67 | - | 3.47 |
| Building Others | 1,116.26 | 4,924.24 | - | - | 6,040.50 |
| Temporary erection | 243.78 | 151.78 | - | - | 395.56 |
| Water Supply, Drainage & Swerage system | 15.31 | - | - | - | 15.31 |
| Power supply ,distribution and lighting System | 6.88 | 76.52 | - | - | 83.40 |
| Boiler, Turbine and Generator (BTG) | 38,517.59 | 1,52,978.54 | - | - | 1,91,496.13 |
| Balance of Plants (BOP) | 14,618.46 | 32,187.60 | - | - | 46,806.06 |
| Materials supplied under Project contract in Transit (Ref: Clause 5.2 of Note 1 - Significant Accounting Policies) * | 40,671.08 | 6,015.60 | - | - | 46,686.68 |
| Expenditure Pending Allocation: | - | - | - | - | - |
| Survey, investigation, Consultancy and supervision charges | 1,849.72 | 1,199.06 | - | - | 3,048.78 |
| Expenditure during construction period | 13,067.17 | 17,875.94 | - | - | 30,943.11 |
| **TOTAL** | **1,10,227.39** | **2,15,409.28** | **117.67** | **-** | **3,25,518.99** |

* Addition made during the year is the net of receipt of material which are in transit on 31st March 2015 and addition of matrial in transit as on 31st March 2016.

*** Development of coal mines related to subsidiary company includes**

| | | |
|---|---|---|
| R & R Colony at Sukhabandha | | 3,014.60 |
| Construction of Transit Guest House | - | 452.98 |
| Devlopment of Coal Mines | - | 6,652.66 |
| Pre operative Expenses | | 1,598.04 |
| **Total** | | **11,718.27** |

**14 LONG TERM LOANS AND ADVANCES (Considered good, unless other wise stated.)**

| | As at 31st March, 2016 | |
|---|---|---|
| Unsecured considered good | | |
| Advance against land acquisition * | 12,493.31 | |
| Loans and advances to related parties | - | |
| Loans and advances to employees | 346.65 | |
| Capital Advances | 47,956.19 | |
| Advance to others | 51.94 | |
| Advance Sales Tax | - | - |
| Advance tax including refunds receivables (net of provision)) | 2,935.31 | |
| Disputed Sales Tax | 14.73 | |
| **TOTAL **** | | **63,798.13** |

*(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".

** Includes Rs 1607.42 lakh related to subsidiary company towards Advance against Land acquisition.

**15 OTHER NON CURRENT ASSETS**

| | As at 31st March, 2016 | |
|---|---|---|
| **Long term trade Receivable** | - | |
| **Unsecured considered good** | | |
| Others Receivables | - | |
| Security Deposits | 41.19 | |
| **TOTAL** | | **41.19** |

**16 INVENTORIES***

| | | As at 31st March, 2016 | |
|---|---|---|---|
| Raw Materials | | 1,472.37 | |
| Components, Chemicals, Stores & spares | 3,476.32 | | |
| Less: Provison for Obsolete Stores & Spares | 91.58 | 3,384.74 | |
| Loose Tools & Tackles | | 11.11 | |
| Stock in Transit and Stock pending Inspection | | 9.36 | |
| **TOTAL** | | | **4,877.58** |

* Except oil, all other inventories have been physically verified by third party and valued as per clause 9 of the Accounting Policies at Note No.1.

**17 TRADE RECEIVABLES**

| | As at 31st March, 2016 | |
|---|---|---|
| Outstanding for a period exceeding six months from the date it is due for payment: | | |
| Unsecured - Considered good | - | |
| Considered doubtful | - | |
| Less: Provision for bad and doubtful recoveries | - | |
| **Others - Unsecured Considered good** | 9,014.58 | |
| **TOTAL** | | **9,014.58** |

Trade receivables as on 31st March 2016 has been confirmed by the customer (previous year not confirmed for ₹.25.23 lakh was disputed and a provision for doubtful debt was provided in the accounts).

**18 CASH AND BANK BALANCES**

| | As at 31st March, 2016 | |
|---|---|---|
| **(i) Cash and cash equivalents** | | |
| **(a) Balance with banks** | | |
| In current accounts | 1,851.53 | |
| In cash credit account | - | |
| Deposits with original maturity period of up to three months | 24,712.63 | |
| **(b) Cheque draft on hand / transit** | | |
| **(c ) Cash on hand** | 3.21 | |
| (d) Other bank balances | | |
| (i)Deposits with original maturity of more than three months but not more than twelve months | 11,400.10 | |
| (ii) Deposits with banks held as security against guarantees * | 12,745.84 | |
| (iii) Deposits with banks pledged as security or margin money | 177.99 | |
| **TOTAL** | | **50,891.30** |

* It includes Deposit of ₹.3,100 Lakh with Yes Bank, pledged for issue of Bank Guarantee in favour of Nominated Authority, Ministry of Coal, Govt. of India as required by Odisha Coal and Power Company Ltd which is a subsidiary of reporting company.

Balance with Bank in Current Account includes ₹.743.68 lakh related to subsidiary company

## 19 SHORT TERM LOANS AND ADVANCES

| | | As at 31st March, 2016 | |
|---|---|---|---|
| **Unsecured considered good** | | | |
| Loans and advances to related parties * | - | 44.44 | |
| Loans and advances to employees | | 123.62 | |
| Advance to suppliers and contractors | | 952.14 | |
| Advance to Group Gratuity Trust | | - | |
| Advance to others | | 33.39 | |
| Advance tax ( including refunds receivables)(net) | | 0.49 | |
| Disputed Sales Tax | | - | |
| **TOTAL **** | | | **1,154.08** |

*It include Inter Company loan of ₹.9,612.65 lakh to related party that is M/s Odisha Coal and Power Ltd. (Previous Year ₹. Nil)

** Includes ₹.71.96 lakh related to subsidiary company towards balance in ₹.47lakh as employee advance, ₹.71 lakh towards advance to supplier and ₹.49 lakh as advance tax.

## 20 OTHER CURRENT ASSETS

| | As at 31st March, 2016 | |
|---|---|---|
| Interest accrued on fixed deposits | 621.08 | |
| Security deposits | 13.31 | |
| Receivable From related parties (Ref: Note 21A and 21B) | 25,721.08 | |
| Other receivable | 173.96 | - |
| Prepaid expenses | 481.66 | |
| **TOTAL** | | **27,011.09** |

**20A** Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of India vide its Judgment dated.24th / 25th September 2014. Both the coal blocks were allotted by the Nominated Authority, Ministry of Coal, Govt. of India vide its letter No. 103/25/2015/NA dated 24th March 2015 to Odisha Coal and Power Ltd. (OCPL) a subsidiary and joint venture company of the Company and Odisha Hydro Power Corporation Ltd. (OHPC). As per Clause 5 of the Shareholder's Agreement signed by the Company, OHPC and OCPL on 21st April 2016 -

(a) Any freehold land acquired or in process of acquisition by the Company as a prior allottee of Manoharpur and Dipside Manoharpur coal blocks shall be transferred to OCPL.

(b) Any land acquired or in the process of acquisition for the Company as prior allottee of the Manoharpur and Dipside Manoharpur coal blocks shall be changed in the name of OCPL being the new allottee of the said mines.

(c) Land acquired for facilitating efficient mining and transportation of coal which has been acquired or in the process of acquisition as part of the Merry Go Round Railway of the Company at the mine end shall be transferred to OCPL by suitable means.

(d) The Rehabilitation & Resettlement Colony under construction and under planning stage shall be transferred to OCPL including land, building, roads, electricity lines, sub-stations, right of way, etc.

(e) The Company shall submit the list of work orders, contracts, agreements including the status of work and payment thereunder made by the Company related to Manoharpur and Dipside Manoharpur coal blocks to OCPL. OCPL shall assume the pending liabilities under the current operational agreement associated with the above.

(f) All licenses, permits, approvals, clearances, consents, permissions, etc. obtained by the Company as prior allottee from any competent authority for the Manoharpur and Dipside Manoharpur coal blocks shall be transferred to OCPL through applicable procedures.

(g) The expenditure incurred by OPGC for development of the Manoharpur and Dipside Manoharpur coal blocks shall be payable by OCPL to the company after certification by Statutory Auditor of the Company and approval by Govt. of Odisha.

(h) Accordingly an amount of ₹177,54.75 lakhs (net off liabillties for security deposit & retention money from contractor ₹ 78.09 lakh, accumulated depreciation ₹ 44.51 lakh and borrowings ₹.7966.33 lakh) details of which is given below incurred by the company up to 31st March 2015 as a prior allottee has been certified by the Statutory Auditors of the Comany and submitted OCPL for Govt. of Odisha approval. Pending with approval of Govt. of Odisha, above amount has been shown as receivable from OCPL, a subsidiary company.

| Particulars | As at 31st March, 2016 | |
|---|---|---|
| **Expenditures :** | | |
| Tangible & Intangible Assets | 118.62 | |
| Development Expenses and Capital works in progress | 6,915.23 | |
| Advance against land acquisition | 18,239.46 | |
| Other Capital Advances | 570.37 | **25,843.68** |
| **Liabilities** | | |
| Security deposit & Retention money | 78.09 | |
| Borrowings | 7,966.33 | |
| Accumulated Depreciation | 44.51 | 8,088.93 |
| Net Expenditure Recoverable | | **17,754.75** |

**20B**

| Particulars | As at 31st March, 2016 | |
|---|---|---|
| Other Expenses: | | |
| Interest on borrowed capital utilised for development of coal mine * | 1,023.55 | - |
| Contract Payment | 64.00 | - |
| Salary of Deputed Employees | 87.39 | - |
| Other Admin Expenses | 17.30 | 1,192.24 |
| **TOTAL** | | **1,192.24** |

* Refering to Note 4(i), interest accrued on loan utilised for development of coal mine for the reporting year 2015-16 is receivable from subsidiary company

**21. REVENUE FROM OPERATION**

| | 2015-16 |
|---|---|
| Sale of Power | 62,753.49 |
| **TOTAL** | 62,753.49 |

(I) Sale has been accounted as per tariff calculated on the basis of power purchase agreement with Customer which has been approved by Orissa Electricity Regulatory Commission vide its order dated.27th April 2015.

(ii) Sale does not include internal consumption of 344.496 MU including transformer loss of 16.218 MU for the reporting year (previous year 300.373 MU including transformer loss of 19.267MU), the cost of which has been determined at ₹.5835.61 lakh (previous year ₹.4222.15 lakh) approximately.

(iii) In absence of power purchase agreement, 0.342 MU net (previous year0.248MU net ) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.

(iv) Sales of previous year includes ₹.1079.68 lakh received towards delayed payment surcharge from customer on settlement of arrear claims.

**21.1 Particulars of Generation, Auxiliary Consumption and Sale of power**

| Particulars | 2015-16 |
|---|---|
| Generation (MU)* | 3,117.32 |
| Sale ( MU ) | 2,772.82 |
| Internal consumption (MU)** | 344.50 |
| Sale (Net) (₹. in lakh) | 62,753.49 |
| Internal consumption (₹. in lakh) | 5,838.92 |

*It does not include 0.342 MU net (previous year 0.248 MU net) generated by Mini Hydel Projects and exported to Customer.
**It includes transformer loss of 16.218 MU ( previous year 19.267 MU).

## 22 OTHER INCOME

| | | 2015-16 |
|---|---|---|
| **22.1** | **Interest** | |
| | From Fixed Deposits with banks | 6,658.08 |
| | From loan to subsidiary company | (0.00) |
| | From Others | 20.51 |
| | | **6,678.59** |
| **22.2** | **Other Non-Operating Income** | |
| | Sale of Scrap / residual materials | 39.64 |
| | Miscellaneous Income * | 269.82 |
| | Profit on sale of Fixed Assets (net) | 2.53 |
| | Exchange Gain (net) | 0.95 |
| | Excess Provision written back | 51.34 |
| | | 364.28 |
| | **TOTAL **** | **7,042.87** |

*** It includes**

(i) township recoveries of ₹. 71.67 lakh (previous year ₹. 57.89 lakh)

(ii) ₹. 68.77 lakh (previous year ₹. 76.77 lakh) liquidated damage and penalty recovered from contractors and others.

(iii) ₹. 28.90 lakh (previous year [₹. 26.67 lakh] ) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

** Other Income includes Rs 6.82 lakh share of Subsidiary company

| | |
|---|---|
| (ii)Excess Provision written back related to | |
| Provision for Debtor | 25.23 |
| Obsolete stores/spares | - |
| Employee benefits and expense | 0.39 |
| Generation and other expenses | 13.26 |
| Administrative expenses | 12.46 |

## 23 COST OF RAW MATERIALS CONSUMED

| | 2015-16 |
|---|---|
| Imported | |
| Indigenous | 35,225.15 |
| **TOTAL** | **35,225.15** |

Shortage of Coal for 10,505.81 MT amounting to ₹. 163.31 lakh (Previous year shortage of 11,950.62 MT amounting to ₹. 130.78 lakh) and Shortage of Oil Nil (Previous year 9. 32 KL of oil sludge having value of ₹.4.72 lakh) found during physical verification has been accounted to cost of coal and oil respectively.

### 23.1 Particulars of raw materials consumed

| | 2015-16 |
|---|---|
| COAL | 34,626.33 |
| FO /LDO | 598.82 |
| **TOTAL** | **35,225.15** |

**24 EMPLOYEE BENEFIT EXPENSES**

| | 2015-16 |
|---|---|
| Salaries and Wages * | 8,013.75 |
| Contribution to | |
| Provident fund | 459.67 |
| Gratuity fund | 523.24 |
| Staff Welfare Expenses | 625.21 |
| | **9,621.87** |
| Less: Allocated to fuel cost | 559.33 |
| Less: Transferred to Expenditure during construction period - unit 3 & 4 ( Ref. Note 30) | 3,068.62 |
| Less: Transferred to development of Coal Mine (Refer Note 31) | - |
| **TOTAL** | **5,993.92** |

*(I) It includes an amount of ₹.706.43 lakh (previous year ₹.495.15 lakh ) towards provision for Variable Pay of the employees under approved performance management system of the company.

(ii) Disclosure as per AS-15 in respect of provision made towards various employee benefits are given as follows.

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

B. Gratuity: a) The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance) for each completed year of service subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity limit of ₹.10 lakh, in place of providing liability @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme. Extra liability towards gratuity as per OPGC Ltd Rule for Group Gratuity Scheme amounting to ₹.388.60 lakh (previous year ₹.152.20 lakh) determined by actuarial valuation could not be accounted for in the statement of profit and loss pending decision of the management.

