



33rd ANNUAL REPORT 2016-17



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2016-17

..... *along the line of commitment*



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

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 Values

- Put Safety First
- Honour Our Commitments
- Act with Integrity
- Strive for Excellence
- Have Organisational Pride
- Foster Teamwork

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.

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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)
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 Bhushan 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. Jagannath - 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:

Nag & 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,
Chandrasekharapur, Bhubaneswar - 751 023

Site Office:

IB Thermal Power Station
Banaharpalli, Jharsuguda, Odisha

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 (2 x 660) MW coal fired super critical plant adjacent to its 2x 220 MW power plant at ITPS, Banharpali, Jharsuguda. The Scope of the OPGC II program includes construction of the Power Plant, Ash pond and dedicated rail corridor from the Manoharpur Coal block 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 commissioning of Power plant is in full swing. Both the Boilers are progressing well to achieve Light up in next few month. Progress of TG and Auxiliaries is too in line with the requirement as lube oil flushing has started. With Start-up power available, balance of plant works are on the verge of completion. The project commissioning under progress.





Charla Intermediate Loading Station

MGR

L&T is executing this EPC project to establish rail connectivity from our captive coal mines at Manoharpur to Power plant at Banaharpali. Major activities for commissioning of Charla connectivity (intermediate loading station) are in advanced stage. All other works like P-Way works, station building, bridges and S&T works are in progress.

Ash Pond

M/s SBEPL has been awarded with the construction of ash pond in Tilia with NTP in month of May 2017. The ash pond is being developed in 2 Phases with a partition bund in between. Presently construction of dyke, rock toe, vertical chimney are in progress for Phase-I. The ash pond will have HDPE liner in its bed and embankment slope.



Phase-1 Ashpond



D Type- Township

Township

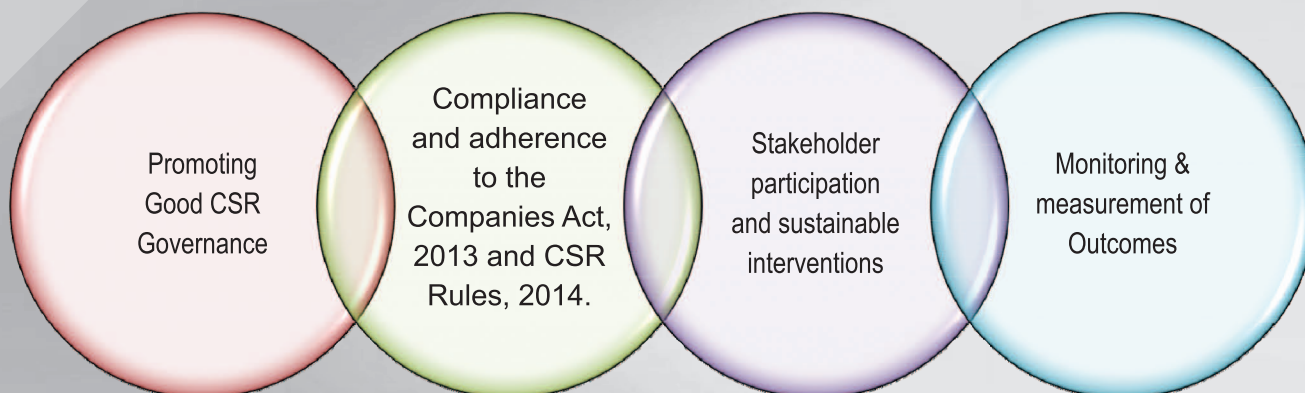
Under construction by NCC with Feedback Infra and Architects Studio as consultants. The scope is to develop residential and recreational facility for Project and O & M staff. People have started using major part of residential apartments, School & one club, while construction work is in progress for balance structures.

Corporate Social Responsibility at OPGC: Building a Sustainable Future



Mr. Upendra Kushwaha, Hon'ble Union Minister of State for Human Resource Development, Government of India, giving away **Change Maker Award-2017**. It was received by OPGC's Head-CSR & Sustainability, Dr. Manoj K. Dash, at India Habitat Centre, New Delhi, on 11 December 2017. The Award was conferred by NextGen Solutions for extraordinary CSR work towards enriching people's lives in rural areas near OPGC's plant site in Jharsuguda District, Odisha.

CSR STRATEGY



- ❑ All projects are approved by the CSR Committee and subsequently the Board of Directors of OPGC.
- ❑ Regular monitoring of all projects by the CSR Committee.
- ❑ Identification of priority areas keeping in view needs of the local community and other stakeholders.
- ❑ Interventions contribute as well as facilitate holistic development of stakeholder communities through participatory planning and accountability.
- ❑ Tie-up with specialized and professional agencies for focused approach and best outcomes.
- ❑ Thrust on sustainability of the interventions.



WATER, SANITATION AND HYGIENE

Provision of Safe Drinking Water

- ❑ Piped and potable drinking water is being provided to 17 periphery villages from its own Water Treatment Plant (WTP) since 2006. The project covers Banharpali, Telenpali, Kisanpada, Rengali, Sardhapali, Kantatikra, Bhaludole, Sargipali, Temporaripada and Samlaitikra, Phalsamunda, Baragad, Dhubadera, Binka, Sapali, Old Adhapada and Balamunda benefitting 1100 households directly. Since 2012, 'ITPS Periphery Drinking Water Supply Management Committee', comprising of members of the constituent villages, supervises the pipeline system and assists in day-to-day maintenance.

- ❑ Each year since 2004, OPGC has been providing safe drinking water to water-scarce villages in the periphery of ITPS, Banharpali. Hence, on request of villagers, elected representatives, Block Development Officer (BDO) of Lakhanpur and the District Administration of Jharsuguda, OPGC makes provision to provide filtered water through tractor and truck mounted tankers which make several trips throughout the day to meet the drinking water and cooking needs of parched villagers.



Water supply in progress at Remenda village of Remenda GP

The year 2016 was worse than past years and Jharsuguda district experienced severe heat wave conditions and the need for drinking water was felt more than ever before. Realizing these conditions well in advance, OPGC made a decision to provide drinking water to 43 villages – almost 50% increase over the past years. This drive caters to drinking water needs of about 12000 people during summer.

Water Sanitation and Hygiene (WASH) Project

Towards contributing to the larger goal of Swachh Bharat Mission by 2019, OPGC is doing its part in the community towards ensuring sustainable water, sanitation and hygiene solutions.

- ❑ The project was first rolled-out in May 2015 in one Gram Panchayat – Telenpali in Lakhanpur Block of Jharsuguda District comprising of 9 hamlets having around 600 households.
- ❑ In 2016, it was decided to expand this flagship project to another Gram Panchayat – Kusuraloi with coverage of about 900 households.
- ❑ In 2017 another Gram Panchayat - Tilia - and Rengali revenue village of Kumarbandha Gram Panchayat were added, together having 1500 households.
- ❑ In total about 3000 households are being covered in the WASH programme which provides a toilet & bathroom and three water points to each household apart from generating awareness on better practices in hygiene. The three water points covering - Toilet, Bathroom and Kitchen area in each household – are connected with 24x7 overhead water reservoirs built separately as an integrated part of the project.



WASH Project Activities – Toilet & Bathroom, Overhead Water Tank & Awareness Campaign

- ❑ OPGC has heavily incentivized the project to encourage people to participate in completion of this life changing infrastructure.
- ❑ Participation of 100% families and benefits shared equally among all, irrespective of gender, caste, creed or economic status.
- ❑ Hydrology Study, exposure visits of village representatives and women to similar interventions, Masonry Training to local masons, Hygiene Trainings for women, information, education and communication (IEC) campaign with school children, Trained Leaders from each village steering the projects.
- ❑ Village Water & Sanitation Committees (VWSCs) have been formed in each village to look after day-to-day Operation & Maintenance of the infrastructure, manage funds and ensure 100% Open Defecation Free (ODF) status.
- ❑ The project has also helped to generate local employment for youth, mainly adolescent girls who act as “changemakers” in their respective Gram Panchayats.

Ib Water Conclave - A step to address the foreseen challenges of near future

Increasing climatic change and progressively depleting ground water levels are posing a major threat to human existence. Enormity of this issue is captured in the oft-quoted statement “the third world war will be about water”. Keeping this as the context, OPGC organized an interactive workshop entitled. “Ib Water Conclave” on 20th August 2016 as a part of CSR initiative at Learning Centre, Ib Thermal Power Station (ITPS), Banharpali, as an effort towards finding sustainable solutions for water management and water availability to neighbouring communities. Elected people's representatives, leading community level social activists and leaders from seven Gram Panchayats around ITPS contributed to roll out this campaign with their active participation. District Magistrate and Collector, Jharsuguda, Mr. Bibhuti Bhusan Pattnaik, inaugurated the Conclave as Chief Guest while internationally acclaimed water conservationist Mr. Ranjan Panda and Geo-hydrology expert Prof. Asutosh Naik as



Ib Water Conclave at OPGC Learning Centre, Banharpali

esteemed guest speakers of the occasion. The Conclave evolved as an appropriate launch pad for brainstorming and strategizing the moot points that need to be communicated to people in the neighboring 40-50 villages through a series of village/hamlet level workshops and campaigns for ensuring adoption of sustainable water management practices. Under the aegis of Ib Water Conclave, community led campaigns and creating awareness on practices that can conserve as well as augment water availability are in progress.



Water Conservation Awareness Campaign in Progress among Stakeholders of Target Villages

EDUCATION

Learning Enhancement Programme (LEP) - A Silent Journey from Darkness to Illumination

- ❑ The project comprises a gamut of activities which are being conducted to improve learning levels of children, increase community involvement and to influence effective teaching & learning practices.
- ❑ Project rolled out in 35 periphery schools of ITPS, in partnership with 'Pratham Education Foundation' since 2015.
- ❑ Coverage of 35 Primary, Upper Primary, Ashram and High Schools from Standard I to X.
- ❑ The project addresses the needs of school children lacking the reading, writing and arithmetic skills they should have for their age and grade.
- ❑ Capacity Building of School Teachers in CAMaL (Combined Activities for Maximised Learning) methodology which propagates best teaching practices.
- ❑ Baseline and mid-term assessment of students have been carried out to measure the improvement among students using the tools administered in nation-wide ASER survey by Pratham.



TLM Being Provided in Target Schools

- ❑ Teaching and Learning Materials (TLM) provided to students and teachers for both Language and Mathematics.
- ❑ Village Sensitisation and Mothers' Meetings are conducted to promote learning environment in communities.
- ❑ Door-to-door mobilizations are taken up to track irregular children and discourage absenteeism in schools.
- ❑ More than 100 volunteers, all educated girls, from the target villages, have been mobilized and trained, who in turn reached out to target students, their parents and the village communities in the target areas.



Snapshots of Learning Enhancement Programme in Target Communities

Mega Learning Carnival

As a part of the Learning Enhancement Programme, an annual learning event - "Mega Learning Carnival" - was organised during 10 to 14 January 2017 involving 2500 students and 100 school teachers of target 35 schools.

Objectives:

- ❑ To ignite imagination and curiosity for learning among children.
- ❑ To engage children in ways that will maximize the joy of learning.
- ❑ By making practical, hands-on science and maths education accessible to children.

Approach:

- ❑ Demonstration of models explaining various scientific phenomena/ concepts of mathematics.
- ❑ Innovative and fun learning methods.
- ❑ Real-time experiments.
- ❑ Innovative story-telling.
- ❑ Pictures, videos, short films.
- ❑ Mobile Van for propagating the message to a larger audience such as out-of-school children, parents, elderly and general community.

- ❑ Provision of teaching and learning materials/kit to students and schools.

The “Mega Learning Carnival” 2017 was organised with the help of Pratham Education Foundation, KIIT University, Bhubaneswar and Laurea University of Applied Sciences, Finland.



Snapshots of Mega Learning Carnival 2017

Augmentation of School Infrastructure

Besides quality and access to education for all children in the target schools, construction of school building, additional class rooms, renovation and repairing of schools, provision of bi-cycle sheds, construction of toilets and electrification work have been undertaken under school infrastructure improvement with the objective to facilitate effective learning.



Two School Buildings Augmented by OPGC

LIVELIHOODS AND SKILL DEVELOPMENT

Sustainable Livelihoods Project

OPGC's CSR initiatives are making forays into new areas towards adding real value to people's lives. One effort in this direction is to help local women, farmers and fishermen set up a Producer Company to increase income and gain better control of their own future by acting really big. This is a step towards making the small and marginal producers of the area realise the value of economies of scale and collective negotiation in a market-driven farm and non-farm scenario that is poised to take off in the Indian economy. This is the fulcrum of OPGC's sustainable livelihoods project which is currently in progress in twenty-two villages in six Gram Panchayats near OPGC's plant site at Banharpali in Lakhanpur Block of Jharsuguda district. At present, about 1100 families are benefiting from the activities of this livelihoods enhancement programme.

Achieving a major milestone in executing an integrated sustainable livelihood project in collaboration with Access Livelihood Consulting India Ltd., "Ib Srushti Women's Livelihoods Services Producer Company Limited" has been incorporated 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.

Some of the main objectives of this producer company include:

- i. Production, harvesting, procurement, grading, pooling, handling, marketing, selling, export of primary produce of members or import of goods or services for their benefit;
- ii. Processing including preserving, drying, distilling, brewing, venting, canning and packaging of produce of its members;
- iii. Manufacture, sale or supply of machinery, equipment or consumables mainly to its members; and
- iv. Rendering technical or consultancy services, insurance, revitalisation of land and water resources; promoting techniques of mutuality and mutual assistance; welfare measures and providing education on mutual assistance principles.



Board Members of PC Conducting their Second Annual General Meeting

- The current membership status of the Producer Company has reached 1060 including SHG members, fishermen and farmers from 22 participating villages of six panchayats (Telenpali, Kushraloi, Remenda, Tilia, Kumbharbandha and Dalgaon). All the members have contributed Rs. 500 as Share Capital each and Rs. 50 each as Membership Fee.



Board Members, Participants and Guests on the occasion of First Annual General Meeting of Ib Srushti Producer Company Held on 10 December 2016

- ❑ The 5 year project aims at 100% increase in income for 1700 HHs through various Income Generation Activities (IGAs) such as crop production, water resources development, horticulture, livestock and fisheries, poultry, mushroom farming, handicrafts etc.



Poultry Business by Ib Srushti Producer Company

Tailoring Training :

- ❑ Stitching, knitting and embroidery training has been provided to 60 adolescent girls and women during 2016-17 at ITPS Skill Development and Vocational Training Centre for which all costs incurred were borne by OPGC through its CSR initiatives. This is an ongoing intervention since 2011.

Digital Education Initiative For Youth:

'Advanced DTP Programme' was conducted in partnership with 'SAHAJ' which is a 6 months duration course to enhance the employability of 40 local youth by training them in Photoshop, CorelDraw and PageMaker. This course was designed to enhance capability of trainees to either go for employment in the market or set up their own businesses. Apart from this course Certificate Courses were also conducted by SAHAJ for teachers of nearby schools and youth towards furthering digitalization goals of the country.



Successful Trainees receiving certificates from Director-Operations, OPGC

Youth Career Counseling Project for Skills Development

This project aims to counsel and facilitate training of at least 1500 youth residing in roughly fifty villages of six peripheral Gram Panchayats within a span of 3 years. The main objectives are: to train and place youth, both boys and girls, in sectors such as Retail, Transportation and Logistics, Beauty and Wellness, Tourism, Hospitality, and Travel, Electronics and IT Hardware, IT and ITES, Healthcare, BFSI (Banking, Finance Services, and Insurance), Agriculture and Food Processing, etc. Baseline survey is in progress to capture data on the profile of youth population and map the skill gap. Simultaneously, the efforts are on to identify suitable organisations offering skills training in order to create skills among youth to enhance their employability.



Skills Counseling Programmes for Youth

PREVENTIVE HEALTH AND NUTRITION INTERVENTIONS

OPGC has been providing health services to the local community since October 1993 with its well-equipped 18-bedded secondary hospital at ITPS, Banharpali, inclusive of separate male, female and infectious wards.

- ❑ It offers various primary and secondary health facilities - preventive, curative and promotive – to people from periphery villages at ITPS Hospital, Banharpali.
- ❑ Over the years, more than 80% of its OPD (Out Patient Department) patients have been from the nearby communities.
- ❑ Preventive health camps, preventive awareness programmes on HIV/AIDS and nutrition among school children, mothers and members of women self-help groups are being conducted regularly in association with doctors and other professionals of ITPS hospital at Banharpali and external NGO partners. In addition, fogging for malaria prevention is also carried out regularly in peripheral villages.



Preventive Health Camp in Progress in a Village



Malnutrition Prevention Programme Among School Children

The ongoing HIV/AIDS and Malnutrition prevention initiatives were carried out under the aegis of "Project SAKSHYAM" which was inaugurated on 30th November 2016. The project aims to cater to awareness building in Six Gram Panchayats in the peripheral area of OPGC in Lakhanpur block of Jharsuguda district on HIV/AIDS and Malnutrition prevention messages among all relevant stakeholders.



HIV/AIDS Prevention Programmes among Stakeholders and Communities



Malaria Prevention Through Fogging

RURAL DEVELOPMENT THROUGH CRITICAL COMMUNITY INFRASTRUCTURE BUILDING

- Critical Infrastructure projects which help augment quality of life are implemented in peripheral villages after discussion with relevant stakeholders across a broad spectrum.
- Due procedures are followed for tendering and works are executed by reputed contractors under supervision of OPGC's in-house engineers.

Development of Different Critical Community Infrastructure

In order to strengthen critical community infrastructure towards enhancing quality of life of people, OPGC has executed deepening of several ponds and constructed bathing ghats/ steps in ponds of Kusraloi, Ainlajharan, Adhapada and Tilia in the peripheral villages and hamlets of ITPS. Since, the entire populations of villages depend upon ponds to fulfill essential daily needs such as bathing and washing clothes, construction of ghats will not only provide comfort but also ensure safety of villagers, mostly elderly, women and child populations. Other community infrastructure like augmenting canal systems, community centres for enhancing ease of living and internal all-weather roads have been taken up which contribute towards enriching lives of people in rural areas.



Sa Bandha Pond Excavation



Multi Purpose Training Hall at Adhapada



Bus Stop at Telenpali



Community Centre in Sargipali Village

SPORTS TRAINING TO RURAL YOUTH AND STUDENTS

- ❑ Promoting talent in the field of sports is one of the core objectives of OPGC's CSR Policy.
- ❑ Football and Volleyball Coaching Camp was organized with support from Football Association of Odisha (FAO) and Odisha Volleyball Association (OVA). 80 players have been trained under expert coaches.
- ❑ 35 talented young cricketers were selected and provided intensive training by coach Mr. Binod Singh, a former Ranji Trophy player.
- ❑ Along with effective coaching facilities and necessary equipment, sports kit are provided to the young trainees as an endeavour to promote talent.
- ❑ Besides, OPGC provides sports materials to local youth clubs, schools and colleges regularly.
- ❑ OPGC intends to provide regular coaching facilities to high school teams and youth clubs playing at the district and state level.