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

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

(iv) The summarised position of various defined benefits recognised in the Statement of Profit and Loss, Balance Sheet is as under:

| Sl. No. | Particulars | 2015-16 | | | |
|---|---|---|---|---|---|
| | | Provident fund | Earned Leave | Gratuity | Half Pay Leave |
| **( A)** | **The amounts to be recognized in balance sheet and related analysis** | | | | |
| a) | Present value of obligation as at the end of the Year | 9,559.45 | 2,428.95 | 3,185.76 | 786.38 |
| b) | Fair value of plan assets as at the end of the Year | 9,719.74 | - | 2,717.81 | - |
| c) | Funded status / difference | 160.29 | (2,428.95) | (467.95) | (786.38) |
| d) | Excess of actual over estimated return on plan asset | - | - | (30.93) | - |
| e) | Unrecognized actuarial (gains)/losses | - | - | - | - |
| f) | Net asset/(liability)recognized in balance sheet | 160.29 | (2,428.95) | (467.95) | (786.38) |
| **(B)** | **Expenses recognized in the statement of profit and loss** | | | | |
| a) | Current service cost | - | 124.15 | 154.79 | 33.36 |
| b) | Past service cost | - | - | - | - |
| c) | Interest cost | - | 146.82 | 196.57 | 45.95 |
| d) | Expected return on plan assets | - | - | (241.25) | - |
| e) | Curtailment cost / (Credit) | - | - | - | - |
| f) | Settlement cost / (credit) | - | - | - | - |
| g) | Net actuarial (gain)/ loss recognized in the period | - | 309.49 | 449.75 | 125.35 |
| h) | Company Contribution to the PF Fund | - | - | - | - |
| i) | Expenses recognized in the statement of profit & loss* | - | 580.46 | 559.86 | 204.67 |
| **(C)** | **Change in present value of obligation** | | | | |
| a) | Present value of obligation as at the beginning of the period | - | 1,858.47 | 2,488.25 | 581.70 |
| b) | Acquisition adjustment | - | - | - | - |
| c) | Interest cost | - | 146.82 | 196.57 | 45.95 |
| d) | Past service cost | - | - | - | - |
| 0 | Past service cost (vested benefits) | - | - | - | - |
| e) | Current service cost | - | 124.15 | 154.79 | 33.36 |
| f) | Curtailment cost / (Credit) | - | - | - | - |
| g) | Settlement cost / (Credit) | - | - | - | - |
| h) | Benefits paid | - | (9.98) | (72.67) | - |
| i) | Actuarial (gain)/loss on obligation | - | 309.49 | 418.82 | 125.35 |
| j) | Present value of obligation as at the end of period | - | 2,428.95 | 3,185.76 | 786.38 |
| **(D)** | **Movement in the liability recognized in the balance sheet** | | | | |
| a) | Opening net liability | - | 1,858.47 | 2,488.25 | 581.70 |
| b) | Expenses as above | - | 580.46 | 559.86 | 204.67 |
| c) | Benefits paid | - | (9.98) | (72.67) | - |
| d) | Actual return on plan assets | - | - | 210.32 | - |
| e) | Closing net Liability | - | 2,428.95 | 3,185.76 | 786.38 |
| **(E)** | **Principal Assumptions used for actuarial valuation** | | | | |
| a) | Method used | - | Projected Unit Credit Method | - | - |
| b) | Discounting Rate | 9% | 8% | 8% | 8% |
| c) | Future salary Increase | | 9% | 9% | 9% |
| d) | Expected rate of return on plan assets | | | 0% | |
| e) | Retirement age (Years) | 60 | 60 | 60 | 60 |
| **(F)** | **Major categories of plan assets (as percentage of total plan assets)** | | | | |
| a) | Funds managed by Insurer | OPGC Ltd EPF Trust | - | 100% | - |
| | Total | 0 | - | 100% | - |

(v) Besides above, the company estimated the liability towards gratuity and leave encashment in respect of employees ceased from services / opted for market based salary structure and whose dues are not settled by the reporting date and not considered in actuarial valuation. An amount of ₹.58.56 lakh (previous year excess return of ₹.31.93 lakh net) and an amount of ₹.30.97 lakh (previous year ₹.12.46 lakh) towards liability for gratuity and leave encashment respectively not considered in the actuarial valuation is recognised in the financial statement.

(vi) Employee benefit expenses charged to statement of profit and loss for the reporting year does not include an amount of ₹.4.69 lakhs as gratuity, ₹.5.85 lakhs as earned leave and ₹.1.26 lakhs as half pay leave in respect of employees posted on secondment basis to Odisha Coal and Power Company Ltd and same is receivable as on 31st March 2016.

(vii) The estimate of future salary increases considered in actuarial valuation by taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

| | | 2015-16 |
|---|---|---|
| **25** | **FINANCE COST** | |
| | Interest On | - |
| | Rupee Term Loans | 12,607.49 |
| | Short Term Loan against Fixed Deposit | 465.42 |
| | Other Borrowing Cost | - |
| | | **13,072.91** |
| | Less: Transferred to Expenditure during construction period - unit 3 & 4 ( Ref. Note 30) | 12,607.49 |
| | Less: Transferred to development of Coal Mine ( Refer Note 31) | - |
| | **TOTAL** | **465.42** |

| | | 2015-16 |
|---|---|---|
| **26** | **DEPRECIATION AND AMORTISATION EXPENSES** | |
| | Depreciation | 2,433.62 |
| | Impairment of Assets | - |
| | Total Depreciation and Amortisation | 2,433.62 |
| | Less: Allocated to Fuel Cost | 20.65 |
| | Less: Transferred to Expenditure during construction period - unit 3 & 4 ( Ref. Note 30) | 220.92 |
| | Less: Transferred to development of Coal Mine ( Refer Note 31) | - |
| | Less: Related to prior period adjustments | - |
| | **TOTAL** | 2,192.05 |

| | | 2015-16 |
|---|---|---|
| **27** | **GENERATION AND OTHER EXPENSES** | |
| **27.1** | **Generation Expenses:** | |
| | Consumption of Stores, spares & chemicals | 1,672.93 |
| | Electric Power, Electricity Duty and Water | 1,562.98 |
| | Contract Job outsourcing expenses | 1,691.11 |
| | Insurance | 70.14 |
| | Other generation expenses | 435.23 |
| | Repairs to buildings | 419.87 |
| | Repairs to Machinery | 59.85 |
| | | **5,912.11** |
| **27.2** | **Selling and Distribution Expenses:** | |
| | Rebate in the nature of cash discount to customer | 1,151.81 |
| | | **1,151.81** |
| **27.3** | **Administrative Expenses:** | |
| | Rent | 266.98 |
| | Professional Fees and expenses | 12.84 |
| | General expenses | 2,173.69 |
| | Management Service Charges | 27.65 |
| | Rate, Taxes & Cess | 220.76 |
| | Other Repairs | 65.22 |
| | Travelling expenses | 252.24 |
| | Watch and Ward expenses | 431.77 |
| | Township development expenses | 140.80 |
| | | **3,591.95** |
| **27.4** | **Other Expenses** | |
| | Payment to Auditors | 10.72 |
| | Peripheral development expenses | 12.17 |
| | Donation | 132.60 |
| | Provision for Advances / Trade Receivable( net) | - |
| | Provision for Shortage and Obsolecence of Stores( net) | - |
| | Trade Receivables Written Off (Net) | 6.06 |
| | Advances & other receivables Written Off (net) | - |
| | Director Sitting Fees | 0.64 |
| | Preliminary Expenses | 80.81 |
| | Inventories / assets written off / witten back(net) | 29.75 |
| | | **272.74** |
| | | **10,928.61** |

| | |
|---|---|
| Less Allocated to Fuel Cost | 581.19 |
| Less Transferred to expenditure during construction period - unit 3 & 4 (Refer Note 31 ) | 1,777.29 |
| Less Transferred to development of coal mine (Refer Note 32) | - |
| **TOTAL *** | **8,570.13** |

( i) In absence of demand raised by the Govt. of Odisha in favour of the company, no provision has been made in the accounts for the year in respect of outstanding ground rent and land cess of the land in physical possession.

* Includes amount Rs 86.76 lakh towards share of Subsidiary Company.

| **27.5 Payment to Auditors As:** | **2015-16** |
|---|---|
| (a)As Auditors | |
| Statutory Audit Fees | 6.91 |
| Statutory Audit expenses | 1.01 |
| Tax Audit Fees | 0.75 |
| (b)Certification fee | 0.74 |
| (c) As Cost Auditors | - |
| Cost Audit Fees | 1.03 |
| Cost Audit expenses | 0.29 |
| TOTAL | **10.15** |

| **28 CSR EXPENDITURE** | **2015-16** |
|---|---|
| CSR expenditure in compliance to Envoinmental Clearance | 469.96 |
| Less: Transferred to Expenditure during construction period - unit 3 & 4 ( Ref. Note 30) | 201.62 |
| Less: Transferred to development of Coal Mine ( Refer Note 31) | 0 |
| **TOTAL** | **268.34** |

(i) In terms of section 135 of the companies act 2013, the company is required to make an expenditure on Corporate Social Responsibility for an amount of ₹. 442. 63 lakh during the reporting year.

(ii) Out of ₹.442.63 lakh, the company spent as follows during the year.

| PARTICULARS | In Cash | Yet to be paid in Cash | Total |
|---|---|---|---|
| Construction / acquisition of any asset | Nil | Nil | Nil |
| On purpose other than (i) above | 241.47 | 26.87 | 268.34 |
| **Total** | 241.47 | 26.87 | 268.34 |

(iii) No related party transaction that is contribution to a trust controlled by the company in relation to CSR expenditure has been made during the year.

| **29 PRIOR PERIOD EXPENSES (Net)** | **2015-16** |
|---|---|
| Sale of Power | - |
| Other non operating income | 12.75 |
| Administrative Expenses | 9.60 |
| Employee benefit expenses | 1.59 |
| Depreciation & amortisation (net) | 54.14 |
| Generation and other expenses | 73.19 |
| **TOTAL** | **151.27** |

| **30 EXPENDITURE DURING CONSTRUCTION PERIOD OF UNIT 3 & 4** | **2015-16** |
|---|---|
| **A. EMPLOYEE BENEFIT EXPENSES** | |
| Salaries & Wages | 2,933.63 |
| Contribution to | - |
| Provident fund | 115.80 |
| Gratuity fund | - |
| Staff Welfare Expenses | 19.20 |
| | **3,068.63** |

| | | |
|---|---|---|
| B | **FINANCE COST** | - |
| | Interest Expenses | 12,607.49 |
| | Other borrowing Cost | - |
| | | **12,607.49** |
| C | **DEPRECIATION AND AMORTISATION EXPENSES** | |
| | Depreciation | 220.92 |
| | | **220.92** |
| D | **ADMINSTRATIVE AND OTHER EXPENSES** | |
| | Administrative Expenses | |
| | Rent | 141.55 |
| | Professional Fees and expenses | - |
| | General expenses | 1,443.42 |
| | Management Service Charges | - |
| | Rate, Taxes & Cess | 8.74 |
| | Other Repairs | - |
| | Travelling expenses | 81.94 |
| | Watch and Ward expenses | 85.49 |
| | Community development and welfare expenses | 4.96 |
| | Other Expenses | - |
| | Payment to Auditors | - |
| | Peripheral development expenses | 11.19 |
| | Donation | - |
| | | **1,777.29** |
| | CSR expenditure in compliance to Envoinmental Clearance | 201.62 |
| | **TOTAL** | **17,875.95** |

| 31 | EXPENDITURE ON DEVELOPMENT OF COAL MINES | 2015-16 |
|---|---|---|
| A | **EMPLOYEE BENEFIT EXPENSES** | |
| | Salaries & Wages | - |
| | Contribution to | |
| | Provident fund | - |
| | Gratuity fund | - |
| | Staff Welfare Expenses | - |
| | | **-** |
| B | **FINANCE COST** | |
| | Interest Expenses | - |
| | Other borrowing Cost | - |
| | | **-** |
| C | **DEPRECIATION AND AMORTISATION EXPENSES** | |
| | Depreciation and Amortisation | - |
| | | - |
| D | **ADMINSTRATIVE AND OTHER EXPENSES** | |
| | Administrative Expenses | |
| | Rent | - |
| | Professional Fees and expenses | - |
| | General expenses | - |
| | Management Service Charges | - |
| | Rate, Taxes & Cess | - |
| | Other Repairs | - |
| | Travelling expenses | - |
| | Watch and Ward expenses | - |
| | Community development and welfare expenses | - |
| | Other Expenses | |
| | Payment to Auditors | - |
| | Donation | - |
| | Peripheral development expenses | - |
| | | **-** |
| | **TOTAL** | **-** |

**32 EARNINGS PER SHARE(EPS)**

| | 2015-16 |
|---|---|
| Net Profit after Tax as per Statement of Profit and Loss attributable to equity shareholders used as numerator - ₹ in lakh | 10,599.31 |
| Weighted average number of equity shares used as denominator for calculating EPS | 49.02174 |
| Earning per equity share (Basic and Diluted) - in ₹ | 216.22 |
| Face value per equity share - in ₹ | 1,000 |

**33 RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

**(a) Related Parties:**

AES India Pvt Ltd

AES OPGC holding (Incorporated in Mauritius)

Odisha Coal and Power Ltd.(OCPL)

**(b) Key Management Personnel**

| | |
|---|---|
| Sri Indranil Dutta | Managing Director |
| Sri Hara Prasad Nayak | Director (Finance) |
| Sri Alok Mukharjee | Director (Operation) 26.10.2015 |
| Sri Sukanta Mahapatra | Director (Operation) up to 25.10.2015 |

**( C ) Transaction with related parties for the year ended 31st March, 2016 (₹. in lakh)**

| Nature of Transactions | AES India Pvt Ltd | OCPL |
|---|---|---|
| Employee Benefits Expense in respect of deputed employees under reciprocal sharing of resources * | 825.80 | - |
| | (720.46) | - |
| Towards Management Services Charges * | 27.65 | - |
| | (25.55) | - |
| Receivable from Odisha Coal and Power Ltd | - | 26,913.32 |
| | - | - |
| Loan and Advance to Odisha Coal and Power Ltd | - | 9,612.65 |
| | - | - |

* Previous year figures shown in brackets

No transaction made with AES OPGC holding (Incorporated in Mauritius) and Key Managerial Personnel during reporting period and previous year

**34 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

₹. in lakh

| Particulars | Opening Balance as on 01.04.2015 | During the Year 2015-16 | | Closing Balance as on 31.03.2016 |
|---|---|---|---|---|
| | | Additional Provision | Amount Reversed | |
| **(a) Claims against the company not acknowledged as debt** | | | | |
| Income Tax demands | 1,161 | 1 | - | 1,162 |
| Indirect tax demands | 16 | - | - | 16 |
| Land Acquisition / Interest on unpaid Land Premium | 659 | - | 659 | - |
| Claims of Contractors & Others | 757 | 262 | - | 1,019 |
| **(b) Outstanding letter of credit and guarantees** | 9,646 | 178 | - | 9,824 |
| **(c) Other money for which the company is contingently liable** | 12,229 | - | - | 12,229 |
| **Total** | **24,468** | **440** | **659** | **24,249** |

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

(ii) Guarantee fee is calculated and paid on the reduced balance of outstanding guarantee as on 1st April of the year with reference to the resolution no.52214 dt.12th December 2002 and office memorandum no. 23663/F dt.4th April 2003 issued by Finance Department, Govt. of Odisha. Without reducing the guarantee on repayment of loan, the Finance Department, Govt. of Odisha has raised a demand of ₹. 977.19 lakh towards guarantee fee which has not been accounted for as there is remote possibility of any such payment required to be made in future.