Coaching Camps of Football, Volleyball and Cricket in Progress at OPGC Plant Site, Banharpali

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

FINANCIAL PERFORMANCE	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Revenue	75,809.00	70,595.39	63,000.57	62,264.01	63,603.36
PBDIT	13,795.77	20,007.92	24,878.86	20,222.05	26,549.48
Depreciation & Amortisation	2,559.52	2,192.05	1,916.10	1,839.76	1,525.59
PBT	11,236.25	17,815.87	22,962.76	18,382.29	25,023.89
Taxes	4,443.35	6,333.22	7,905.65	5,625.12	8,280.80
PAT	6,792.91	11,482.65	15,057.11	12,757.17	16,743.09
PER SHARE DATA	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
EPS (₹)	130.44	234.24	307.15	260.24	341.54
Book Value (₹)	2,176.82	3,209.94	3,047.91	2,831.03	2,646.84
Dividend per Share (₹)	17.41	65.00	75.00	65.00	255.00
FINANCIAL POSITION	2016-17	2015-2016	2014-2015	2013-2014	2012-2013
Share Capital	97,521.74	49,071.74	49,021.74	4,9021.74	4,9021.74
Networth	2,12,287.57	157,356.79	149,414.22	138,782.22	129,752.00
Total Debt	3,78,681.12	162,570.33	83,692.49	41,987.37	—
Tangible Assets	23,277.48	21,213.32	21,289.45	20,611.86	19,873.20
Intangible Assets	804.48	73.83	78.94	74.65	49.42
Cash and Investments	40,140.55	50,147.62	84,896.60	84,266.89	89,730.20
Current Assets	77,244.72	102,880.40	96,961.74	97,415.09	105,018.20

DIRECTORS' PROFILE



Mr. Hemant Sharma, IAS, Chairman : Mr. Hemant Sharma at present is the Commissioner-cum-Secretary to the Department of Energy, Govt. of Odisha. He is also the Chairman-cum-Managing Director of GRIDCO & OPTCL, Bhubaneswar and Chairman 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 is very instrumental in providing valuable inputs to the Board for taking various strategic decisions to enable the Company in achieving its visions.



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 27 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 33 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. Vijay Arora, IAS, Director : Mr. Vijay Arora is an IAS officer of the 1991 batch. He is now holding the post of Principal Secretary to Govt. Public Enterprises Department.



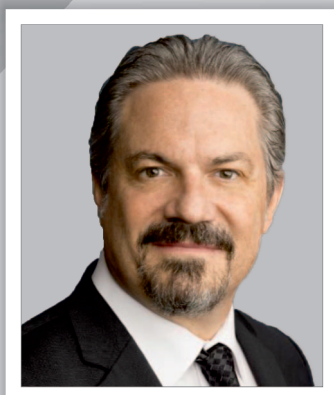
Mr. Rajendra Shrivastav, Director : Mr. Shrivastav is the Market Business Leader of AES India. Having over 39 years of working experience in various world reputed power utilities and industries, Mr. Shrivastav possesses multidimensional C Level executive experience in operation utilities and several manufacturing companies working under MNCs and India listed companies. Being a business strategist and team builder, he has played a pivotal role in conceptualizing and commissioning of large number of multi-million dollar nuclear, thermal and renewable power projects.

Before joining AES India, he was Managing Director (Nuclear Business), Alstom, CSR Officer, Director for Solar P V and CSP at Alstom Power from February 2012. He was leading high level teams of experts for design, construction, supply and service provision for Conventional Island of Nuclear power plants of PHWR, LWR types and Leader for negotiation of EPC / Supply / Services contracts, Licensing, Commercial Contracts of high value and Business Development. Prior to this, he has held key positions in many leading power companies including CEO and MD of TES LLC; President, Indorama; and Country Director, EDF.

Having expertise in vast canvas of energy sector, Mr. Shrivastav regularly contributes articles and columns in magazines and participates on TV channels and panel discussions.



Mr. Debendra Kumar Jena, IAS, Director : Mr. Debendra Kumar Jena is at present working as Additional Secretary to Government, Planning & Convergence Department, Govt. of Odisha and is also holding additional charge of Director, Institutional Finance, Finance Department. Prior to his present assignment as Addl. Secretary, P & C Department, he was working in different capacities in Finance Department continuously since 1998. During his tenure in Finance Department he was dealing with Budget and Expenditure Management of Energy Department and issues relating to the Power Sector. He is also a nominee Director of Odisha Power Transmission Corporation and also served as a nominee Director in the Board of Directors of GRIDCO and OHPC.



Mr. Mark Eugene Green, Director

Mr. Mark Eugene Green is the President for the AES Eurasia. He oversees AES' businesses in Bulgaria, India, Jordan, the Netherlands, the United Kingdom and Vietnam, including our recently inaugurated 1,240 MW Mong Duong plant in Vietnam and the 1,320 MW OPGC II facility under construction in India, as well as a 5,317 MW generation portfolio in the region. Mark leads our growth efforts in Eurasia with 1,320 MW of capacity expansions in the Indian State of Odisha, including a 10MW energy storage array.

With more than 25 years with AES, Mark brings leadership experience, operations and construction management expertise and technical knowledge gained across the company globally to his role. He was most recently COO for the Europe SBU and previously served as Managing Director for AES-IC Turkey and Jordan, Managing Director for AES Cartagena in Spain and VP of Generation for AES Tietê and AES Uruguaiana in Brazil as well as in other roles in business development and construction.

Mark studied US Naval Marine Engineering and is a graduate in Power Theory. He also earned certificates in Business Management and Leadership through programs at University of Houston, University of Virginia's Darden School of Business and Harvard Business School.

NOTICE FOR THE 33rd ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby issued that the 33rd Adjourned Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on 30th **January, 2018 at 10.30 A.M.** at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following business:-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2017 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 2016-2017.
- 3) To note the appointment of M/s Nag & Associates, Chartered Accountant, as Statutory Auditors for the financial year 2017-18 and authorize the Board to fix their remuneration.

By order of the Board

Date- 29.01.2018.

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

Sd/-

(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.

NOTICE FOR THE 33rd ANNUAL GENERAL MEETING

Notice is hereby issued that the 33rd Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on **13th November, 2017 at 11.30 A.M.** at the Registered Office of the Corporation at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following business:-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2017 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 2016-2017.
- 3) To note the appointment of M/s Nag & Associates, Chartered Accountant, as Statutory Auditors for the financial year 2017-18 and authorize the Board to fix their remuneration.

Date- 06.11.2017

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

By order of the Board

Sd/-

(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 33rd Annual Report on the performance and operating result of the Company for the financial year 2016-17 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 3234.884 MUs corresponding to an average Plant Load Factor (PLF) of 87.92 % at plant availability of 95.28 % against the previous year performance of 3117.316 MUs corresponding to PLF of 84.50 % at Plant availability of 91.27% registering a growth of 3.42% in the PLF. Our Directors have the pleasure to inform you that with the PLF of 87.92% OPGC achieved 1st position among the state sector utilities in India for consecutive second year and 5th position in all sectors at national level in financial year 2016-17.

It is mentioned herein that the Operation and Maintenance (O&M) team of our company are making all efforts to run the plant at the optimum capacity with less interruptions. Since both of the units have been operating for more than 20 years, maintaining plant efficiency has become a severe challenge which is required to be met with greater efforts and use of newer technologies in the field of power plant operation & maintenance and also in following the most effective management practices. Hence, our company is responsive to improvement of plant reliability and productivity through renovation/modernisation and system up gradation suitably aligned to the commercial prudence.

As a part of the above efforts, for steps towards cleaner environment new parallel ESP and Dry Fog Dust Suppression System installation work has been initiated. Performance guarantee tests for both the initiatives are planned to be completed by 31st March, 2018.

Project Development

Construction of OPGC's expansion project of 2x660 MW is continuing. EPC contractors for main plant and Balance of plant are Bharat Heavy Electricals Limited and BGR Energy System Limited. BGR Energy has achieved about 90% overall progress and 83% in construction on the BOP works while BHEL has achieved 92% overall progress and 57% in construction on the BTG scope till October 2017. The construction progress is delayed due to various issues however OPGC management is working towards recovery of the project progress. The project is likely to be commissioned in FY 2018-19.

Construction of dedicated railway corridor (Merry Go Round 'MGR') for transportation of coal from Odisha Coal & Power Limited's Manoharpur coal mine and from Mahanadi Coalfields Limited's Lakhanpur Mines is under construction by Larsen & Toubro Limited. L&T has achieved about 58% overall progress. MGR overall progress is constrained primarily due to delays in acquisition of land and construction permits by L&T for major bridges on Indian Railway and National Highway. OPGC has worked out the alternative plans for fulfilling the commissioning and part operation coal requirement for power plant.

Construction of Township and renovation is being done by NCC Limited. NCC has achieved 70% overall progress till Oct 17.

Coal for the power plant will be primarily sourced from the Manoharpur coal blocks under our subsidiary company Odisha Coal and Power Limited (OCPL). OCPL is working towards commencing operation in financial year 2019-20. OPGC expansion project would require coal much before and

accordingly Bridge Linkage is secured under the policy of Ministry of Coal notified in February 2016. OPGC is now working to extend the linkage and increase the quantity available under the same.