(iii) A demand of ₹. 722 lakh was raised by OHPC Ltd. towards compensation against water drawal from Hirakud Reservoir with reference to letter No.6140 dtd.31.07.2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from Customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.

(iv) Other company contingent liability includes corporate guarantee given to Yes bank for issue of bank guarantee in favour of nominated authority Ministry of Coal GOI for subsidiary company i.e. Odisha Coal and Power Ltd.

**35 CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and LC) is ₹.5,66901.54lakh

**36 SEGMENT REPORTING**

The company has more than one business segment but not reportable segment since generation from Mini Hydel Projects has not been recognized in absence of power purchase agreement. In view of above fact, segment information required as per Accounting Standard -17 is not provided.

**37 BASIS OF CONSOLIDATION**

**Basis of Accounting:**

i) Accounting Period:

The subsidiary Company Odisha Power and Coal Limited was incorporated on 20.01.2015 as a wholly owned subsidiary of the reporting company, Subsequently OCPL was converted into a Joint Venture (JV) company of the reporting company & OHPC as per the Notification 1088 & 1160 of Govt of Odisha dated 04.02.2015 & 06.02.2015 respectively. The account is prepared for the period from 20.01.2015 to 31.03.2016 (one year and 59 days) as per the Provisions of Section 2(41) of the Companies Act, 2013 and the first accounting year ended on 31st March 2016. The financial statements of the Subsidiary Company in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and Accounting Standard (AS) 27 – 'Financial Reporting of Interest in Joint Ventures' as specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules,2014 and generally accepted accounting principles.

**b) Principles of consolidation:**

The consolidated financial statements have been prepared as per the following principles:

i) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses. Minority interest has been separately disclosed.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies.

iv) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is identified in the financial statements as goodwill or capital reserve, as the case may be.

v) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

vi) Since the reporting company first time prepares financial statement the previous year figure need not be required for comparision.

**B. The Subsidiary Company considered in the financial statements are as follows:**

| Particulars | No | % holding as on 31.03.2016 |
|---|---|---|
| Total share capital(No of Share) | 50,000 | |
| Odisha Coal and Power Ltd | 25,500 | 51.00 |

In terms of our report of even date attached

**For JBMT & ASSOCIATES**

Chartered Accountants.

**For & on behalf of Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **(B. D. Ojha)** | **( M.R.Mishra )** | **(H. P. Nayak )** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director(Finance) | Managing Director |
| Membership No. 055193 | | | |

Bhubaneswar
Date: 23.09.2016
FRN : 320232E

**Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Consolidated Financial Statement of Odisha Power Generation Corporation limited for the year ended 31st March 2016.**

The preparation of Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2016 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with 129(4) of the Companies Act, is responsible for expressing opinion on the financial statements under Section 143 read with 129(4) of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 23rd September 2016.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) read with 129(4) of the Act of the Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2016. We conducted a supplementary audit of the financial statements of Odisha Coal and Power Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) read with 129(4) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the Consolidated Financial Statements and the related Audit Report.

**A. Comments on Disclosure:**

1. As per Schedule- III of the Companies Act 2013 (General instructions for preparation of CFS), the Company is required to disclose the percentage of consolidated net assets of parent as well as subsidiary company by way of additional information. However, the Company has not disclosed the same in its Consolidated Financial Statement.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
**(DEVIKA NAYAR)**
PRINCIPAL ACCOUNTANT GENERAL

Date: Bhubaneswar
Date: 22.11.2016

OCPL

**Odisha Coal & Power Limited**

(A Subsidiary Company)

# DIRECTORS' REPORT

**Dear Members,**

Your Directors have the pleasure in presenting the 1st Annual Report on the project development, performance and operating result of the Company for the financial year 2015-16 together with the Audited Statement of Accounts and the Report of the auditors thereon. The comments of the Statutory Auditors and Comptroller and Auditor General of India U/s 143 (6) (b) of the Companies Act, 2013 on the said accounts also form part of the report.

## ABOUT THE COMPANY

Odisha Coal and Power Limited (OCPL) was incorporated on 20th January, 2015 as a wholly owned subsidiary Company of OPGC with an objective of getting back the coal block in compliance with the requirements of the Coal Mines (Special Provisions) Act, 2015. Subsequently, by order of Govt. of Odisha dated 4th & 6th February, 2015, OCPL was converted into joint venture company with shareholding pattern of 51:49 between two state run entities — Odisha Power Generation Corporation (OPGC) and Odisha Hydro Power Corporation (OHPC) respectively.

OCPL applied for allotment of Manoharpur and Dip-Side Manoharpur Coal Blocks (which were earlier allocated to OPGC and subsequently de-allocated by the Order of Hon'ble Supreme Court) through Government dispensation route on 27th February, 2015 and was declared as a successful allottee on 24th March, 2015. Thereafter, OCPL signed Allotment Agreement with the Nominated Authority, Ministry of Coal, Government of India on 30th March, 2015. Amended Allotment Agreement was executed with Nominated Authority, Ministry of Coal, Government of India on 31st August, 2015 followed by the issuance of the Allotment Order on same date, which is being treated as the zero date of allotment.

These coal blocks have been allocated to OCPL to supply coal exclusively to OPGC expansion Power Plants 1,320 MW (2X660 MW super critical units) at Ib valley.

## PROJECT DEVELOPMENT HIGHLIGHTS

OCPL has been vigorously pursuing development of Manoharpur & dip-side Manoharpur coal blocks and considerable progress has been achieved. It is planned to produce coal initially from the Manoharpur coal block. The critical milestones viz. land acquisition of mine lease area is complete. Stage –I &II Forest Clearance, Environment Clearance and approval of Mine Plan & Mine Closure Plans are in place. Construction of R&R colony and other infrastructural facilities including temporary mine office and transit guest house have been completed.

The efficiency parameters stipulated in the schedule E of the Allotment Agreement mentions the time limit for individual milestones. During the development period any non compliance of the milestones in the efficiency parameters is liable to appropriation of Performance Security.

### Performance Security and Upfront Payment

In compliance with requirements of the Allotment Agreement, Performance Security in the form of Bank Guarantee (BG) for Rs. 153.92 Cr. was submitted with the Nominated Authority, Ministry of Coal, Government of India on 27-04-2015 and further amended on 18-05-2015 having validity till 26-10-2016. The renewed Bank Guarantee has been deposited on 25th

October, 2016 for a period of one year. Up-front payment of Rs. 31.06 Cr. has also been deposited with the Nominated Authority on 27th April, 2015.

**Statutory Permits / Clearances:**

Your Company has obtained the following statutory permits / clearances till 31st October, 2016:

| Manoharpur Coal Block | | |
|---|---|---|
| **Sl. No.** | **Permits/Clearances** | **Authority/Department** |
| 1. | Revised Mine Plan and Mine Closure Plan (Revision-1) (Along with Allotment Order) | Ministry of Coal |
| 2. | Forest Clearance of Manoharpur coal mines to OCPL | Ministry of Environment & Forest Clearance and Climate Change (MoEF & CC) |
| 3. | Environment Clearance of Manoharpur coal mines to OCPL | Ministry of Environment & Forest Clearance and Climate Change (MoEF & CC) |
| 4. | Consent to Establish for Coal Mine in favour of OCPL | State Pollution Control Board, Odisha |
| 5. | Grant of 5.55 Cusec of water from Hirakud Dam | Department of Water Resources, GoO |
| 6. | Explosive License | Ministry of Commerce & Industry, Petroleum & Explosive Safety Organisation (PESO) |
| 7. | Non-Mineralisation Clearance to OCPL | Directorate of Geology, Odisha |
| 8. | Permanent Power drawal from NTPC | MOP |
| 9. | Power supply permission for R&R colony Phase-I at Sukhabandh | WESCO |
| 10. | Nalla Diversion Permission in favour of OCPL | Department of Water Resources, GoO |
| 11. | Road Diversion Permission in favour of OCPL | Department of Rural Development, GoO |
| 12. | Environment Clearance for R&R Colony to OCPL | State Level Environment Impact Assessment Authority, Odisha / State Pollution Control Board, Odisha |
| 13. | Consent to Establish for R&R Colony in favour of OCPL | State Pollution Control Board, Odisha |
| 14. | Consent to Operate for R&R Colony of OCPL | State Pollution Control Board, Odisha |
| 15. | Site Specific Wildlife Conservation Plan for Coal Mine | Principal Chief Conservator of Forest & Chief Wildlife Warden, Odisha |
| 16. | Ownership of ITC Hemgir | Directorate of Technical Education and Training, Odisha, Cuttack |

| Dip-Side Manoharpur | | |
|---|---|---|
| 1. | Prospecting License (PL) deed execution | Govt. of Odisha |
| 2. | PL Registration | Registering Authority, Collector, Sundargarh |
| 3. | Permission for drilling of boreholes in forest area | Forest & Environment Department, GoO |

## Mine Plan

OCPL has the approved mine plan (Revision-1) but for adoption of new technology in the coal mining area, CMPDIL has been appointed to prepare revised mine plan (Revision-2) and mine closure plan with a long term planning for Manoharpur and Dip-Side Manoharpur coal blocks having the provision for application of In-pit Crushing and Conveying (IPCC) technology and new CHP design.

## Drilling

Manoharpur coal block is an explored one with a total net geological reserves of 181.68 MT of coal. Dip side of Manoharpur block is a regionally explored block with a total indicated reserves of 350 MT of coal.

OCPL has awarded the contract for detailed coal exploration in Dip side of Manoharpur Block to M/s South West Pinnacle Exploration Pvt. Ltd. and preparation of Integrated Geological Report on Manoharpur and Dip Side of Manoharpur Coal Blocks to CMPDIL. The chemical analysis of coal is being carried out by IMMT, Bhubaneswar.

## Land and R & R

Out of the total area of private land i.e. Ac. 982.10, registration for an area of Ac. 856.56 with IDCO has been completed. Lease deed for an area of Ac. 125. 84 is in process with IDCO. IDCO has allotted Ac. 698.21 and given permissive possession for Ac. 46.63 to OCPL out of the total area of Govt. land i.e. Ac. 786.89. The balance is in process at various levels.

## Rehabilitation and Resettlement:

The shifting of Manoharpur villagers to the R&R colony at Sukhabandh, Hemgir has commenced. Till 31st October, 2016, 57 families from Manoharpur village have shifted to the R&R colony. The Pattas are being handed over to the beneficiaries by the administration. The Annuity Scheme has been implemented through LIC, India and the first disbursement has been made in the 1st week of November, 2016.

## Significant and Material Order Passed by the Regulators or Court or Tribunal impacting the going concern status and Company Operations in future

OCPL received a show cause notice from the Nominated Authority, MoC, GoI, on 28th April, 2016 for the delay in obtaining the Prospecting License (PL) for Manoharpur & Dip-side Manoharpur Coal Mines. It has been replied by OCPL explaining the reasons of delay which are on account of the late issuance of prior approval under Section 5 (1) of the MMDR Act, 1957 by the Ministry of Coal, Govt. of India.

Request has been made to the Nominated Authority to drop this show cause notice.

## Shareholders Agreement

Shareholders Agreement was executed among the Odisha Power Generation Corporation Limited, Odisha Hydro Power Corporation Limited and Odisha Coal and Power Limited on 21st April, 2016 upon its approval from the Govt. of Odisha and approval from the respective Board's.

## Project Target-Project Schedule:

Allotment Agreement has been signed with the Nominated Authority, Ministry of Coal specifying the time line to start the mine operation after the 44 months i.e. 1st May 2019 from the zero date i.e. 31st August 2015.

## Capital Structure

The Authorised Share Capital of the Company is Rs. 350.00 crore, divided into 3,50,00,0000 Equity Shares of Rs. 10/- each. The paid up Equity Share Capital of the Company stands at

Rs. 100.00 crore. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited and Odisha Hydro Power Corporation Limited in the ratio of 51:49.

**Long Term Financing**

The project cost of Manoharpur coal mine has been approved by the Board amounting to Rs. 1382 crores. The revised mine plan and cost estimate for the project is under preparation by CMPDI. So far the equity contributions from the share holders are Rs. 100 Cr. from OPGC and OHPC. The debt portion is proposed to be financed through Financial Institutions/ Commercial Banks. Memorandum of Agreement has been signed with PFC for a term loan of Rs. 518 Crore. Sanction for an amount of Rs. 518 Crore has been received from REC.

## FINANCIAL RESULTS/HIGHLIGHTS

The statement of accounts for the year under consideration accompanied by the auditors' report and management's views on the audit observations form an integral part of the report.

The following summarised financial results are furnished below for easy appreciation of the financial health of the company.

(Rs. in Lakhs)

| **Particulars** | **2015-16 (15 months)** |
|---|---|
| Revenue from Operations | – |
| Other income | 6.82 |
| **Total Income** | **6.82** |
| Cost of material consumed | – |
| Employee benefit expenses | – |
| Administrative & other expenses | 86.76 |
| Finance Cost | – |
| Depreciation & Amortization expenses | – |
| **Total Expenses** | 86.76 |
| Profit before Exceptional items | (79.94) |
| Less: Exceptional items | – |
| **Profit/(Loss) before tax** | (79.94) |
| Less: Tax expenses | – |
| **Profit/(Loss) after Tax** | (79.94) |
| Less: Any appropriations, if any | – |
| **Balance carried to Balance Sheet** | (79.94) |

## REVIEW OF OPERATIONS

During the year under review, the Total Income was Rs. 6.82 Lakhs with no revenue from operation. The Company posted a net loss after tax of Rs. 79.94 Lakhs.

## DIVIDEND

The Board did not recommend any dividend during the financial year under review.

## TRANSFER TO RESERVES

The Board did not recommend any amount for transfer to reserve.

## UNSECURED LOAN

Inter-corporate loan from Odisha Power Generation Corporation Limited and Odisha Hydro Power Corporation Limited stands at Rs.95.68 Cr. and Rs.30 Cr. respectively as on

31st March, 2016. However, inter-corporate loan of Rs. 50.97 Cr. and Rs. 30 Cr. of OPGC and OHPC respectively was converted into equity shares on 2nd July, 2016. Further, an advance against equity amounting to Rs. 18.98 Cr. given by OHPC was adjusted towards issue of equity shares on 2nd July, 2016.