Construction of Ash Pond is another important requirement of Power Plant. Notice to proceed was issued on 09-May-17. Construction of Ash Pond is started however work is being affected due to frequent work stoppage on land compensation issue.

Power sale arrangement for 50% of the Power output was earlier tied up with GRIDCO under regulated sale basis. Balance 50% power has been offered to GRIDCO under regulated sale. PPA discussion has been initiated and PPA is expected to be executed in FY 2018-19.

Power evacuation is planned to be done through OPTCL Line and PGCIL Line to Lapanga Substation and Sundergarh Substation respectively. PGCIL line is now completed. However, OPTCL line continues to be delayed. OPGC is exploring options to expedite the construction of OPTCL line.

The most important milestones of the expansion project that were accomplished till the date of report are as follows:

- ☐ DM Plant Commissioned and DM generation started
- ☐ Switchyard commissioned and ready for back charge
- ☐ PT Plant commissioning started
- ☐ IDCT 3: erection work completed and ready for commissioning
- ☐ Fuel Oil Pump House: Pump house erection work completed and ready for commissioning

- ☐ Fire water Pump House: erection work completed and ready for commissioning
- ☐ Chimney: Flue can erection completed for both units
- ☐ CHP: Stacker Reclaimer Commissioning started
- ☐ Air Compressor House: Ready for Commissioning
- ☐ Boiler 4: Air leak test completed
- ☐ Condenser 3: water fill test completed
- ☐ TG Unit 3: Box up done

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.

(Rs. in lakhs)

	Consolidated	Standalone		
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	72,178.28	62,753.49	72,178.28	62,753.49
Other income	3,630.73	7,841.90	3,630.73	7,841.90
Total income	75,809.01	70,595.39	75,809.01	70,595.39
Expenses excluding interest and depreciation & impairment of assets	61,036.05	49,629.22	61,036.05	49,629.22
Interest, depreciation & impairment of assets	3,536.71	2,657.47	3,536.71	2,657.47
Profit Before Tax	11,236.25	18,308.70	11,236.25	18,308.70
Provision for taxes	4,443.35	6,472.68	4,443.35	6,472.68
Share of Loss in Joint Venture	155.57	2.55		-
Profit After Tax	6,637.33	11,833.46	6,792.91	11,836.02

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 Unit 3&4 and declare maximum dividend in post commissioning years subject to availability of distributable profit.

Accordingly, the Board in its 200th meeting held on 15th November, 2017 declared an interim dividend @1.741 % of the paid up capital of the Company out of the profits for the financial year 2016-17 yielding a return of ₹ 865.91 Lakhs to the Govt. of Odisha and ₹831.94 Lakhs to AES towards their respective shareholdings.

So a dividend of 1.741 % of the paid up capital has been recommended as final dividend with an amount of ₹ 1697.85 Lakhs, after adjustment the interim dividend declared and paid, the final payment will be NIL.

RESERVES AND SURPLUS

The balance amount in Reserves and Surplus stands at ₹ 114,765.83 lakhs (previous year 111,513.91 lakhs) at the year under review. No amount is 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.2016-17, the Company has incurred a Loss of ₹ 215.51 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. Hemant Sharma, IAS (DIN: 01296263) was appointed as Chairman of the Company w.e.f 10.02.2017 in place of Mr. Rajesh Verma, IAS (DIN: 01725746) upon change of nomination by Government of Odisha. Mr. Rajendra Shrivastav (DIN: 01213134) was appointed in place of Mr. Michael Ray Chilton (DIN: 07138506) w.e.f 01.07.2017.

Your Directors place on record their appreciation for the valuable services rendered by Mr. Rajesh Verma, IAS and Mr. Michael Ray Chilton during their tenure as Chairman and Director of the Company respectively.

STATUTORY AUDITORS

M/s Nag & Associates, Chartered Accountants (Firm Regn. No. 312063E), 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 2016-17 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 2016-17, M/s. S.S. Sonthalia & Co., Cost Accountants (Firm's Registration No. 00167) is Cost Auditors for auditing the Cost Accounting Records 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, 2017 has been duly filed with the Ministry of Corporate Affairs. For the financial year 2017-18, the Board of Directors of the Company have appointed, on the recommendations of the Audit Committee, M/s. Niran & Co. Cost Accountants (Firm Registration No. 000113), as Cost Auditors of the Company.

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 of the Company for the year 2016-17. 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. M/s. SDR and Associates, Chartered Accountants is reappointed for the year 2017-18.

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, 2017 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:

Safety comes first at OPGC. It is our first OPGC Value and comes before everything else we do because we care for our people and we want them to go home to their family and their community safely each day. Our goal is to make that possible for each OPGC person and contractor by creating and sustaining an incident-free workplace.

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

We strive to believe our safety beliefs:

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 our Zero Harm approach is that we do 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.

Our aim is to challenge employee behaviour and change mind-sets, and as we say, safety is a journey which does not end. We continually seek ways to enhance our operations in the areas of health, safety and the environment.

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

Our EHS management system in line with ISO14001, OHSAS 18001 & Global safety standards helps us reliably achieve what we really believe in: **We are on sixth year of LTI free journey in our operation. We achieved 17.5 million LTI free man hours and 1964 LTI free man days as on 31.10.2017.** The company has bagged number of State as well as National level EHS awards.

Commitment to improve environmental performance

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

“We care for our environment” through:

- Fostering and promoting a continuous improvement culture
- Maintain and improve our pollution control equipment and facilities
- The efficient use of resources
- Pollution prevention strategies and mitigation
- Reducing the environmental impact of our operations.

Few highlights:

- ESPs up-gradation to reduce emission
- Ambient Air Quality & Emission parameters online continuous monitoring
- Real time emission and ambient air transmission to OSPCB & CPCB.
- Maximum Recycle & Reuse of Liquid effluents up to 98%.
- Safe Ash Pond Management.
- Fugitive dust control measures through advanced dry fogging in CHP
- 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.

Our Environmental Challenge:

MOEF & CC, GOI have stipulated utilisation of 100% Fly Ash generated at Thermal power stations. However, achieving ash utilisation target as stipulated has been a challenge for all Thermal Power Generating stations. OPGC could able to utilize 35.1% which is 42% higher in comparison to previous year achievement.

Quantity of Ash generated in the year: 1237357 MT

Quantity of Bottom Ash generated in the year: 247471 MT

Quantity of Fly Ash generated in the year: 989886 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

- Ash transportation subsidy for brick making & road construction projects
- 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 but the acceptance is still poor.

Main Constraints in achieving the target:

- In the locality, only one cements plant (Ultratech Cement) produces fly ash based cement. The cement plant prefers to bring ash from nearest power plants.
- 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 ₹2.5 crores and above.

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 WORK PLACE

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 has been approved by the Board and has been placed in the Company's website, i.e. <http://www.opgc.co.in/com/csr-policy.asp>. 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. OPGC has proactively engaged with stakeholders, provided them with meaningful information on relevant aspects of project activities and is gradually fostering a culture of idea-sharing.

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 in its operational areas and its CSR projects are primarily focused on water and sanitation management, conservation of bio-diversity, providing infrastructure support, education and skill development, protection and preservation of heritage, and support to rural sports training. During the year, the Company has spent ₹ 324.32 Lakhs as against the mandated spending of ₹ 394.57 Lakhs. 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 2016-17 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)	5	5
Mr. Hemant Sharma, IAS Director (Since-20.05.2013)	5	5
Mr. Hemant Sharma, IAS Chairman (Since-10.02.2017)	1	1
Mr. H. P. Nayak, IRAS, Director (Finance) (Since- 16.08.2012)	6	6
Mr. Indranil Dutta, Managing Director (Since- 01.04.2015)	6	6
Mr. Alok Mukherjee, Director (Operations) (Since- 26.10.2015)	6	6
Mr. Martin Charles Crotty (Since-06.05.2016)	6	5

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 June, 2016; 16th September, 2016; 24th September, 2016 and 17th December, 2016.

Composition of the Committee as on 31st March, 2017 are as below:

Mr. Rajesh Varma, IAS,	Chairman –non executive
Mr. Alok Mukherjee	Director, (Operations), Member- executive
Mr. Martin Charles Crotty	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	4	4
Mr. Alok Mukherjee, Director (Operations), Member	4	4
Mr. Martin Chales Crotty, Director, Member	4	3

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 person with requisite skill sets were inducted in to 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 22 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, 56 executives and 38 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:

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

Sd/-

(Hemant Sharma, IAS)
Chairman

Place: Bhubaneswar

Date : 29.01.2018

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	<ul style="list-style-type: none"> ● Flue gas duct replacement for reduction of power consumption of Induced Draft Fans ● BFP recirculation valve replacement for reduction of specific power consumption of Boiler Feed Pump ● 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	<ul style="list-style-type: none"> ● 3 KW PV Solar system installed at 220kV switchyard control room building in April-2016. ● 2000 Litre/day Solar Water Heater has been installed at ITPS Guest House (OPGC township) in Sept-16. ● 900 Litre/day Solar Water Heater has been installed at roof of plant canteen in March-2017. ● 2x3 KW PV Solar system installed at Ash Pond Control Room roof top in June-2017
	(iii) the capital investment on energy conservation equipments	Total investment below equipments=19.68 Lakhs <ul style="list-style-type: none"> ● Cost of 900 Litre/day Solar Water Heater=1.39 Lakhs. ● Cost of 2x3 KW PV Solar system installed at Ash Pond Control Room=7.56 Lakhs. ● Cost of 3 KW PV Solar system installed at 220kV switchyard control room building in April-2016=4.10 Lakhs. ● Cost of 2000 Litre/day Solar Water Heater at Guest house=6.63 Lakhs
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 31.03.2017**