Subsequently, OHPC has advanced an amount of Rs. 80 Cr. as inter-corporate loan. Hence, the balance of inter corporate loan stands at Rs. 49.21 Cr. and Rs. 80 Cr. from OPGC and OHPC respectively.

## GENERAL

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.

## MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate and on the date of this report.

## STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

OCPL has inbuilt risk management practices to address various developmental and operational risks. The Company has standard operating processes for various developmental activities at present in order to mitigate and prevent risk arising out of various activities and operations. OCPL is carrying out coal mine development and plans for its operation complying with the regulatory and statutory requirements. Hence, Policy of Government may impact OCPL's development as well as operational strategy. OCPL's risk management process revolves around following parameters:

1. Risk Identification and Impact Assessment
2. Risk Evaluation
3. Risk Reporting and Disclosure
4. Risk Mitigation

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Companies Act, 2013 are given in the Annexure-I to this report.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure-II to this Report.

## DIRECTORS

Mr. Hemant Sharma, IAS, (DIN 01296263) and Mr. A.S. Roa (DIN 00307270) are first Directors of the Company upon incorporation. Subsequently, Mr. Indranil Dutta, (DIN 03496368) and Mr. Sital Kumar Jena (DIN 05169683) & Mr. Santosh Kumar Sahu (DIN 05297051) were inducted on the Board of Directors as nominee of OPGC and OHPC respectively. Mr. B K Behera (DIN 06725949) was inducted on the Board on 17th February, 2016 in place of Mr. Santosh Kumar Sahu upon withdrawal of his nomination by OHPC.

Upon execution of the Shareholders Agreement among OPGC, OHPC and OCPL on 21st April, 2016, Chairman OPGC became the Chairman OCPL and 3 more Directors from OPGC (4

Directors from OPGC in toto) and 3 Directors from OHPC are required to be nominated in the OCPL Board.

Accordingly, Mr. Rajesh Verma, IAS (DIN 01725746), Chairman OPGC was appointed as Chairman OCPL and Mr. Indranil Dutta, Mr. Hemant Sharma were nominated as nominee of OPGC and Mr. Ritwik Mishra (DIN 00306939) was also nominated as a nominee Director of OPGC in place of Mr. A S Rao. Further Mr. B K Behera and Mr. Shital Kumar Jena were nominated as nominee of OHPC and Mr. Aswini Kumar Mishra was appointed as nominee of OHPC with effect from 2nd June, 2016.

The Directors place on record their appreciation for the valuable services rendered by Mr. A S Rao and Mr. Santosh Kumar Sahu during their tenure as Directors of the Company.

## STATUTORY AUDITORS

M/s Panda & Associates, Chartered Accountants, (Firm Regn. No.320015E) Bhubaneswar were appointed by the C&AG of India as the Statutory Auditors for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2015-16 (20th January, 2015 to 31st March, 2016) and comments of C&AG of India u/s 143 (6) (b) of the Companies Act, 2013 are enclosed as part of the report.

## INTERNAL AUDIT

M/s. SAP SJ & Associates, Cost Accountants (Firm Regn. No. 000445) were appointed as the Internal Auditors. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedures and policies at Corporate and Site Office of the Company and reports the same on quarterly basis to the Audit Committee and Board.

## MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The comments of the statutory auditors and management's reply on each of the observations are placed in Annexure – III which form a part of the Directors' Report and Members' attention is drawn to the contents thereof for critical appreciation of the finance and accounts of the Company.

## MANAGEMENT COMMENTS ON C&AG REVIEW

Review of the Accounts for the year ended March 31, 2016 by the Comptroller and Auditor General of India (C&AG) as furnished at Annexure – IV which also form a part of this report and Management's replies thereto given in the said annexure may also be read as a part of this report.

## PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

OCPL has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013 except for inter-corporate loans and advances from Odisha Power Generation Corporation Limited and Odisha Hydro Power Corporation Limited under a well defined policy duly approved by the Board of Directors. Particulars of such arrangements are placed in Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 as Annexure -V.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees or investments under Section 186 of the Companies Act, 2013 is given under Notes to Accounts of financial statements.

## INTERNAL CONTROL

The Company has a well placed, proper and adequate Internal Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. Firm of Cost Accountants are appointed as auditors for conducting internal audit. The Internal Auditors independently evaluate the adequacy of internal controls and audit the majority of the transactions in value terms. The observations and recommendations for improvement of the business operations are reviewed by the management and are reported to the Audit Committee. Internal audit programme of the company adequately covers the project management and operational controls and ensures adherence to policies and systems.

## ENVIRONMENT, HEALTH & SAFETY (EHS)

Environmental Management refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.

## CORPORATE SOCIAL RESPONSIBILITY

OCPL's vision of sustainable growth drives equally both business decisions as well as Corporate Social Responsibility (CSR) initiatives for OCPL. OCPL works in the core sectors of Education, Community Health, Sustainable Livelihoods development, rural infrastructure development, skill development and support to rural sports training. The requirements under section 135 of the Companies Act are not met by OCPL from either Net Worth, nor Turn over nor from Net Profit point of view. Hence, there is no statutory requirement of a CSR committee.

## NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had held seventeen Board meetings during the financial year under review.

## AUDIT COMMITTEE

As a measure of good Corporate Governance your company has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board in its 19th Meeting held on 2nd July, 2016 comprising of three Directors to reviews the adequacy and effectiveness of internal audit and monitors implementation of internal audit recommendations including those relating to strengthening of company's control system against unscrupulous, unethical and fraudulent transactions.

## H.R.D. & MANPOWER PLANNING

Your Company believes in empowering the manpower through excellence and team work along its vision and mission with development and operation of its core areas. The company has prepared a statutory and non-statutory requirement of manpower taking into consideration lead time for training and external hiring. The Board of Directors have approved a manpower budget of 130 positions for Corporate and Site office in the first phase. To achieve the milestones and carrying out different jobs a dedicated team 32 officials have been deputed to OCPL from OPGC. Apart from the deputed employees, a few employees have been taken in direct contract & outsourcing pay roll as per the approval of the Board for supporting the work of the Company.

Need based training has been imparted to the workforce to narrow down the performance gaps.

## INDUSTRIAL RELATIONS

Your company has maintained healthy, cordial and harmonious industrial relations at all the levels. The year under report has not registered any major concern in the industrial relation front and no man days were lost due to any industrial relation issues. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the company worked at site and corporate office and made useful contribution to the all round progress of the company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134 (5) of the Companies Act, 2013 state that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledge and place on record their appreciation for the support, guidance and co-operation extended to the Company by various departments of the Govt. of Odisha and Ministries of the Govt. of India particularly the Ministry of Coal and Ministry of Environment & Forest and Climate Change.

Your Directors also place on record their appreciation on the continued co-operation and support received from OPGC, OHPC, IDCO, MCL, State Bank of India, Yes Bank, REC, PFC, Auditors, Solicitors, business associates and shareholders during the year and look forward to continuance of the mutually support relationship in future.

The Board also appreciates the contribution of contractors, vendors and consultants/ Advisors in the implementation of various projects of the Company.

We also acknowledge the constructive suggestions received from Government of Odisha, C&AG and Internal and Statutory Auditors.

Your Directors also wish to place on records their appreciation for the support and co-operation extended by all members of the OCPL family.

For and on behalf of the Board of Directors
Sd/-
CHAIRMAN

### Annexure - I

## Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

| | | | |
|---|---|---|---|
| **A** | **Conservation of energy** | | |
| | (i) | the steps taken or impact on conservation of energy | • Enery efficient LED Bulbs |
| | (ii) | the steps taken by the company for utilising alternative sources of energy | Nil |
| | (iii) | the capital investment on energy conservation equipments | |

| | | | |
|---|---|---|---|
| **B** | **Technology absorption** | | |
| | (i) | the efforts made towards technology absorption | Nil |
| | (ii) | the benefits derived like product improvement, | Nil |
| | (iii) | in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): | Nil |
| | (iv) | the expenditure incurred on Research and Development | Nil |

| | | | |
|---|---|---|---|
| **C** | **Foreign exchange earnings and outgo** | | Nil |
| | (i) | The foreign exchange earned (actual inflows) | Nil |
| | (ii) | The foreign exchange outgo (actual outflows) | Nil |

### Annexure - II

## Form No. MGT-9
## EXTRACT OF ANNUAL RETURN
## as on the financial year ended on 31.03.2016

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i) | CIN | U10100OR2015SGC018623 |
| ii) | Registration Date | 20th January 2015 |
| iii) | Name of the Company | Odisha Coal and Power Limited |
| iv) | Category / Sub - Category of the Company | Company limited by Shares / State Government Company |
| v) | Address of the registered office and contact details | Zone -A, Ground Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar, Orissa-751023 |
| vi) | Whether Listed company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| Sl No. | Name and Description of main products / Services | NIC Code of the Product / Services | % to total turnover of the company |
|---|---|---|---|
| 1 | Coal Production | 051 | Nil |
| 2 | | | |

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl No | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| | | | | | |

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category - wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2015) | | | | No. of Shares held at the end of the year (As on 31.03.2016) | | | | % Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | | | | | | | | | |
| b) Central Govt | | | | | | | | | |
| c) State Govt (s) | | | | | | | | | |
| d) Bodies Corp. | | 50000 | 50000 | 100.00 | | 50000 | 50000 | 100.00 | |
| e) Banks / FIs | | | | | | | | | |
| f) Any other | | | | | | | | | |
| **Sub-total (A) (1) :-** | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks / FIs | | | | | | | | | |
| e) Any other | | | | | | | | | |
| **Sub-total (A) (2) :-** | | | | | | | | | |
| **Total shareholdings of Promoter (A) = (A) (1) + (A) (2)** | | **50000** | **50000** | **100** | | **50000** | **50000** | **100** | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt (s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| **Sub-total (B) (1) :-** | | | | | | | | | |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholdings | | | | | | | | | |
| holding nominal share capital upto | | | | | | | | | |
| Rs. 1 lakh | | | | | | | | | |
| ii) Individual shareholdings | | | | | | | | | |
| holding nominal share capital in | | | | | | | | | |
| excess of Rs. 1 lakh | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| i) NRI | | | | | | | | | |
| ii) Clearing Member | | | | | | | | | |
| **Sub-total (B) (2) :-** | | | | | | | | | |
| **Total Public Shareholding (B) = (B) (1) + (B) (2)** | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs (C)** | | | | | | | | | |
| **Grand Total (A+B+C)** | | **50000** | **50000** | **100.00** | | **50000** | **50000** | **100.00** | |

**ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2015) | | | Shareholding at the end of the year (As on 31.03.2016) | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | % change in shareholding during the year |
| 1 | Odisha Power Generation Corporation Ltd. | 25500 | 51.00 | | 25500 | 51.00 | | Nil |
| 2 | Odisha Hydro Power Corporation Ltd. | 24500 | 49.00 | | 24500 | 49.00 | | Nil |
| | | | | | | | | |
| | **Total** | **50000** | **100.00** | | **50000** | **100.00** | | |

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

| Sl No. | Shareholder's Name | No. of Shares | % of total shares of the company |
|---|---|---|---|
| 1 | Odisha Power Generation Corporation Ltd. | 0 | Nil |
| 2 | Odisha Hydro Power Corporation Ltd. | 0 | Nil |
| | **Total** | **0** | **Nil** |

**iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sl No. | | Shareholding at the begining of the year (As on 01.04.2015) | | Cumulative Shareholding during the year (01.04.2015 - 31.03.2016) | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| a | At the begining of the year as on 01.04.2015 | **NA** | | | |
| b | Changes during the year | **NA** | | | |
| c | At the end of the year as on 31.03.2016 | **NA** | | | |

**v) Shareholding of Directors and Key Managerial Personnel:**

| Sl No. | | Shareholding at the beginning of the year (As on 01.04.2015) | | Cumulative Shareholding during the year (01.04.2015 - 31.03.2016) | |
|---|---|---|---|---|---|
| | For Each of the Directors and KMP | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| a | At the begining of the year as on 01.04.2015 | **NA** | | | |
| b | Changes during the year | **NA** | | | |
| c | At the end of the year as on 31.03.2016 | **NA** | | | |

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

**Rs. In Lakhs**

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | | | |
| **Change in Indebtedness during the financial year** | | 12605.55 | | 12605.55 |
| • Addition | | | | |
| • Reduction | | | | |
| **Net Change** | | 12605.55 | | 12605.55 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | | 12568.21 | | 12568.21 |
| ii) Interest due but not paid | | 37.34 | | 37.34 |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | | 12605.55 | | 12605.55 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager: NA

| Sl No | Particulars of Remuneration | | | Total Amount |
|---|---|---|---|---|
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commision | | | |
| | - as % of profit | - | - | - |
| | - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | **-** | **-** | **-** |
| | Ceiling as per the Act | | | |

**B. Remuneration to other directors:** **NA**

| Sl No | Particulars of Remuneration | Name of Directors: Mr. Shital Kumar Jena | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| **1** | **Independent Directors** | | | | | | |
| | a) Fee for attending Board/ Committee meetings | | | | | | |
| | b) Commission | | | | | | |
| | c) others, please specify | | | | | | |
| | **Total (1)** | | | | | | |
| **2** | **Other Non-Executive Directors** | | | | | | |
| | a) Fee for attending Board/ Committee meetings | | | | | | 64,000 |
| | b) Commission | | | | | | |
| | c) others, please specify | | | | | | |
| | **Total (2)** | | | | | | |
| | **Total (B) = (1+2)** | | | | | | **64,000** |
| | Total Managerial Remuneration (A+B) | | | | | | |
| | Overall ceiling as per the Act | | | | | | |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD** **NA**

| Sl No | Particulars of Remuneration | Key Managerial Personnel | | | | |
|---|---|---|---|---|---|---|
| 1 | Gross Salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commision | | | | | |
| | - as % of profit | - | - | - | - | - |
| | - others, specify... | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | **Total** | **-** | **-** | **-** | **-** | **-** |

## VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Componding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| **B. DIRECTORS** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