[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 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2017)				% 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		4973609	4973609	51.00	
d) Bodies Corp.		796178	796178	16.24		796178	796178	8.16	
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		3982387	3982387	40.84	
d) Banks / FIs									
e) Any other									
Sub-total (A) (2) :-									
Total shareholdings of Promoter (A) = (A) (1) + (A) (2)		4902174	4902174	100		9752174	9752174	100.00	
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) FIs									
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		9752174	9752174	100.00	

ii) Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		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	
1	Government of Odisha	2500109	51.00		4973609	51.00		Nil
2	AES India Private Limited	796178	16.24		796178	8.16		Nil
3	AES OPGC Holding (Incorporated in Mauritius)	1605887	32.76		3982387	40.84		Nil
	Total	4902174	100.00		9752174	100.00		

iii) Change in Promoters' Shareholding		
Sl No.	Shareholder's Name	No. of Shares issued during the Financial Year 2016-17
1	Government of Odisha	2473500
2	AES India Private Limited	0
3	AES OPGC Holding (Incorporated in Mauritius)	2376500
	Total	4850000

iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)					
Sl No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 - 31.03.2017)	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
a	At the beginning of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	NA			

v) Shareholding of Directors and Key Managerial Personnel:					
Sl No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 - 31.03.2017)	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	For Each of the Directors and KMP				
a	At the beginning of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	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	162570.33			162570.33
ii) Interest due but not paid				
iii) Interest accrued but not due	2,054			2054.44
Total (i + ii + iii)	164624.78			164624.78
Change in Indebtedness during the financial year				
• Addition	2,14,461			214461.25
• Reduction				
Net Change	214461.25			214461.25
Indebtedness at the end of the financial year				
i) Principal Amount	3,79,086			379086.03
ii) Interest due but not paid				
iii) Interest accrued but not due	4,371			4370.86
Total (i + ii + iii)	383456.89			383456.89

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. Remuneration to Managing Director, Whole-time Directors and / or Manager:				(Rs. In Lakhs)
SI 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		33.29	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4.60	37.89
	(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)	-	37.89	37.89
	Ceiling as per the Act			

B. Remuneration to other directors:						NA	
SI 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
SI 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 / Compounding 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 Comments of Statutory Auditors for the year 2016-17

No	Comments of the Statutory Auditors	Management Reply
1	<p>Observation: Attention is invited to note no. 12(I) of the Notes forming part of the financial statements regarding trade receivables, which include an amount of ₹ 978.60 lakhs (Previous year ₹ Nil) not confirmed by the customer i.e GRIDCO. This in our opinion should have been provided as doubtful and accordingly net profit before tax for the year and trade receivables have been overstated by ₹ 978.60 lakhs each</p>	<p>The comment is related to deposit of guarantee fee on loan availed by the company for unit 1 & 2 and the claim thereof from GRIDCO. On deposit of the guarantee fee, the company raised a claim with Gridco which has not been confirmed as the same was not approved by OERC as part of the tariff for 2016-17. Subsequently, OPGC included above guarantee fee as part of tariff for the year 2017-18 which was not considered by Hon'ble OERC in the tariff order. However, the said claim is now included & filled for 2016-17 true-up petition and the order on the same is awaited. In view above, there is no need to provide as doubtful in the year of claim i.e. 2016-17.</p>
2	<p>Report on Other Legal and Regulatory Requirements: It is noted that the constitution of the company's Audit Committee does not comply with the requirements of the provision of section 177 of the Act. It is also noted that the Audit Committee has no independent director and the role and effectiveness of such Audit Committee, in our opinion does not meet the requirements of corporate governance prescribed in the ACT.</p>	<p>Provisions of Sec 177 of the Companies Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules 2014 have mandatory application to listed and Public Limited Companies. Private Limited Companies are outside the purview of the said provisions. Therefore the said provisions are not applicable to OPGC which is a Private Limited Company. OPGC, however has voluntarily constituted an Audit Committee with two third of its members including the Chairman being nonexecutive Directors in close compliance with the spirit of above provisions of the Act. Present structure of the Board under the management framework as envisaged in the Shareholders' Agreement and the Articles of Association does not permit induction of Independent Directors.</p>

Annexure - IV

Replies of the Management on comments of C&AG of India on the Standalone Financial Statements for the year 2016-17

No	Comments of C & AG of India	Management Replies
A	Comments on Financial Position Equity and Liabilities Current Liabilities Other Current Liabilities:(Note-26) Statutory Dues Payable - ₹ 17.68 crore	
1.	The above is understated by ₹ 4.45 crore due to non-provision of liabilities towards arrear water tax (₹ 1.87 crore) and Penal Interest thereon (₹ 2.58 crore) demanded by the Executive Engineer, Main Dam Division, Burla for drawing and lifting water from Government water sources by IB Thermal Power Station, Banharpalli during June 2013. This has also resulted in understatement of trade receivables by ₹ 1.87 crore, as the amount will be recovered from GRIDCO Limited, as per Power Purchase Agreement (PPA) and understatement of other expenses and overstatement of profit for the year by ₹ 2.58 crore each.	<p>Executive Engineer Main Dam Division, Burlahas claimed a penalty of ₹1.87 crore without assigning any reason in the water bill for the month of June 2013. Later, it was intimated verbally that the penalty is on account of drawal of water during the lean period for 16 days during June 2013. Above penalty has been compounded with interest of 2% on monthly basis.</p> <p>Department of Energy,GoO vide letter dated. 25.06.2014 has requested to the Dept. of Water Resources, GoO for waiver of such penalty & interest with a specific reason that the “<i>Stoppage of drawal of water would have resulted in complete shutdown of the plant for a period of 16 days & the entire power generated from OPGC is committed to the consumers of Odisha through GRIDCO.</i>”</p> <p>Since the matter of waiver is under active consideration of the Water Resource Department, Government of Odisha, and in compliance to Ind. AS 37, the amount has been disclosed at Note-39(ii) of the financial statements as Contingent liabilities.</p> <p>Besides above, even if OPGC pays above demand, the same will be reimbursed on payment from GRIDCO in the Tariff which will result increase in the revenue having no impact in the Profitability of the Company.</p>
B	Comments on Financial Position Equity and Liabilities Capital Work in Progress(Note-5) Expenditure During Construction- ₹ 629.86 crore	
2.	The above is overstated by ₹ 3.76 crore due to accounting of excess amount paid to the Executive Engineer, Main Dam Division Burla for drawal of water from the Hirakud Water Reservoir during the period July 2016 to March 2017 which was required to be adjusted due to subsequent revision of water tax downward. This has also resulted in overstatement of other current liabilities (statutory dues payable) by the same amount.	<p>Noted.</p> <p>To be reviewed during the year 2017-18 for proper accounting.</p>

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 there to

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**
- (c) Duration of the arrangements: **Open Ended**
- (d) Salient terms of the arrangements including the value, if any:
I. OCPL: Loan and Advances ₹ 4.62 Cr.
- (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: **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**

Annexure - VI

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

FY: 2016-17

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 2016-17.

- | | | |
|----------------------|---|---|
| a. Managing Director | : | Mr. Indranil Dutta. |
| b. Director-Finance | : | Mr. Hara Prasad Nayak |
| c. Director | : | Mr. Alok Mukherjee, Director-Operations |

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

INR 19,728.71 Lakhs

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

INR 394.57 Lakhs

5. Details of CSR spent during the financial year.

- | | |
|--|---------------|
| (a) Total amount to be spent for the financial year: | ₹ 394.57Lakhs |
| (b) Amount unspent, if any: | ₹ 70.25Lakhs |
| (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	Amount spent on the projects of programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	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	₹ 47,00,000.00	(1) Direct: ₹ 18,52,593 (2) Overhead: Nil	₹ 25,83,290.00	Direct & Implementing Agency
2.	Sanitation	Schedule-VII Sl. No. (i)	Program: (1) undertaken in Dist.-Puri; State- Odisha	₹ Nil	(1) Direct: ₹ 2,02,676.00 (2) Overhead: Nil	₹ 51,47,344.00	Implementing Agency
3.	Safe Drinking Water	Schedule-VII Sl. No. (i)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda State- Odisha	₹ 33,00,000.00	(1) Direct: ₹ 23,97,236.00 (2) Overhead: Nil	₹ 60,70,626.00	Direct
4.	Livelihood Enhancement	Schedule-VII Sl. No. (ii)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda State- Odisha	₹ 55,50,000.00	(1) Direct: ₹ 79,12,309.00 (2) Overhead: Nil	₹ 88,99,341.00	Direct and Implementing Agency
5.	Vocational Skill Development	Schedule-VII Sl. No. (ii)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda State- Odisha	₹ 10,00,000.00	(1) Direct: ₹ 1,32,900.00 (2) Overhead: Nil	₹ 44,45,868.00	Direct
6.	Education	Schedule-VII Sl. No. (ii)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda; State- Odisha	₹ 29,00,000.00	(1) Direct: ₹ 50,35,976.00 (2) Overhead: Nil	₹ 1,24,12,954.00	Direct & through Implementing Agency
7.	Ensuring Environmental Sustainability and Ecological Balance	Schedule-VII Sl. No. (iv)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda; State- Odisha	₹ Nil	(1) Direct: Nil (2) Overhead: Nil	Nil	N.A.
8.	Protection of National Heritage, Art and Culture	Schedule-VII Sl. No. (iv)	Program: (1) undertaken in local area (2) Dist.-Puri; State- Odisha	Rs. Nil	(1) Direct: Nil (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	₹ 8,00,000.00	(1) Direct: ₹ 6,65,013.00 (2) Overhead: Nil	₹ 13,10,302.00	Direct
10.	Rural Development	Schedule-VII Sl. No. (x)	Program: (1) undertaken in local area (2) Dist.- Jharsuguda; State- Odisha	₹ 2,19,50,000.00	(1) Direct: ₹ 1,40,96,050.00 (2) Overhead: Nil	₹ 2,57,15,762.00	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	₹ 8,00,000.00	(1) Direct: Nil (2) Overhead: ₹ 1,37,990.00	₹ 3,83,335.00	Direct

* 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. Sulabh International Social Service Organisation, Sulabh Gram, Mahavir Enclave, Palam-Dabri Road, New Delhi- 110045 (for sanitation projects).
- iii. Association For Voluntary Action, Add.: Dampur, Berboi, Puri, Pin: 752016, Orissa (For Preventive Health Projects)
- iv. Access Livelihood Consulting India Ltd., 17-1-383/47, 4th Cross Road, Vinay Nagar Colony, Saidabad, Hyderabad – 500059 (for Livelihood Enhancement Programme)
- v. Pratham Education Foundation, 4th floor Y.B. Chavan Center, Nariman Point, Mumbai-21 (for Education projects)

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. The Company was able to spend ₹ 324.32 Lakhs out of mandated spend of ₹ 394.57 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 which are not implemented at the end.
- Dispute in the community delays implementation and completion of projects.

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/-

(Chief Executive Officer or
Managing Director or Director)

Sd/-

(Chairman, CSR Committee)

Sd/-

(Person specified under clause (d) of
sub-section (1) of section 380 of the Act)



FINANCIALS

NAG & ASSOCIATES
Chartered Accountants

Independent Auditor's Report

To
The Members of
Odisha Power Generation Corporation Limited
Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Financial statements

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

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS

financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Observation

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

Report on Other Legal and Regulatory Requirements

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

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

Annexure - A

To the Auditors' Report of Odisha Power Generation Corporation Limited

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

Annexure - B

To the Auditors' Report of Odisha Power Generation Corporation Limited

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

7	Does the Company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	The company is procuring coal from Mahanadi Coal Fields Ltd. (MCL) through a Fuel Supply agreement and there is a regular system of reconciliation of quantity/ quality of coal ordered and received and grade of coal moisture and demurrage etc. are properly recorded in the books of accounts.
8	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable
9	In the case of hydroelectric projects the water discharge is as per policy / guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid / payable may be reported.	Not Applicable

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

Annexure - C

To the Auditors' Report of Odisha Power Generation Corporation Limited

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

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

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

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

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

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

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

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

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

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

Annexure - D

To the Auditors' Report of Odisha Power Generation Corporation Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Opinion

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(Siva Prasada Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 04.11.2017

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

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	ASSETS				
	Non-current assets				
	(a) Property, Plant and Equipment	5	23,277.48	19,732.10	19,802.38
	(b) Capital work-in-progress - Tangible	5	594,665.59	332,939.00	122,953.61
	(c) Other Intangible assets	6	804.48	73.83	
	(d) Intangible assets under development	6	-	614.52	78.94
	(e) Financial Assets				81.32
	(i) Investments	7	10,200.00	2.55	2.55
	(ii) Loans and Advances	8	556.06	387.84	344.51
	(iii) Others	9	-	-	60.58
	(f) Other non-current assets	10	87,083.49	60,253.84	79,323.64
	Total non-current assets		716,587.10	414,003.68	222,647.53
2	Current assets				
	(a) Inventories	11	4,268.55	4,877.57	5,960.26
	(b) Financial Assets				
	(i) Trade receivables	12	12,775.74	9,014.58	4,375.72
	(ii) Cash and cash equivalents	13	15,533.24	25,823.79	6,965.78
	(iii) Bank Balances other than (ii) above	13	14,407.31	24,323.83	77,930.83
	(iv) Loans	14	609.70	9,736.08	109.52
	(v) Others	15	25,420.02	27,741.75	1,190.80
	(c) Current Tax Assets (Net)	16	2,924.47	2,935.31	2,459.28
	(d) Other current assets	17	1,305.69	1,498.93	527.71
	Total Current Assets		77,244.72	105,951.84	99,519.90
	TOTAL ASSETS		793,831.82	519,955.52	322,167.43
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	18	97,521.74	49,021.74	49,021.74
	(b) Other Equity	19	114,765.83	111,513.91	104,499.42
	Total equity		212,287.57	160,535.65	153,521.16
	LIABILITIES				
1	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	20	378,681.12	162,141.26	83,239.22
	(ii) Other financial liabilities	21	511.76	725.87	388.33
	(b) Provisions	22	3,829.39	3,863.98	2,439.66
	(c) Deferred tax liabilities (Net)	23	1,342.41	1,131.28	1,864.23
	Total non-current Liabilities		384,364.68	167,862.39	87,931.44
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Trade and other payables	24	6,766.84	9,288.53	5,762.13
	(ii) Other financial liabilities	25	187,841.88	181,036.83	74,192.74
	(b) Other current liabilities	26	1,907.14	1,000.88	653.21
	(c) Provisions	27	173.16	231.24	106.75
	(d) Current Tax Liabilities (Net)	16	490.56	-	-
	Total Current Liabilities		197,179.57	191,557.48	80,714.83
	TOTAL EQUITY AND LIABILITIES		793,831.82	519,955.52	322,167.43

Notes forming part of the financial statements 1 - 43

In terms of our report attached.

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Odisha Power Generation Corporation Limited
Statement of Profit and Loss for the year ended March 31, 2017 (₹ in Lakhs)

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

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

For and on behalf of the Board

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(A) Cash flows from operating activities :		
Profit before taxes	11,236.25	18,308.70
Adjustments for:		
Depreciation and amortization expense	1,452.95	2,192.05
Provision for impairment	1,106.57	-
Profit/loss on sale of Fixed Assets	15.15	(2.53)
Foreign currency fluctuation gain/(loss)	(0.20)	(0.95)
Interest and finance charges	977.19	465.42
Interest Income from investment & deposits	(3,291.05)	(7,479.57)
CSR expenditure	324.33	268.34
Operating profit before working capital changes	11,821.19	13,751.46
Adjustments for :		
Trade receivable	(3,785.20)	(4,644.92)
Inventory	637.47	1,052.94
Other financial assets	9,981.05	52,640.58
Trade and other payables	(2,560.23)	3,284.86
Other financial and non financial liabilities	5,214.87	107,464.49
Cash generated from operations	21,309.15	173,549.41
Taxes Paid	(3,730.34)	(7,471.86)
CSR expenditure	(324.33)	(268.34)
Net cash flow from operating activities	17,254.48	165,809.21
(B) Cash flows from investing activities :		
Payments for purchase of fixed assets	(241,485.61)	(200,529.94)
Sale of property, plant and equipment	89.61	541.34
Interest received	3,517.60	7,878.11
Repayment of loan and other receivable*	1,109.27	(36,474.63)
Loans and advances provided	(168.22)	(43.33)
Dividend including Dividend Distribution Tax	(3,540.08)	(4,425.11)
Payment towards capital and other advances	(25,785.77)	2,595.89
Advance payments against leasehold land	(1,101.27)	16,282.84
Net cash used in Investing Activities	(267,364.48)	(214,174.83)
(C) Cash flows from financing activities :		
Issue of shares	48,500.00	-
Proceeds from borrowings	216,515.69	78,877.86
Interest paid	(24,982.12)	(11,991.78)
Repayment of other financial liabilities	(214.11)	337.54
Net cash flow from financing activities	239,819.46	67,223.62
Net Increase/(decrease) in cash or cash equivalents	(10,290.55)	18,858.01
Cash and cash equivalents at the beginning of the year	25,823.79	6,965.78
Cash and cash equivalents at the end of the year	15,533.24	25,823.79

Notes forming part of the financial statement

Note No. 1 - 43

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

In terms of our report attached.