## Annexure - III

# Management reply on the Statutory Auditors Comments

| Sl. No | Statutory Auditor's observation | Management's reply |
|---|---|---|
| 1 | On analysis of Inter corporate borrowings from OPGC, it was observed that there was a difference of Rs. 44,44,270.00 as detailed below;<br><br>Loan balance as on 31.03.2016 as per OPGC - Rs. 96,12,65,045.00<br>Loan balance as on 31.03.2016 as per OCPL - Rs. 95,68,20,779.00<br>Difference:<br>Rs. 44,44,266.00<br><br>As explained to us, the said expenses of Rs.44,44,266.00 incurred by OPGC on behalf of OCPL were not duly acknowledged as expenditure by OCPL. This has resulted in understating the Capital WIP (Asset) and Short Term Loan (Liability) in the financial statement of OCPL. | The difference of Rs. 44,44,266.00 pertains to certain employee related expenses and rent for office accommodation of deputed staffs of OPGC. The difference still exists, as the employees were not deputed to OCPL on secondment basis during that period. |
| 2 | On analysis of vouchers, it was observed that supporting of expenditure to the tune of Rs.10,15,07,103.00 incurred by OPGC on behalf of OCPL during the period from 01.04.2015 to 31.08.2015 were not produced before us for verification. However, in support of the above expenditure an Audit certificate issued by the Statutory Auditor of OPGC was produced before us as a token of evidence. Thus, we have relied on the said audit certificate so far as expenditure to the tune of Rs.10,15,07,103.00 incurred during the year by the company. | OPGC has already been requested to give details of expenditure to the tune of Rs.10.15 Crore for our record purpose. However, OPGC has submitted the Statutory Auditor's certificate in this regard. |
| 3 | On evaluation of Internal Financial Control, it was observed that the management has not formulated any formal Internal Financial Control mechanism to be followed by the company. | OCPL have initiated the process for implementation of IFC during the year 2016-17. However, noted for future course of action. |

## Annexure - IV

## Management reply to Comments of the Comptroller And Auditor General of India under section-143(6)(b) of the Companies Act, 2013 on the accounts of Odisha Coal and Power Limited for the year ended 2015-16.

| Sl. | C& AG Final Comments | Management reply |
|---|---|---|
| 1 | No-ES-I(T)/Accts/OCPL/2015-16/17/16-17/246<br>Dated: 04.10.2016<br>Balance Sheet<br>Assets<br>Non-current Assets<br>Fixed Assets<br>Capital Work-in Progress: Rs.125.24 crore<br><br>The above includes an amount of Rs. 10.24 crore being the claim of Odisha Power Generation Corporation Limited (OPGC) towards interest on the loan of Rs 79.66 crore for development of Manoharpur and Dip-side Manoharpur Coal blocks, to be transferred to the company after getting approval of Govt. of Odisha. Since the loan amount does not exist in the books of accounts of the Company, accounting of interest on the same is not justified. This has resulted in overstatement of capital Work in Progress and current liabilities by Rs 10.24 crore each. | As per clause 5.7 of Shareholders Agreement signed among the OCPL, OPGC & OHPC on 21.04.2016, the expenditure incurred by OPGC, the prior allottee, for development of Manoharpur & Dip-side Manoharpur coal blocks shall be payable by OCPL to OPGC after certification by Statutory Auditors of OPGC and approval by Government of Odisha. Approval of Govt. of Odisha is awaited.<br><br>Part of the above expenditure was met by OPGC out of loan drawn from PFC for Rs.79.66 Crore which will be brought to books of OCPL on its approval by Govt. of Odisha. Board of Directors in their meeting held on dated 19th March 2016 had approved to transfer the loan availed by OPGC for incurring expenses on development of Coal Mine. Since the approval of Govt. of Odisha is awaited, the loan amount along with expenditures has not been accounted in the books of OCPL. However the interest of Rs.10.24 Crore which was served by OPGC for the Loan of Rs.79.66 Crore during 2015-16 and shown as receivable in compliance to Accounting Standard 21 and Companies Act 2013, is accounted in the books of accounts of OCPL.<br>OCPL is the subsidiary company of OPGC. Therefore, the accounting policies and principles of the Holding company have been followed for consolidation of the financial statement in OCPL for the year ended 2015-16 in compliance with the Sec-129 of the Companies Act, 2013. |
| 2 | The above does not include an amount of Rs 0.11 crore payable to M/s Wadia Techno-Engineering Service Ltd towards Consultancy charges of Coal mine for the period from 01.09.2015 to 31.03.2016. The above also does not include an amount of Rs 0.10 crore payable towards technical & other consulting service (Module-4) for development of Manoharpur Coal Block to Norwest Corporation, USA for the work performed during 2015-16. This has resulted in understatement of Capital Work in Progress and other current liabilities to the extent of Rs 0.21 crore each. | Expenses amounting to Rs. 10.57 lakh payable towards Consultancy to M/s Wadia Techno Engineering Services Ltd related to the period 1st Sept 2015 to 31st March 2016 could not be accounted due to deficiency in submission of statutory documents / clearances by the consultant. Since OCPL is at development stage and this contract is ongoing, the payment has been released receiving the statutory documents /clearances and subsequent transfer of the contract to OCPL.<br>The observation is noted for future reference. |

| | | |
|---|---|---|
| 3 | The above includes an amount of Rs 0.25 crore being prepaid bank guarantee commission paid for the period 01.04.2016 to 26.04.2016. This has resulted in overstatement of Capital Work in Progress and understatement of prepaid expenses by the same amount. | This is the first year for OCPL to submit the Bank Guarentee (BG) to Nominated Authority which was meant for 18 months ending in Oct 2016. The expenses incurred are to be capitalized. The Company paid an amount of Rs 24,73,690/- towards commission to bank for issue of BG for submission with Nominated Authority which is one time cost. It is a periodic expenses till the peak rated capacity of the mine is achieved. In view of periodic cost / onetime expenses it is accounted during the year 2015-16 in which it is incurred . Since all the expenditure during development of coal mines to be capitalized , it will not affect the financial position of the company. |

### Annexure - V

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:
   - (a) Name(s) of the related party and nature of relationship:
     - i. OPGC Ltd., Holding Company
     - ii. OHPC Ltd, (OCPL's Directors are Director in OHPC)
   - (b) Nature of arrangements: Inter Corporate Loan
   - (c) Duration of the arrangements: Open Ended
   - (d) Salient terms of the arrangements including the value, if any: Inter-corporate loan from OPGC Rs.95.68 Cr. and from OHPC Rs. 30 Cr.
   - (e) Justification for entering into such arrangements: As per Board approval
   - (f) Date(s) of approval by the Board: 17th April, 2015; 20th April, 2015; 8th July, 2015 and 9th November, 2015.
   - (g) Amount paid as advances, if any: NIL
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA
2. Details of material contracts or arrangement or transactions at arm's length basis:
   - (a) Name(s) of the related party and nature of relationship: NA
   - (b) Nature of contracts/arrangements/transactions: NA
   - (c) Duration of the contracts / arrangements/transactions: NA
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
   - (e) Date(s) of approval by the Board, if any: NA
   - (f) Amount paid as advances, if any: NA

PANDA & ASSOCIATES
Chartered Accountants

# Independent Auditors' Report

To
The members of
ODISHA COAL AND POWER LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ODISHA COAL AND POWER LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the 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 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements Subject to our observations in enclosed Annexure-D 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, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. Since 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, is not applicable to the Company, we have nothing to report in the matters specified in 'Annexure A'.
2. As required by the Directions issued by The Comptroller and Auditor General of India in terms of Subsection (5) of the Section 143 of the Act, we give in Annexure-C a statement on the matters specified in the aforesaid Directions to the extent applicable.
3. As required by Section 143(3) of the Act, we report that:
   - (a) 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.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the clarification furnished before us since the company is a Government Company the disqualification of Directors u/s 164(2) of the Companies Act 2013 is not applicable.

(f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

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

i. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts.

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

For PANDA & ASSOCIATES
Chartered Accountants
(Firm's Registration NO.-320015E)

Sd/-
(NIRANJAN PANDA)
(Partner)
(Membership No.-054829)

PLACE : BHUBANESWAR
DATE : 22nd August 2016

## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)- NOT APPLICABLE

## Annexure - B to the Auditor's Report

Report on 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 Coal and Power Limited as of 31st March, 2016 in conjunction with our audit of the standalone 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 control 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 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 the business, including adherence to the Company's polices, the safe guarding of the assets, the prevention and detection of frauds and errors, the accuracy & completeness of accounting records, and the timely preparation of reliable financial information, as required by the Companies Act, 2013.

### Auditor's Responsibility

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion subject to our observation in 'Annexure-D', 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 31st March, 2016, 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 Institute of Chartered Accountants of India.

For PANDA & ASSOCIATES
Chartered Accountants
(Firm's Registration NO.-320015E)

Sd/-
(NIRANJAN PANDA)
(Partner)
(Membership No.-054829)

PLACE : BHUBANESWAR
DATE : 22nd August 2016

## Annexure - C to the Auditor's Report

Referred to our report of even date

### MANUFACTURING :

As the company is not coming under Manufacturing Sector, we have nothing to report in this clause.

### MINING SECTOR

1. To the best of our knowledge & according to the information and explanations given to us, the legal formalities for land acquisition of the company are going on. Thus the company has not started any of its operation. However the company has applied & obtained Forest Clearance vide Letter No F. No. 8-63/2011-FC Dt. 30/11/2015 and also obtained environmental clearance Vide Letter No. J-1015/439/2008-IA-ll(M) Pt. Dt. 30/12/2015. The Rehabilitations Resettlement program for displaced people is in progress. During the year under audit the company has spent Rs. 3014.60 Lakhs for Rehabilitations Resettlement Purpose.
2. According to the information and explanations given to us, the company is in process obtaining of the statutory clearances required under mining and environmental rules regulations, the details of which has been enumerated in 'Annexure C1' enclosed herewith.
3. To the best of our knowledge & according to the information and explanation given to us, the legal formalities for land acquisition of the company are going on. Thus the company has yet to start its mining operation. Thus the question of overburden removal and back filling of mines does not arise.
4. According to the information and explanations given to us, the company has neither disbanded nor discounted any mines during the year.
5. According to the information and explanations given to us, since the company is in its initial stage of land acquisition, the effect of rehabilitation activity and mine closure plan has not been accountedfor in the company's Financial Statements.

### POWER GENERATION & DISTRIBUTION SECTOR :

Since the company is in its initial stage of land acquisition etc. and neither started power generation nor power distribution activities, we have nothing to report under this clause.

### OTHER MATTERS :

1. According to the information and explanations given to us, the company has not so far acquired any clear title/lease deed for freehold and leasehold land respectively. The Revenue village wise position of land applied, sanctioned and allotted to the company for Government land, Private Land and Forest Land are enclosed herewith and marked as 'Annexure C2' series.
2. To the best of our knowledge & according to the information and explanations given to us, there are no cases of waiver/write off of debts/loans/interest etc. during period under audit.
3. To the best of our knowledge & according to the information and explanations given to us, there are no inventories lying with the third parties and no assets are received as gift/grants from the Government or other authorities.

## Annexure - C1

## Status of Permits & Clearances
## Manoharpur Block

| Permits & Clearances | Status | Remarks |
|---|---|---|
| Commencement plan | Under process | Letter No OCPL/252 Dt. 28/09/2015 |
| Approval of Mining Plan | Approved & Transferred (Revision 1) | Mining Plan and Closure plan (Revision II) under preparation by CMPDI |
| Previous Approval | Under Process | Proposal is at MoC, Letter No 115/IV(Coal) SM-13/2015(pt)/SM dated 05.01.2016 |
| Forest Clearance | Transferred | F. No. 8-63/2011-FC Dt. 30/11/2015 |
| Environment Clearance | Transferred | Letter No. J-1015/439/2008-IA- II(M) Pt. Dt.30/12/2015 |
| Grant of Mining Lease | Under Process | Letter No OCPL/153 Dt. 04/09/2015 |
| Approval for Land Acquisition | Transferred | Letter No. 11419/SM IV(Coal) SM-13/2015, Dt.24/11/2015 |
| Opening of Escrow Account | | Planned to be opened after execution of Mining Lease |
| Opening Permission | | Application yet to be Submitted to Coal Controller |
| Ground Water Clearance | Obtained but awaited for renewal | Letter no 21- 4(380)/CGWA/SER/2011-1743 Dt.29/11/2011. Renewal application no . OCPL/165 Dt. 08/09/2015 |
| Working Permission from DGMS | | Yet to be Obtained before Scheduled coal Production |
| Consent to Establish/ Operate from State Pollution Control Board | Transferred | Letter No. 5481/Ind-II-NOC- 5430, Dt.28/03/2016 |
| License for Storage, handling & consumption of explosives from PESO | Transferred | Letter No- A/E/HQ-OR/22/297(E69927) Dt.20/01/2016 |
| NOC for Storage, Handling & Consumption of Petrol/ Diesel/Lubricants from District Authorities | Under the Process of Transfer | Vide Letter No. OCPL 175 Dt. 08/09/2015 |
| Electrical Connectivity for Manoharpur Coal Block | Under the Process of Transfer | As mentioned in the Pre-Commencement Report |
| Nalla Diversion | Transferred | Vide Letter No. 8693/WR Dt. 12/04/2016 |
| Road Diversion | Transferred | Vide Letter No. 28541600052012/RD Dt.18/01/2016 |
| Site Specific Wildlife Conservation Plan | Under the process Transfer | Letter No. OCPL/167 Dt. 08/09/2015 |
| Environment clearance for resettlement & Rehabilitation colony | Under the process of Transfer | Letter No. OCPL/174 Dt. 08/09/2015 |
| Consent to Establish for Resettlement & Rehabilitation Colony | Transferred | Letter No. 5483/Ind-II-NOC-5845 Dt.28/03/2016 |
| Non-Mineralization Certificate for Mine Colony Land | Transferred | As mentioned in the Pre-Commencement Report. Dt.17/10/2015 |

## Dip-Side of Manoharpur Block

| Permits 8t Clearances | Status | Remarks |
|---|---|---|
| Commencement Plan | Under process | Letter No. OCPL/252, Dt. 28/09/2011 |
| Prospecting License | Obtained | Letter No. 212/IV(Coal) SM- 13/2015/SM, Dt. 08/01/2016 |
| Previous Approval | Transferred | Letter No. F. No. 103/25/2015/NA, Dt.18/12/2015 |
| Forest Clearance | Transferred | As mentioned in Pre Commencement Report. Dt.10/12/2015 |
| Execution of Prospecting License | Executed | Dt. 10.02.2016 |

### Annexure - C2

## Status of land Acquisition

Government Land Status as on 11th August, 2016

| PROJECT | VILLAGE | APPLIED Through IDCO | SANCTIONED to IDCO by State Govt | BALANCE | LEASE With State Govt. by IDCO | POSSESSION TO IDCO | ALLOTMENT By IDCO TO OCPL |
|---|---|---|---|---|---|---|---|
| Coal mine | Manoharpur | 385.80 | 385.65 | 0.15 | 346.66 | 346.66 | 346.66 |
| | Dulinga | 173.77 | 172.94 | 0.83 | 162.46 | 162.46 | 162.46 |
| | Ghumudasan | 52.53 | 52.31 | 0.22 | 50.61 | 50.61 | 50.61 |
| | Paramanandpur | 3.05 | 3.05 | - | 2.89 | 2.89 | 2.89 |
| | Kathapali | 105.79 | 105.71 | 0.08 | 105.71 | 105.71 | 105.71 |
| | Durubaga | 5.01 | 5.01 | - | 2.30 | 2.30 | 2.30 |
| SUB TOTAL | | 725.95 | 724.67 | 1.28 | 670.63 * | 670.63 | 670.63 |
| R & R colony | Sukhabandha | 77.07 | 77.07 | - | 77.07 | 77.07 | |
| | Hemgir | 102.90 | 102.90 | - | 102.90 | 102.90 | |
| SUBTOTAL | | 179.97 | 179.97 | _ | 179.97 | 179.97 | - |
| Addl. Coal mine | Manoharpur | 7.02 | 3.68 | 3.34 | 3.68 | 3.68 | 3.68 |
| | Dulinga | 26.15 | . 26.15 | - | 23.90 | 23.90 | 23.90 |
| | Ghumudasan | 28.72 | 17.71 | 11.01 | 3.23 | 3.23 | |
| SUBTOTAL | | 61.89 | 47.54 | 14.35 | 30.81 | 30.81 | 27.58 |
| Magazine | Laikera | 2.13 | 2.13 | - | - | | |
| Sub Station | Sarbahal | 15.08 | 15.08 | - | - | | |
| ITC | Kamalaga | 4.00 | 4.00 | - | - | - | |
| Office | Hemgir | 2.00 | 2.00 | - | 2.00 | 1.00 | |
| Mine Colony | Laikera | 30.88 | - | 30.88 | | | |
| Approach Road to R&R Colony | Sukhabandha | 2.08 | - | 2.08 | - | - | |
| Inter Connectivity Road | Sukhabandha | 0.76 | - | 0.76 | - | - | |
| | Hemgir | 2.61 | - | 2.61 | - | - | |
| Cremation Ground for R&R Colony | Sukhabandh | 1.57 | - | 1.57 | - | - | |
| TOTAL | | 1,028.92 | 975.39 | 53.53 | 883,41 | 882.41 | 698.21 |

## Private Land Status as on 11th August, 2016

| PURPOSE | VILLAGE | Applied Area | Possession Acres to IDCO | Balance Area |
|---|---|---|---|---|
| COAL MINE | Manoharpur | 497.17 | 497.17 | 0.00 |
| | | 29.78 | 29.78 | 0.00 |
| | Ghumudasan | 93.59 | 93.59 | 0.00 |
| | | 3.16 | 3.16 | 0.00 |
| | Dulinga | 105.72 | 105.72 | 0.00 |
| | | 32.34 | 32.34 | 0.00 |
| | Kathphali | 14.46 | 14.46 | 0.00 |
| | Paramananpu | 0.47 | 0.47 | 0.00 |
| SUB-TOTAL | | 776.69 | 776,69 | * |
| Addl.Land for Coal Mine | Ghumudasan | 125.54 | 0.00 | 125.54 |
| | Dulinga | 55.96 | 55.96 | 0.00 |
| | Kathphali | 12.85 | 12.85 | 0.00 |
| | Manoharpur | 11.06 | 11.06 | 0.00 |
| SUB-TOTAL | | 205.41 | 79.87 | 125.54 |
| Mine Left Out | Manoharpur | 1.30 | - | 1.30 |
| | Ghumudasan | 1.54 | - | 1.54 |
| | Dulinga | 3.59 | - | 3.59 |
| | Sub-Total | 6.43 | - | 6.43 |
| Mine Colony | Laikera | 69.11 | - | 69.11 |
| - | Sub-Total | 69.11 | | 69.11 |
| GRAND TOTAL | | 1,057.64 | 856.56 | 201.08 |

## Forest Land Status as on 11th August, 2016

| Name of The Village | Diversified Land Total Area in Ace. | Possession Taken | Remaining Area |
|---|---|---|---|
| Dulinga | 15.01 | 15.01 | 0 |
| Parmanandpur | 13.61 | 13.61 | 0 |
| Manoharpur | 390.71 | 216.42 | 174.29 |
| Durubaga | 14.63 | 14.63 | 0 |
| Ghumudasan | 24.5 | 24.5 | 0 |
| Resver Forest | 5 | | |
| Kathapali | 31.89 | 0 | 31.89 |
| Total | 495.35 | 284.17 | 206.18 |

## Annexure - D

(Referred to in opinion paragraph of our report of even date)

1. On analysis of Inter Corporate Borrowings from OPGC, it was observed that there was a difference of Rs.44,44,270.00 as detailed below

| | |
|---|---|
| Loan Balance as on 31.03.2016 as per OPGC- | Rs. 96,12,65,045.00 |
| Loan Balance as on 31.03.2016 as per OCPL - | Rs. 95.68,20.779.00 |
| Difference | Rs. 44,44,266.00 |

As explained to us, the said expenses of Rs.44,44,266.00 incurred by OPGC on behalf of OCPL were not duly acknowledged as expenditure by OCPL. This has resulted in understating the Capital WIP (Asset) and Short Term Loan (Liability) in the financial statement of OCPL.

2. On analysis of vouchers, it was observed that supporting of expenditure to the tune of Rs.10,15,07,103.00 incurred by OPGC on behalf of OCPL during the period from 01.04.2015 to 31.08.2015 were not produced before us for verification.

However, In support of the above expenditure an Audit Certificate issued by the Statutory Auditor of OPGC was produced before us as a token of evidence. Thus we have relied on the said audit certificate so far as expenditure to the tune of Rs.10,15,07,103.00 incurred during the year by the Company.

3. On evaluation of Internal Financial Control, it was observed that the management has not formulated any formal Internal Financial Control mechanism to be followed by the company.

# Balance Sheet as at 31st March, 2016

**(Annexure-A)**

( Period from 20.01.2015 to 31.03.2016 )

₹ in Lakh

| PARTICULARS | Note No. | As at 31st March,2016 |
|---|---|---|
| **I.EQUITY AND LIABILITIES** | | |
| **(1) Shareholders'Fund** | | |
| (a)Share Capital | 2 | 5.00 |
| (b)Reserves and Surplus | 3 | (79.94) |
| (c) Money Received Against Share Warrant | | - |
| **(2) Share application money pending allotment** | | - |
| **(3)Non-current liabilities** | | |
| (a)Long-Term Borrowings | | - |
| (b)Deferred Tax Liabilities (net) | | - |
| (c)Other Long Term Liabiliies | | - |
| (d)Long Term Provisions | | |
| **Current liabilities** | | |
| (a)Short Term Borrowings | 4 | 12,568.21 |
| (b)Trade Payables | | - |
| (c)Other Current Liabilities | 5 | 2,476.23 |
| (d)Short-Term Provisions | | - |
| **TOTAL** | | 14,969.50 |
| **II.ASSETS** | | |
| **Non-current assets** | | |
| **(1) (a) Fixed assets** | | |
| (i) Tangible Assets | 6 | 9.28 |
| (ii) Intangible Assets | | - |
| (iii) Capital Work-in-Progress | 7 | 12,524.13 |
| (iv) Intangible Assets under Devlopment | | - |
| (b)Non-Current Investment | | - |
| (c)Deferred Tax assets (net) | | - |
| (d)Long-Term Loans and Advances | 8 | 1,607.42 |
| (e)Other Non-Current Assets | | - |
| **(2) Current assets** | | |
| (a) Current Investments | | |
| (b)Inventories | | - |
| (c)Trade Receivables | | - |
| (d)Cash and Bank Balance | 9 | 743.68 |
| (e)Short-Term Loans and Advances | 10 | 71.96 |
| (f)Other Current Assets | 11 | 13.03 |
| **TOTAL** | | 14,969.50 |

**Significant Accounting Policies,Notes on Accounts and**
**The accompanying notes form an integral part of these financial statement - 1 to 22**

In terms of our report even date attached
For PANDA & ASSOCIATES
Chartered Accountants.

Sd/-
(CA Niranjan Panda)
Partner
Membership No . 054829

Sd/-
(Indranil Dutta)
Director(OCPL)

Sd/-
(B.K.Behera)
Director(OCPL)

Sd/-
(Manish Tiwari)
Company Secretary

Sd/-
(Saroj Samal)
Senior Manager(F)

Place : Bhubaneswar
Date:

# ODISHA COAL AND POWER LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

( Period from 20.01.2015 to 31.03.2016 )

₹ in Lakh

| PARTICULARS | Note No. | As at 31st March, 2016 |
|---|---|---|
| **INCOME** | | |
| Revenue from Operations | | - |
| Other Income | 14 | 6.82 |
| **Total Revenue** | | 6.82 |
| | | |
| **EXPENSES** | | |
| Cost Of Material Consumed | | - |
| Employee Benefits Expenses | | - |
| Finance Costs | | - |
| Depreciation and amortisation expense | | - |
| Administration and other Expenses | 15 | 86.76 |
| CSR expenditure | | - |
| Prior Period Expenses ( net) | | - |
| **Total Expenses** | | 86.76 |
| | | |
| **Profit before Exceptional and Extraordinary items and Tax** | | (79.94) |
| Exceptional items | | - |
| **Profit Before Extraordinary items and tax** | | (79.94) |
| Extraordinary items | | |
| **Profit Before Tax** | | (79.94) |
| Current Tax | | - |
| Earlier Years Tax | | - |
| Deffered Tax | | - |
| Profit for the Year | | (79.94) |
| | | |
| Earning per equity share of face value of Rs 10/- each | | |
| Basic EPS | | - |
| Diluted EPS | | - |

**Significant Accounting Policies,Notes on Accounts and**
**the accompanying notes form an integral part of these financial statement - 1 to 22**
In terms of our report even date attached

For PANDA & ASSOCIATES
Chartered Accountants.

(Indranil dutta)
Director(OCPL)

(B.K.Behera)
Director(OCPL)

(CA Niranjan Panda)
Partner
Membership No . 054829

(Manish Tiwari)
Company Secretary

(Saroj Samal)
Senior Manager(F)

Place : Bhubaneswar
Date:

# ODISHA COAL AND POWER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

( Period from 20.01.2015 to 31.03.2016 ) Rs in Lakh

| | Particulars | 2015-16 | |
|---|---|---|---|
| A | **Cash Flows from Operating Activities** | | |
| | **Net Profit Before Tax** | **(79.94)** | |
| | **Operating Profit Before Working Capital Changes** | **(79.94)** | |
| | **Increase or Decrease in Current Liabilities** | | |
| | EMD | 0.10 | |
| | Short term Loan | 11,026.58 | |
| | Deposit from Contractors and others | (23.92) | |
| | Other Payable | (236.01) | |
| | Retention Money | (221.47) | |
| | Trade Payables | (1,521.91) | |
| | **Increase In Current Liabilities** | 9,023.37 | |
| | **Increase or Decrease in Current Assets** | | |
| | Security Deposit | (12.82) | |
| | Advance to Employees | (6.85) | |
| | **Increase In Current Assets** | (19.67) | |
| | **Net Increase in Working Capital** | **9,003.70** | |
| | **Net Cash Inflow From Operating Activities** | | **8,923.76** |
| B | **Cash Flow from investing Activities** | | |
| | Pre Operative Expenionses Pending For Allocation | (91.13) | |
| | Acqusition of Fixed Assets | (8,093.95) | |
| | **Net cash Used in Investing Activities** | | **(8,185.09)** |
| C | **Cash Flow from Financing Activitries** | | |
| | Issue of Shares | 5.00 | |
| | **Net cash used I financing activities** | | **5.00** |
| D | **Net changes in Cash & cash equivalents (A+B+C)** | | **743.68** |
| E | **Cash & Cash Equivalents - Opening balance** | | **-** |
| F | **Cash & Cash Equivalents - Closing balance (D+E)** | | **743.68** |

**Note:**

I **Cash and Bank Balance under current assets at note 11 are cash and cash equivalentsfor the purpose of drawing Cash Flow.**

II **Figures in brackets are cash outflow/Incomes as the case may be.**

In terms of our report even date attached

For PANDA & ASSOCIATES
Chartered Accountants.

(Indranil Dutta)
Director(OCPL)

(B.K.Behera)
Director(OCPL)

(CA Niranjan Panda)
Partner
Membership No . 054829

(Manish Tiwari)
Company Secretary

(Saroj Samal)
Senior Manager(F)

Place : Bhubaneswar
Date:

# Note 1 - Significant Accounting Policies

## 1. Basis of Accounting:

The financial statements are prepared on accrual basis of accounting under historical cost convention, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the relevant provisions of the Companies Act, 2013 including applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## 2. Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses during reporting period and the disclosure of contingent liabilities at the end of financial year. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such difference is recognized in the period in which the same is determined.

## 3. Grants-in aid

3.1 Grants-in-aid received from Central / State Government or any other authorities towards capital expenditure are initially treated as capital reserve and adjusted in the carrying cost of such asset on the commencement of commercial production.

3.2 Grants received from Government and other agencies towards revenue expenditure, are recognized over the period in which related costs are incurred and are deducted from related expenses.

## 4. Fixed Assets

4.1 Tangible assets are carried at historical cost less accumulated depreciation / amortization.

4.2 Intangible assets are stated at their cost of acquisition less accumulated amortisation.

4.3 Expenditure on renovation and modernisation of tangible assets resulting in increased life and / or efficiency of an existing asset is added to the cost of related assets.

4.4 Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses including expenses on development of land related to acquisition of land are treated as cost of land.

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

4.6 Application software packages acquired / developed from / by outside agencies for internal use treated as intangible asset and are recorded at their cost of acquisition

## 5. Capital Work in Progress

5.1 Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress.5.2Administrative and general overhead expenses attributable to development of coal mines incurred till they are ready for their intended use are identified for allocation on a systematic basis to the cost of related asset on capitalization.

5.3 Deposit work / cost plus contracts are accounted for on the basis of statement of accounts received from the contractors.

5.4 Unsettled liability for price variation / exchange rate variation in case of contracts, are accounted for on receipt / acceptance of bills.

**6. Provisions, Contingent Liabilities and Contingent Assets**

6.1 A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on the management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

6.2 Contingent assets are neither recognized nor disclosed in the financial statements.

**7 Cash Flow Statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on "Cash Flow Statements".

**8 Revenue Recognition**

8.1 Interest recoverable on advances to suppliers including other parties, warranty claims, liquidated damages, subsidies are accounted for on receipt / acceptance.

8.2 Insurance claims are accounted for based on certainty of realization.

**9 Depreciation and Amortization**

9.1 Depreciation on fixed assets is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except the following:

Intangible Assets

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

9.2 Assets including Tools and Tackles costing up to ?.5,000/- are fully depreciated in the year in which put to use.

9.3 Depreciation on additions to / deductions from fixed assets during the year is charged on pro rata basis from / up to the month in which the assets is available for use / disposal / retirement from active use.