For Nag & Associates

Chartered Accountants

For and on behalf of the Board

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

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

A. Equity Share Capital**(₹ in Lakhs)**

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

(₹ in Lakhs)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
49,021.74	48,500.00	97,521.74

B. Other Equity**(₹ in Lakhs)**

Particulars	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2015	5,888.43	8,960.23	89,650.76
Profit for the year			11,836.02
Other Comprehensive Income			(396.41)
Total Comprehensive Income			11,439.61
Dividend (including tax on dividend)			(4,425.11)
Transfer of profits of the year to General Reserve		(96,665.25)	-
Balance as at March 31, 2016	5,888.43	(8,960.23)	96,665.25
Profit for the year			6,792.91
Other Comprehensive Income			(0.91)
Total Comprehensive Income			6,792.00
Dividends			(3,540.08)
Transfer of profits of the year to General Reserve		-	-
Balance as at March 31, 2017	5,888.43	8,960.23	99,917.17
Notes forming part of the financial statement	Note No. 1-43		
<div><div>In terms of our report attached. For Nag & Associates Chartered Accountants</div><div>For and on behalf of the Board</div></div>			
<div><div>Sd/- (S.P. Padhi) Partner FRN : 310962E Membership No : 053292 Place : Bhubaneswar Date : 04.11.2017</div><div>Sd/- (M.R. Mishra) Company Secretary</div><div>Sd/- (H.P. Nayak) Director Finance</div><div>Sd/- (Indrani Dutta) Managing Director</div></div>			

Notes to Financial Statements

Note 1. General Corporate Information:

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

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

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

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

Note 2. First time adoption consideration :

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

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

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

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

(ii) Determining whether an arrangement contains a Lease :

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

(iii) Investments in joint ventures :

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

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

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

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

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

Note 3. Significant Accounting Policies

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

3.1 Basis of preparation

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

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

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

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

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

3.2 Adoption of New and Revised Standards

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

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

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

3.3 Use of estimates and critical accounting judgments.

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

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

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

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

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

3.4 Cash and cash equivalent

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

3.5 Cash Flow Statement

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

3.6 Investments in subsidiaries, associates and joint ventures

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

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

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

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

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

3.7 Property, Plant and Equipment and Intangible Assets (Other than goodwill) Tangible Assets:

Property, plant and equipment held for use in the production or/ and supply of goods or services, or for administrative purposes, are measured at cost, less any subsequent accumulated depreciation and impairment loss, if any. Such cost

comprises purchase price (net of recoverable taxes, trade discount and rebate etc.), borrowing cost, and any cost directly attributable to bringing the assets to its location and condition for intended use.

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

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

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

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

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

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

Intangible Assets:

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

Subsequent expenditure:

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

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

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

Capital work-in-progress

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

Capital expenditure on assets not owned by the company related to generation of electricity business is reflected as a distinct item in capital work-in-progress till the period of completion and ready for the intended use and, thereafter, under

Property, plant and equipment. However, similar expenditure for CSR / community development is charged off to revenue

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

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

Depreciation & Amortization:

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

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

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

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

Tangible Assets:

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

Intangible Assets:

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

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

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

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

Disposal and derecognition of assets

An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.8 Impairment of tangible and intangible assets

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

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

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

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessments of time value of money and the risks specific to the asset for which the estimation of future cash flows have not been adjusted.

An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

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

3.9 Foreign Currency Transactions

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

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

3.10 Provisions and Contingent Liabilities and Contingent Assets

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

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When appropriate, provisions are measured on a discounted basis.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to that liability.

Onerous contracts

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

Restoration, rehabilitation and decommissioning

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

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

Environmental liabilities

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

Litigation

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

Contingent Liabilities and Assets:

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

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

3.11 Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to

the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly.

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

The Company as lessee.

Operating lease:

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

Finance lease:

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

The Company as lessor

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

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

3.12 Inventories

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

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

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

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

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

3.13 Trade receivable

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

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

3.14 Financial Instruments

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

Financial assets at amortized cost

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

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

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

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

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

Financial liabilities and equity instruments issued by the Company

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

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

Equity instruments

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

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by

deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

Financial guarantee contract liabilities

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial liability

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.15 Borrowing cost

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

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

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

3.16 Accounting for Government grants / Grants in Aid

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

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

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

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

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

3.17 Employee Benefits

Short-term employee benefits

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

Post-employment benefits

i. Defined contribution plans

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

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The gratuity schemes are funded by the Company and are managed by separate trusts. The present value of these defined benefit plans are ascertained by an independent Actuary on each balance sheet date using the Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

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

Long-term employee benefits (unfunded)

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

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

3.18 Tax Expenses

Tax expense for the year comprises current and deferred tax.

Current tax :

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

Deferred tax

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

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

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

3.19 Revenue Recognition

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

Revenue to be earned from the sale of electrical energy which is regulated based on certain formulae and parameters set out in tariff regulations issued from time to time. Tariff is based on the cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, cost of capital, cost of working capital, operation & maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

Sales of Electrical Energy

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

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

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

Other Incomes:

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

Income from dividend

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

Interest Income

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

3.20 Exceptional items

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

3.21 Restatement of material error / omissions

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

3.22 Critical accounting judgments and key sources of estimation uncertainty

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

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

Critical judgments in applying accounting policies:

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

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash

flows. The carrying amount of these financial assets is ₹69,302.07 lakhs (March 31, 2016: ₹97,027.87 lakhs). Details of these assets are set out in note – 41.

ii. Key sources of estimation uncertainty:

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

a. Impairment of investments

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

b. Provisions

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

c. Contingent liabilities

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

d. Fair value measurements and valuation processes:

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

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

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

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

4 (i) Equity reconciliation

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP		108,335.05	100,392.48
Tax Adjustment	(a)	130.08	59.74
Proposed Dividend	(b)	3,540.07	4,425.11
Government Grant reclassification	(c)	(185.58)	(185.58)
Prior Period Adjustment	(d)	(35.45)	(151.27)
Employee benefit (Leave & Gratuity)	(e)	(270.26)	(41.06)
Equity under Ind AS		1,11,513.91	104,499.42

4 (ii) Total comprehensive income reconciliation

₹ in Lakhs

Particulars	Note	Year Ended March 31, 2016
Net income under Previous GAAP		11,482.65
Prior Period adjustments	(d)	115.82
Tax Adjustment	(a)	70.34
Employee benefit (Leave & Gratuity)	(e)	(229.20)
Profit for the year under Ind AS		11,439.60
Other comprehensive income		396.41
Total comprehensive income under Ind AS		11,836.02

4 (iii) Reconciliation of statement of cash flow

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

Notes to reconciliations between Previous GAAP and Ind AS**(a) Tax adjustments**

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. These adjustments have resulted in an increase in equity under Ind AS by ₹ 130.08 lakhs as at March 31, 2016 and increase in net profit by ₹ 70.33 lakhs for the year ended March 31, 2016.

(b) Proposed Dividend

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

(c) Government Grant

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

(d) Prior Period Expenses

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

(e) Employee benefit (Leave & Gratuity)

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

These adjustments have resulted in decrease in equity under Ind AS by ₹ 270.26 lakhs as at March 31, 2016 and also decrease in net profit under Ind AS by ₹ 229.20 lakhs for the year ended March 31, 2016.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

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

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amounts of :			
Freehold Land	15.75	15.75	25.49
Building	4,452.54	2,316.76	2,521.18
Plant & Equipments	15,239.74	14,932.31	15,055.12
Furniture & Fixture	566.59	188.20	169.63
Vehicles	95.76	107.26	128.06
Office Equipment	1,129.48	838.76	832.62
Road Bridge & Culvert	1,045.64	994.47	735.51
Water Supply Drainage & Sewerage	266.25	149.45	164.04
Power Supply Distribution & Lighting	443.92	165.04	138.88
Heavy Mobile Equipment	21.82	24.10	31.85
Library and Books	-	-	-
Sub-total	23,277.48	19,732.10	19,802.38
Capital work-in-progress	5,94,665.59	332,939.00	122,953.61
	6,17,943.07	352,671.10	142,755.99
Particulars	Heavy Mobile	Library Books	Total
5 (i) Deemed cost			
Balance as at April 1, 2015	31.85	-	19,802.38
Additions	-	0.26	2,302.04
Disposals	-	(0.01)	(459.67)
Balance as at March 31, 2016	31.85	0.25	21,644.75
Additions	-	-	5,319.53
Disposals	-	-	(89.61)
Balance as at March 31, 2017	31.85	0.25	26,874.68

(₹ in Lakhs)

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

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

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

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

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Addition	Deduction / Adjustment	Up to 31.03.2017	Up to 01.04.2016	For the Year	Arrear Depreciation	Deduction / Written	As at 31.03.2017	At at 31.03.2016
Operational Units	125,934.31	1,512.76	(89.61)	127,357.46	(107,266.87)	(1,279.73)		74.10	(108,414.73)	18,942.73
Power Plant - 3 & 4	1,305.79	3,806.77	-	5,112.56	(298.92)	(478.91)		-	(777.83)	4,334.73
Total	1,27,240.10	5,319.53	(89.61)	1,32,470.02	(1,07,565.79)	(1,758.64)	-	74.10	(1,09,192.55)	23,277.48
										19,732.10

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

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Water Roads & Bridges & Culvert	Power Supply Drainage & Sewerage	Supply Distribution & Lighting	Heavy Mobile	Library Books	Total
5(iii)												
Gross block as on April 1, 2015	25.49	7,638.90	111,292.81	419.62	252.65	2,800.72	1,624.03	471.26	552.22	305.94	14.09	125,397.73
Accumulated depreciation as on April 1, 2015	-	5,117.73	96,237.69	249.99	124.59	1,968.10	888.52	307.22	413.34	274.09	14.09	105,595.36
Net block as on April 1, 2015	25.49	2,521.17	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.37

(iv) Details of CWIP

(₹ in Lakhs)

CAPITAL WORK IN PROGRESS	As at March 31, 2017	As at March 31, 201	As at April 1, 2015
Tangible Assets			
For Operational Power Plants	7,257.48	6,534.33	4,587.43
For Mini Micro Hydel Projects	1,314.76	1,314.76	1,314.76
Less: Accumulated Impairment losses	(1,106.57)		
For Development of Coal Mines			7,277.31
For Expansion Power Plants	5,87,199.92	3,25,089.91	1,09,774.11
Total	5,94,665.59	3,32,939.01	1,22,953.61
Intangible Assets under Development			
Software	-	614.52	81.32
Coal Mines Development			
TOTAL	-	614.52	81.32

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

(₹ in Lakhs)