9.4 Depreciation on Value adjustment is provided prospectively.

**10 Prior Period Income / Expenditure and Prepaid Expenses**

Prior period income / expenses and prepaid expenses of items not exceeding 0.50 lakh in each case are charged to natural head of accounts in the current year.

**11 Exceptional Items**

Exceptional Items are the items of income and expenses within profit or loss from ordinary activities of such size, mature or incidence whose disclosure is necessary.

**12. Employee Benefits**

Employee benefits, inter-alia includes Provident fund, gratuity, compensated absences and other terminal benefits.

12.1 In terms of arrangements with OPGC, the company liability towards gratuity, leave benefits (including compensated absences) and other terminal benefits etc for the period of service rendered in the company w.r.t. the OPGC employees posted on secondment basis from OPGC to OCPL, is to make contribution on the basis of liability determined by independent actuary, at the year end by using the projected unit credit method.

12.2 Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

**13 Borrowing Cost**

13.1 Borrowing costs attributable to development of coal mine and acquisition, construction, renovation / modernization of a qualifying asset are capitalized as part of the cost of that asset. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

13.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

**14. Investments**

14.1 Current Investments are valued at lower of cost and fair value determined on an individual investment basis.

14.2 Long Term investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investment.

**15. Foreign Exchange Transactions**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses in foreign exchange transactions other than those long term liabilities relating to fixed assets, are recognized in the statement of profit and loss. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognized in the statement of profit and loss over the period of the contract.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities relating to fixed assets are adjusted in the carrying cost of such assets.

# Note : Notes to Financial Statement for the Period ended 31st March,2016

₹ in Lakh

| 2 | SHARE CAPITAL | As at 31 March, 2016 |
|---|---|---|
| | **Authorised share Capital:** | |
| | 10,00,00,000 Equity Shares of Rs 10/-each | 10,000.00 |
| | **Issued,Subscribed & fully Paid Up :** | |
| | 50,000 Equity Shares of Rs 10/-each | 5.00 |
| | **TOTAL** | 5.00 |

**2.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting Period.**

| | As at 31 March, 2016 | |
|---|---|---|
| | Nos. | Amount |
| Equity Share at the beginning of the Period | - | - |
| Add: Equity Shares issued during the Period | 50,000.00 | 5.00 |
| Less: Equity Shares bought back during the Period | - | - |
| **Equity Share at the end of the Period** | 50,000.00 | 5.00 |

| 2.2 The details of Shareholders holding more than 5% of shares: | As at 31 March, 2016 | |
|---|---|---|
| | No.of Shares | % held |
| Odisha Power Generation Corporation Limited | 25,500.00 | 51 |
| Odisha Hydro Power Corporation Limited | 24,500.00 | 49 |
| **Total Number Of Shares** | 50,000.00 | 100 |

| 3 | RESERVE AND SURPLUS | As at 31 March, 2016 | |
|---|---|---|---|
| | **Surplus in Statement of Profit and loss** | | |
| | As per Last Balance Sheet | - | |
| | Add: Profit/(Loss) For the Period | (79.94) | |
| | **TOTAL** | | (79.94) |

| 4 | SHORT TERM BORROWINGS | As at 31 March, 2016 | |
|---|---|---|---|
| | **(i) Secured Loans** | - | |
| | **(ii) Unsecured Loans** | | |
| | Loans repayable on Demand | | |
| | From Banks | - | |
| | From others | - | |
| | Loans & advance From Related Parties: * | | |
| | Odisha Power Generation Corporation Limited | 9,568.21 | |
| | Odisha Hydro Power Corporation Limited | 3,000.00 | |
| | **TOTAL** | | 12,568.21 |

* (i) ₹ 95,68,20,779/- and ₹ 30,00,00,000/- has been availed as inter corporate loan from Odisha Power Generation Corporation Ltd (OPGC) the holding Company and Odisha Hydro Power Corporation Ltd (OHPC) to meet different expenses on development of allotted coal mines and the same is payable on the reporting date.

(ii) Inter corporate loan has been availed from OPGC as per decision of the Board of Directors in their 6th meeting held on dated.17th April 2015 (for ₹56 crores ) and 10th meeting held on dated 8th July 2015 ( for ₹40 crores) to meet expenses on development of coal mines which carried interest at the rate charged by Power Finance Corporation Ltd. (PFC) to State Sector borrowers (Category A+) applicable on the date of each disbursal.

(iii) Inter company loan of ₹30 crores has been availed from OHPC as per decision of the Board of Directors in their 13th meeting held on dated.9th November 2015( approved for ₹42 crores) to meet expenses on development of coal mines which carried interest at same terms and conditions as with OPGC that is at the rate charged by Power Finance Corporation Ltd. (PFC) to State Sector borrowers (Category A+) applicable on the date of each disbursal.

| 5 | OTHER CURRENT LIABILITIES | As at 31 March, 2016 | |
|---|---|---|---|
| | Interest Accrued and due on borrowing | 37.34 | |
| | Other Payables * | 2,438.88 | |
| | **TOTAL** | | 2,476.23 |
| | ***Other Payable includes :** | | |
| | Statutory dues | 93.08 | |
| | Liability for Expenses | 1.95 | |
| | Deposit and retention money from contractors | 413.77 | |
| | EMD & retention Money | 0.10 | |
| | Amount Recovered from Contractors for Mobilisation Advance | 346.76 | |
| | Sundry Creditor for Capital Works | 382.11 | |
| | Sundry Creditor for Service - others | 8.87 | |
| | Payable to OPGC - Salary of Deputed Employees | 87.39 | |
| | Payable to OPGC - Others (Refer Note 7.3) | 1,104.85 | **2,438.88** |

## Note : Notes to Financial Statement for the Period ended on 31st March,2016, (In Rs.)

**Note -6: FIXED ASSETS**

| Descriptions | Gross Block | | | | Depreciation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | At the Beigining | Addition during the Period | Deduction/ Adjustment | As on 31.03.2016 | At the Beigining | For the Period | Arrear Depreciation | Deduction/ Written Back | As on 31.03.2016 | As at 31.03.2016 |
| **A : Tangible assets** | | | | | | | | | | |
| Freehold Land Including devlopment Cost | - | - | - | - | - | - | - | - | - | - |
| Leasehold Land Including devlopment Cost | - | - | - | - | - | - | - | - | - | - |
| **Sub Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Furniture & Fixture. | - | 4,89,577 | - | 4,89,577 | - | 8,096 | - | - | 8,096 | 4,81,481 |
| Office & other Equipment. | - | 89,000 | - | 89,000 | - | 9,864 | - | - | 9,864 | 79,136 |
| EDP Machines | - | 1,92,280 | - | 1,92,280 | - | - | - | - | - | 1,92,280 |
| TV & Cable Equipment | - | 96,000 | - | 96,000 | - | 2,280 | - | - | 2,280 | 93,720 |
| Software | - | 1,02,000 | - | 1,02,000 | - | 20,162 | - | - | 20,162 | 81,838 |
| **Sub Total** | **-** | **9,68,857** | **-** | **9,68,857** | **-** | **40,402** | **-** | **-** | **40,402** | **9,28,455** |
| **Grand Total** | **-** | **9,68,857** | **-** | **9,68,857** | **-** | **40,402** | **-** | **-** | **40,402** | **9,28,455** |

# ODISHA COAL AND POWER LIMITED

Zone - A, Ground Floor, Fortune tower
Chandrasekhar pur, Bhubaneswar

## DEPRECIATION CHART FOR F. Y. 2015-16

**Furniture and Fixtures**

| Date of Purchase / Put to use | Particular | Addition | Life as per Co. Act, 2013 | Useful Life (in Months) | Life Used in 2015-16 ( In Months) | Cumulative life used As on 31.03.2016 ( in Months ) | Remaining Life ( In Months ) | Salvaged value | Depreciable amount over whole life | Dep for the Year 2015-16 | WDV as on 31st Mar 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 31-Aug-2015 | Furniture & Fittings | 88,827 | 10.00 | 120 | 7 | 7 | 113 | 4,441 | 84,386 | 4,923 | 83,904 |
| 10-Mar-2016 | Furniture & Fittings | 4,00,750 | 10.00 | 120 | 1 | 1 | 119 | 20,038 | 3,80,712 | 3,173 | 3,97,577 |
| | | | | | | | | | | | |
| | **Grand Total :** | **4,89,577** | | | | | | **24,479** | **4,65,098** | **8,096** | **4,81,481** |

**Office & Other Equipment**

| Date of Purchase / Put to use | Particular | Addition | Life as per Co. Act, 2013 | Useful Life (in Months) | Life Used in 2015-16 ( In Months) | Cumulative life used As on 31.03.2016 ( in Months ) | Remaining Life ( In Months ) | Salvaged value | Depreciable amount over whole life | Dep for the Year 2015-16 | WDV as on 31st Mar 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 31-Aug-2015 | Office Equipment | 89,000 | 5.00 | 60 | 7 | 7 | 53 | 4,450 | 84,550 | 9,864 | 79,136 |
| | **Grand Total :** | **89,000** | | | | | | **4,450** | **84,550** | **9,864** | **79,136** |

**EDP Machines**

| Date of Purchase / Put to use | Particular | Addition | Life as per Co. Act, 2013 | Useful Life (in Months) | Life Used in 2015-16 ( In Months) | Cumulative life used As on 31.03.2016 ( in Months ) | Remaining Life ( In Months ) | Salvaged value | Depreciable amount over whole life | Dep for the Year 2015-16 | WDV as on 31st Mar 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 31-Mar-2016 | EDP Machines | 1,92,280 | 3.00 | 36 | - | - | 36 | 9,614 | 1,82,666 | - | 1,92,280 |
| | **Grand Total :** | **1,92,280** | | | | | | **9,614** | **1,82,666** | **-** | **1,92,280** |

**TV & Cable Equipment**

| Date of Purchase / Put to use | Particular | Addition | Life as per Co. Act, 2013 | Useful Life (in Months) | Life Used in 2015-16 ( In Months) | Cumulative life used As on 31.03.2016 ( in Months ) | Remaining Life ( In Months ) | Salvaged value | Depreciable amount over whole life | Dep for the Year 2015-16 | WDV as on 31st Mar 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2-Jan-2016 | Tv & Cable | 96,000 | 10.00 | 120 | 3 | 3 | 117 | 4,800 | 91,200 | 2,280 | 93,720 |
| | **Grand Total :** | **96,000** | | | | | | **4,800** | **91,200** | **2,280** | **93,720** |

**Software**

| Date of Purchase / Put to use | Particular | Addition | Life as per Co. Act, 2013 | Useful Life (in Months) | Life Used in 2015-16 ( In Months) | Cumulative life used As on 31.03.2016 ( in Months ) | Remaining Life ( In Months ) | Salvaged value | Depreciable amount over whole life | Dep for the Year 2015-16 | WDV as on 31st Mar 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 31-Jul-2015 | Other Software | 50,000 | 3.00 | 36 | 8 | 8 | 28 | 2,500 | 47,500 | 10,556 | 39,444 |
| 3-Sep-2015 | Tally ERP | 52,000 | 3.00 | 36 | 7 | 7 | 29 | 2,600 | 49,400 | 9,606 | 42,394 |
| | **Grand Total :** | **1,02,000** | | | | | | **5,100** | **96,900** | **20,162** | **81,838** |

| 7 | CAPITAL WORK IN PROGRESS | As at 31 March, 2016 | |
|---|---|---|---|
| | R & R Colony at Sukhabandha (Refer Note 7.3) | 3,014.60 | |
| | Construction of Transit Guest House (Refer Note 7.3) | 452.98 | |
| | Development of Coal Mines (Refer Note 7.1 & 7.3) | 6,652.66 | |
| | Pre operative Expenses (Refer Note 7.2 & 7.3) | 2,403.89 | |
| | **TOTAL** | | 12,524.13 |
| **7.1** | **Devlopment of Coal Mines** | | |
| | Consultancy For coal Mines | | 91.17 |
| | Consultancy For R & R Colony | | 6.73 |
| | Up front Fees | | 3,105.82 |
| | Statutory Clearance Fees & Expenses | | 3,013.94 |
| | Survey & Soil Investigation ( Coal Mines ) | | 9.56 |
| | Geological Report Fees | | 425.44 |
| | **TOTAL** | | 6,652.66 |
| **7.2** | **Pre-operative Expenses** | | |
| | Employee Benefit Expenses | | 262.87 |
| | Finance Cost (Refer Note 7.2) | | 1,935.76 |
| | Depreciation and Amortisation Expenses | | 0.40 |
| | Administrative expenses | | 203.10 |
| | CSR Expenses | | 1.75 |
| | **TOTAL** | | **2,403.89** |

*It includes an amount of ₹ 14,35,520 towards provident fund & ₹ 4,68,733 gratuity and ₹ 7,10,862 towards leave, paid / payable to OPGC Ltd in accordance with Significant Accounting Policy No - 7

## Note : Notes to Financial Statement for the Period ended on 31st March,2016

| | | |
|---|---|---|
| 7.2 | **EMPLOYEE BENEFIT EXPENSES** | Rs. In Lakh |
| | Salaries & Wages | 245.81 |
| | Contribution to Provident Fund | 14.36 |
| | Reimburesement Expenses to Employees | 1.43 |
| | Staff Welfare Expenses | 1.28 |
| | **TOTAL** | **262.87** |
| | **FINANCE COST** | |
| | Interest Paid to OPGC on A/c of PFC | 1,023.55 |
| | Interest Paid to OPGC | 805.85 |
| | Interest Paid to OHPC | 41.49 |
| | Bank Guarantee Commission | 64.86 |
| | **TOTAL** | **1,935.76** |
| | **DEPRECIATION AND AMORTISATION EXPENSES** | |
| | Depreciation | 0.40 |
| | **TOTAL** | **0.40** |
| | **Administration and other Expenses** | |
| | Advertisiment Expenses | 2.57 |
| | Communication Expenses | 4.15 |
| | Meeting Expenses | 3.00 |
| | Electricity Charges | 4.83 |
| | Environment & Safety Awarness Programme Expenses | 0.09 |
| | Foreign Exchange Flucation | 0.05 |
| | Hire Charges of Motor Cars | 26.65 |
| | Hospitility Expenses | 3.34 |
| | Incidental Expenditure during construction | 0.28 |
| | Legal Fees and expenses | 0.77 |
| | Miscellaneous Expenses | 0.81 |
| | News Paper & Periodicals | 0.23 |
| | Office Maintenance Expenses | 4.50 |
| | Postage & Courier | 0.16 |
| | Printing & Stationery | 3.52 |
| | Professional Fees and Expenses | 14.56 |
| | Rate,Taxes & Cess | 1.20 |
| | Rent | 20.46 |
| | Running Expenses of Vechiles | 31.94 |
| | Service Charges Paid | 1.18 |
| | Trangit House Expenses | 13.21 |
| | Travelling Expenses | 25.81 |
| | Watch & Ward Expenses | 19.93 |
| | Bank Charges | 0.60 |
| | Peripheral devlopment Expenses | 17.50 |
| | AC Charges | 1.17 |
| | Other Maintanance Expenses | 0.60 |
| | **TOTAL** | **203.10** |
| | **CSR EXPENDITURE** | |
| | CSR Expenditure | 1.75 |
| | **TOTAL** | **1.75** |

7.3 (I) Manoharpur and Dipside Manoharpur Coal Blocks (the Coal Blocks) were initially alloted to Odisha Power Generation Corporation Ltd. As per the decision of Hon'ble Supreme Court of India the allotment of Coal Blocks to OPGC were cancelled. The Coal Blocks are then alloted to the Company by the Nominating Authority, Ministry of Coal, Govt of India vide allotment letter No.103/25/2015/NA dated 24.03.2015 and allotment agreement has been executed on 30.03.2015.

(ii) An amount of 177,54,75,560 ( (net off liabillties for Security deposit & Retention Money from Contractor 78,08,670/-, Accumulated Depreciation 44,50,720/- and Borrowings Rs.79,66,32,770/-) details of which was given at Note 7.4. , incurred by OPGC up to 31st March 2015 as a prior allottee. Out of above expenditure, an amount of 79.66 crores was drawn down as loan from PFC ( Total loan sanctioned to OPGC includes loan for development of Coal Mines) and balance amount of 177,54,75,560 spent from its internal accruals. As per clause 5.7 of Shareholders Agrement signed among the Compnay , OPGC and OHPC on dated.21st April 2016, the expenditure incurred by OPGC for development of of Manoharpur and Dipside Manoharpur Coal Blocks shall be payable by the Company to OPGC after certification by Statutory Auditors of OPGC and approval by Govt. of Odisha. Approval of Govt. of Odisha is in process. Pending with approval of Govt. of Odisha, above amount could not be accounted for in the books of accounts of the company under Capital Work in Progress as well as respective Liabilities account. 34,39,38,533/- paid by OCPL for GR & Concent cost has already been Capitalized in OCPL book. The same amount paid by OPGC earlier which is included in the above mentioned amount will be refunded by the Nominated Authority and hence to be reduced from the total Amount Spent by OPGC as prior allottee. Noted in the Memorandum No. OCPL/145

7.4

| **Particulars of Expenditure** | **Amonut (Rs.)** |
|---|---|
| Fixed Assets | 118.62 |
| Development Exp including borrowing Cost | 6,915.23 |
| Land including Land Advnace | 18,239.46 |
| Other Capital Advance to contractor | 570.37 |
| **TOTAL** | **25,843.68** |
| | |
| LIABILITIES | |
| Security deposit and retention money from contractor | 78.09 |
| Loan from PFC | 7,966.33 |
| Accumulated Depreciation | 44.51 |
| **TOTAL** | **8,088.92** |
| **NET OF LIABILITY** | **17,754.76** |

| **8 LONG TERM LOANS AND ADVANCES** | **As at 31 March, 2016** | |
|---|---|---|
| **Unsecured Considered good** | | |
| Advance against land acquisition* | 1,607.42 | |
| **TOTAL** | | 1,607.42 |
| ***It inculdes Land development expenses** | | |

| **9 CASH AND BANK BALANCES** | **As at 31 March, 2016** | |
|---|---|---|
| **(A)Cash and Cash Equivalents** | | |
| **(1) Balance with Banks** | | |
| In Current accounts | 743.58 | |
| (B) Cheque or draft on hand/transit | - | |
| (C ) Cash on Hand | - | |
| **(D) Other bank Balances** | | |
| (I) Deposit With original maturity of more than 3 months but not more than twelve months | 0.10 | |
| **TOTAL** | | 743.68 |

| 10 | SHORT TERM LOANS AND ADVANCES | As at 31 March, 2016 | |
|---|---|---|---|
| | **Unsecured considered good** | | |
| | Loans and advance to employees | 0.47 | |
| | Advance to suppliers and contractors (Refer Note 13) | 71.00 | |
| | Advance Tax (Tax Deducted at Source) | 0.49 | |
| | **TOTAL** | | 71.96 |

| 11 | OTHER CURRENT ASSETS | As at 31 March, 2016 | |
|---|---|---|---|
| | Security Deposit | 13.03 | |
| | | | 13.03 |

**12** As per decision of the board in their 8th meeting held on 14th May 2015 and subsequent request to OPGC, OPGC has released the payment of Rs 8,07,74,124.00 for ongoing contract and allied work for development of coal mines from 01.04.2015 to 31.08.2015. Said amount has been booked to respective nature of expenditure and treated as inter corporate loan, details are given below.

| | |
|---|---|
| R & R Colony at Sukhabandha | 5,63,09,932.00 |
| Construction of Transit Guest House | 1,07,61,051.00 |
| Fixed Assets | 1,77,827.00 |
| Advance For land Acqusition | 3,17,119.00 |
| Development of Coal Mines | 38,28,530.00 |
| Pre operative Expenses | 1,40,55,742.00 |
| Security Deposit and Retention Money of Contractors Adjusted. | (46,76,077.00) |
| **TOTAL** | **8,07,74,124.00** |

**13** The details of amount outstanding to Micro and Small Enterprises based on available information with the Company is as under.

| Particulars | As at 31 March, 2016 |
|---|---|
| Principal amount due and remaining unpaid | NIL |
| Interest due on above and unpaid interest | NIL |
| Interest paid | NIL |
| Payment made beyond appointed day during the year | NIL |
| Interest due and payable for the period of delay | NIL |
| Interest accrued and remaining unpaid | NIL |
| Amount of further interest remaining due and payable in succeeding years | NIL |
| **TOTAL** | |

Note : Notes to Financial Statement for the Period ended on 31st March,2016

Rs in Lakh

| 14 | **Other Income** | **2015-16** |
|---|---|---|
| | Interest From Bank | 4.87 |
| | Sale of Tender Paper | 1.71 |
| | Sale of Scrap | 0.24 |
| | | 6.82 |

| 15 | **ADMINISTRATION AND OTHER EXPENSES** | **2015-16** |
|---|---|---|
| | **Administration Expenses** | |
| | Director Sitting Fees | 0.64 |
| | Preliminary Expenses | 80.81 |
| | Training, Seminar & Conference Expenses | 4.45 |
| | **TOTAL** | **85.89** |
| | **Other Expenses** | |
| | Statutory Auditors' Remuneration | 0.58 |
| | Internal Auditors' Remuneration | 0.29 |
| | **TOTAL** | **0.86** |

**16 Accounting Period:**

The Company was incorporated on 20.01.2015 as a wholly owned subsidiary company of Odisha Power Generation Corporation Ltd. Subsequently, OCPL was converted into a Joint Venture (JV) company of OPGC & OHPC as per the Notification 1088 & 1160 of Govt of Odisha dated 04.02.2015 & 06.02.2015 respectively. The account is prepared for the period from 20.01.2015 to 31.03.2016 (one year and 59 days) as per the Provisions of Section 2(41) of the Companies Act, 2013 and the first accounting year ended on 31st March 2016. Accordingly previous year figure is not required to be disclosed.

**17** Employees working in the company are deputed from OPGC on secondment basis during the reporting period. In terms of arrangements with OPGC, the company liability towards gratuity, leave benefits (including compensated absences) etc. for the period of service rendered in the company w.r.t. the OPGC employees posted on secondment paid / payable is accounted on the basis of demand raised by OPGC based on liability determined by independent actuary , at the year end by using the projected unit credit method . In view of above no further disclosure under AS-15 Employees Benefits has been made.

| 18 | **Expenditure in Foreign Currency:** | **2015-16** |
|---|---|---|
| | Professional and consultation fees | 48,22,444.00 |

## 19 Related Party Disclosure:

| Nature of transaction | Holding Company | Subsidiaries | Fellow Subsidiaries | Associates | Key Management Personnel | Relatives of Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| Purchase of Goods | - | - | - | - | - | - | - |
| Sale of Goods | - | - | - | - | - | - | - |
| Purchase of Fixed Assets | - | - | - | - | - | - | - |
| Sale of Fixed Assets | - | - | - | - | - | - | - |
| Rendering of Services | - | - | - | - | - | - | - |
| Receiving of Services | - | - | - | - | - | - | - |
| Agency Arrangements | - | - | - | - | - | - | - |
| Leasing of Hire Purchase Arrangements | - | - | - | - | - | - | - |
| Transfer of Research & Developmments | - | - | - | - | - | - | - |
| Licence Agreements | - | - | - | - | - | - | - |
| Finance (including loans & equity contributions in cash or in kind) | 95,70,75,779 | - | - | 30,02,45,000 | - | - | 1,25,73,20,779.00 |
| Gurantees & Collaterals | 1,53,92,00,000 | | | | | | 1,53,92,00,000.00 |
| Management Contacts including for deputation of Employees | - | - | - | - | - | - | - |

**Note:**

**Name of the Related Parties & Description of Relationship**

| | |
|---|---|
| 1. Holding Companies | Odisha Power Generation Corporation Limited (OPGC) |
| 2. Subsidiaries | NIL |
| 3. Fellow Susidiaries | NIL |
| 4. Associates | Odisha Hydro Power Corporation Limited (OHPC) |
| 5. Key Management Personnel | ACS Manish Kumar Tiwari. |
| 6. Relatives of Key Management Personnel | NIL |

## 20 Contingent Liabilities not Provided for as on 31st March 2016:

| | |
|---|---|
| (a) Claim against Company not acknowledged as debts | - |
| (b) Outstanding LC & Guarantee | 1,53,92,00,000 |
| (c)Other money for which the company is contingently liable | - |

*Guarantee of ₹ 153.92 cr Issued by Yes Bank in favour of Nominated Authority, Ministry of Coal, Govt. of India against pledge of Fixed Deposit of ₹ 31 crores and Corporate Guarentee given by OPGC of ₹ 122.92 Crores.

## 21 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and LC) is ₹ 101,65,99,370/-

## 22 Segment Reporting:

Since the Company has one business and geographical segment, no information is required to be provided as per Accounting Standard (AS) 17.

**Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of The Companies Act, 2013 on the Financial Statements of Odisha Coal and Power Limited for the year ended 31 March 2016.**

The preparation of financial statements of Odisha Coal and Power Limited for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under the Companies Act. 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, are responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 22 August 2016.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Coal and Power Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit.I would like to highlight the following significant matter under section 143(6) (b) of the Act. which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Financial Position**

**Balance Sheet**

**Assets**

**Non-current Assets**

**Fixed Assets**

**Capital Work-in Progress: ₹.125.24 crore**

1. The above includes an amount of ₹. 10.24 crore being the claim of Odisha Power Generation Corporation Limited (OPGC) towards interest on the loan of ₹ 79.66 crore for development of Manoharpur and Dip-side Manoharpur Coal blocks, to be transferred to the company after getting approval of Govt. of Odisha. Since the loan amount does not exist in the books of accounts of the Company, accounting of interest on the same is not justified. This has resulted in overstatement of capital Work in Progress and current liabilities by ₹ 10.24 crore each.

2. The above does not include an amount of ₹ 0.11 crore payable to M/s Wadia Techno-Engineering Service Ltd towards Consultancy charges of Coal mine for the period from 01.09.2015 to 31.03.2016. The above also does not include an amount of ₹ 0.10 crore payable towards technical & other consulting service (Module-4) for development of Manoharpur Coal Block to Norwest Corporation, USA for the work performed during 2015-16. This has resulted in understatement of Capital Work in Progress and other current liabilities to the extent of ₹ 0.21 crore each.

3. The above includes an amount of ₹ 0.25 crore being prepaid bank guarantee commission paid for the period 01.04.2016 to 26.04.2016. This has resulted in overstatement of Capital Work in Progress and understatement of prepaid expenses by the same amount

For and on behalf of the
Comptroller and Auditor General of India
Sd/-
**(DEVIKA NAYAR)**
PRINCIPAL ACCOUNTANT GENERAL

Date: Bhubaneswar
Date: 04.10.2016

Handing Over Dividend Cheque to Hon'ble Chief Minister, Odisha

# Corporate Information

**Senior Management Team:**
Ron Mc Parland - Executive Director (Construction)
Paritosh Mishra - Sr. GM (HR)
Dr. Bijay Lal Biswal - Chief Medical Officer
Niranjan Swain - Sr. GM (Finance)
Kshirod Brahma - Sr. GM (Mines)
Sukanto Mahapatra - GM (O&M)
Bijay Kumar Mishra - GM (Civil)
Anupam Mohapatra - GM (Civil)
Ritwik Mishra - GM (CMG/R&C)
Sukanta Mahapatra - GM (O&M)
Sanjay Garhwal - GM (O&M)
Manoj Kumar Dash - Head - CSR & Sustainability
Ramesh Chandra Panda - DGM (CHP)
Sanjay Kumar Mishra - DGM (E)
Pradeep Kumar Mohapatra - DGM (E/M)
Birendra Sah - DGM (E/M)
Bimal Jena - DGM (Civil)
Bibhuti Bhusan Chaini - DGM (Finance)
Ayaskant Kanungo - DGM (Mines)
Navneet Kumar - DGM (Mech.)
N.N. Sadangi - DGM (Adm. & Security)
Santosh Sarangi - DGM (Finance)
Arun Pradhan - DGM (IT)
Haresh Satapathy - DGM (R&C)
Dr. V. Jagnnath - DGM (CSR & R/R)
Ajit Panda - AGM (Finance)
John Shepherd - Commissioning Manager
Tushar Mahakul - AGM (SAP)
Santosh Kumar Sathpathy - AGM (Civil)
Umakanta Pahi - AGM (EHS)
Balkrushna Mishra - AGM (SCM)
Prakash Kumar Dora - Manager (E&CE)

**Company Secretary:**
Mr. Manoranjan Mishra

**Power Off Taker:**
GRIDCO Limited
Janpath, Bhubaneswar

**Project Financiers':**
Power Finance Corporation
Rural Electricity Corporaton

**Bankers:**
State Bank of India
Union Bank of India
IDBI Bank Ltd.
YES Bank Ltd.

**Auditors:**
JBMT & Associates
Chartered Accounts

**Registered & Corporate Office:**
Odisha Power Generation Corporation Limited
(A Government Company of the State of Odisha)
Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur, Bhubaneswar - 751 023

**Site Office:**
IB Thermal Power Station
Banaharpalli, Jharsuguda, Odisha

OPGC

*Power for Progress*

**ODISHA POWER GENERATION CORPORATION LTD.**

CIN-U40104OR1984SGC001429

(A Government company of the State of Odisha)

Zone - A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751 023