Particulars	As at 01.04.2016	Deferred tax	Deductions / Adjustments	Deferred tax Capitalized	At at 31.03.2017
Ash Pond	10.97	34.26		-	45.23
Building	4,391.55	3,359.59		(335.21)	7,415.92
CMT- Building	2,594.65	-		(2,594.65)	-
Consultancy Charges- Power plant	1,789.13	1,360.04		-	3,149.16
Inspection Charges - Others	-	2.58		-	2.58
MGR	563.71	28,707.24		-	29,270.95
Plant & Machinery	238,302.19	191,579.23		-	429,881.42
Power Supply Distribution lighting	83.40	16.31		-	99.71
Road Bridge & Culvert	3.47	45.71		-	49.18
Statutory Clearance Fees & Expenses	129.36	4.63		-	133.99
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	46,686.68	53,692.18	(46,686.68)	-	53,692.18
Expenses During Construction Period	30,060.75	32,924.78		-	62,985.53
Total	324,636.63	311,726.55	(46,686.68)	(2,929.86)	586,746.64

(₹ in Lakhs)

Particulars	As at 01.04.2016	Deferred tax	Deductions / Adjustments	Deferred tax Capitalized	At at 31.03.2017
Ash Pond	-	10.97		-	10.97
Building	1,360.03	3,031.52		-	4,391.55
CMT- Building	-	2,594.65		-	2,594.65
Consultancy Charges	1,789.13	-		-	1,789.13
Inspection Charges - Others	-	-	-	-	-
MGR	-	563.71	-	563.71	-
Plant & Machinery	53,136.05	185,166.14		-	238,302.19
Power Supply Distribution lighting	6.88	76.52		-	83.40
Road Bridge & Culvert	121.14	-		(117.67)	3.47
Statutory Clearance Fees & Expenses	55.13	74.23		-	129.36
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	40,671.08	46,686.68	(40,671.08)	-	46,686.68
Expenses During Construction Period	12,613.89	17,446.86		-	30,060.75
Total	109,774.11	255,651.28	(40,671.08)	(117.67)	324,636.63

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

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

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

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

6 . Intangible Assets

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

7 . Investments - Non - current

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amounts	No. of shares	Amounts	No. of shares	Amounts
UNQUOTED INVESTMENTS CARRIED AT COST	-	-	-	-	-	-
Equity investment in joint ventures (jointly controlled entities)						
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	102,000,000	10,200.00	25,500	2.55	25,500	2.55
Total	102,000,000	10,200.00	25,500	2.55	25,500	2.55

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

(₹ in Lakhs)

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

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

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

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

- (iii) Equity Instrument for 102,000,000 no. of Shares of Face Value per Share ₹10 each fully paid up (Previous year 25,500 No. of Shares of Face Value per Share ₹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.

8. Loans & Advances**(₹ in Lakhs)**

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

- (i) Loan to employees includes ₹ 436.57 lakhs (March 31, 2016 : ₹ 346.65 lakhs & April 1, 2015 : ₹ 303.92 lakhs) on account of Vehicle loan, Computer Loan and Educational Loan. Loans has been given at a rate varying between 6%-8% on simple interest basis.

Secured loan represents vehicle loan of ₹ 210.38 lakhs (March 31, 2016 : ₹ 146.72 lakhs & April 1, 2015 : ₹ 127.17 lakhs), which has been hypothecated in the favour of the company.

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

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

9. Other Financial Assets

(₹ in Lakhs)

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

10. Other non-current assets**(₹ in Lakhs)**

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

Notes

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

Operating Leases**(₹ in Lakhs)**

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

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

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

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

(₹ in Lakhs)

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

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

12. Trade receivables**(₹ in Lakhs)**

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

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

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

13. Cash and Cash Equivalents

(₹ in Lakhs)

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

- (i) The cash and bank balances are denominated and held in Indian rupees.
- (ii) **Earmarked cash and bank balances primarily represents margin and security provided for obtaining bank guarantees as detailed below:**
- The Company had provided security to Yes Bank in terms of fixed deposits of ₹1,539.20 (March 31, 2016: ₹ 3,100.00 lakhs, April 01, 2015: ₹ 6,000.00 lakhs) for issuance of performance bank guarantees on behalf of OCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".
 - The Company had provided security to Yes Bank in terms of fixed deposits of ₹ 3,090.00 lakhs (March 31, 2016: ₹ 3,090.00 lakhs, April 01, 2015: ₹ 3,090.00 lakhs) for issuance of bank guarantees in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line
 - Fixed deposits of ₹ 533.34 lakhs (March 31, 2016: ₹ 533.34 lakhs, April 01, 2015: ₹ 533.34 lakhs) has been pledged as security deposits in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir
 - Fixed deposits of ₹ 177.99 lakhs (March 31, 2016: ₹ 177.99 lakhs, April 01, 2015: ₹ 177.99 lakhs) has been pledged as security deposit in favour of "The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.
- (iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

(₹ in Lakhs)

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

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

14. Loans

(₹ in Lakhs)

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

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

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

15. Other Financial Asset

(₹ in Lakhs)

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

- (i) Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of 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 joint venture company of the Company and Odisha Hydro Power Corporation Ltd. (OHPC). As per Clause 5(g) of the Shareholder's Agreement signed by the Company, OHPC and OCPL on 21st April 2016, the expenditure incurred by OPGC for development of the Manoharpur and Dipside Manoharpur coal blocks up to 31st March 2015 shall be payable by OCPL to the company after certification by Statutory Auditor of the Company and approval by Govt. of Odisha.

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

16. Current Tax assets and liabilities

(₹ in Lakhs)

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

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

17. Other Current Assets

(₹ in Lakhs)

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

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

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

18. Equity Share Capital

(₹ in Lakhs)

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

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No. of shares	No. of shares	No. of shares
	₹ Lakhs	₹ Lakhs	Rs. Lakhs
Ordinary shares of Rs.1000 each			
At beginning of the year	4,902,174	4,902,174.00	4,902,174.00
Shares allotted during the year	4,850,000	-	-
	9,752,174	4,902,174	4,902,174

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Name of Shareholder	No. of Shares Held (Face value of ₹ 1000 each)	No. of Shares Held (Face value of ₹ 1000 each)	No. of Shares Held (Face value of ₹ 1000 each)
	% of Total Shares	% of Total Shares	% of Total Shares
Governor of Odisha	4,973,609	2,500,109	2,500,109
AES India Pvt Ltd	796,178	796,178	796,178
AES OPGC holding (Incorporated in Mauritius)	3,982,387	1,605,887	1,605,887
	9,752,174	4,902,174	4,902,174
	100%	100%	100%

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

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

19. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General Reserve	8,960.23	8,960.23	8,960.23
Retained earnings	99,917.17	96,665.25	89,650.76
Security Premium reserve	5,888.43	5,888.43	5,888.43
Total	114,765.83	111,513.91	104,499.42

(i) General Reserve

(₹ in Lakhs)

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

(ii) Retained Earnings

(₹ in Lakhs)

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

(ii) Security Premium Reserve

(₹ in Lakhs)

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

The nature of reserves are follows:

- (a) **General Reserve** : Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.
- (b) **Securities Premium Reserves**: Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").
- (iv) **Proposed Dividend**:

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

Odisha Power Generation Corporation Limited
Notes forming part of the financial statement
20. Borrowings
(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured - at amortised cost			
From PFC	209,752.24	94,651.70	43,591.11
From REC	168,928.88	67,489.56	39,648.12
Total	378,681.12	162,141.26	83,239.22

- (i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the company as prior allottee amounting to ₹10,145.19 lakh (Previous Year ₹9,024.91 lakh). In line with clause 5.7 of Shareholders Agreement signed by the company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the company and approval by Govt. of Odisha. On request of the company and OCPL, PFC sanctioned Loan in favour of OCPL by off loading from sanctioned limit of the company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment /transfer of the loan outstanding up to date of off loading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of off load), against sanctioned loan made by PFC. Further, on request of OCPL, the Company has requested PFC for prepayment of loan and interest utilised for development of coal mine. Pending with such off loading and / or acceptance of PFC for prepayment, ₹10,145.19 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 have off loaded proportionate sanctioned limit related to development of coal mine as the coal mine was cancelled and allotted in favour of Odisha Coal and Power Limited, a Joint venture company of OPGC & OHPC. Accordingly the sanctioned limit is reduced to ₹3,81,187 lakh and ₹3,81,200 lakh by PFC and REC respectively.
- (iii) **Security :-**
- (a) The term loans including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of the project (2 X 660 MW power plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts.
- (b) If the security provided becomes inadequate to cover the balance of each of the loan outstanding, the company has undertaken to provide additional security as may be acceptable to lender.
- (c) Repayment of the principal, interest and other charges due on term loan from PFC has been secured by opening of "Escrow Account" with Union Bank of India and also Union Bank of India has been appointed as Escrow Agent for this purpose.
- (d) Repayment of the principal, interest and other charges due on term loan from REC has been secured by opening of "Trust and Retention Account" with Union Bank of India.
- (iv) **Repayment:-**
- (a) Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2018 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.
- (b) The term loan from REC shall be repaid in 60 equal quarterly instalments and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires i.e. 31st December 2018 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full. Moratorium period shall be Commercial Date of Operation (COD) plus six months subject to maximum of five years from the date of 1st disbursement.
- (v) **Interest:-**
- (a) Interest on term loan shall be paid at the prevailing rate applicable to A+ category of state sector borrower with discount / rebate allowed from time to time on the date of each disbursement as per the terms and conditions of sanction of loan and policy of PFC and REC.
- (b) PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.15) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.55% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate subject to interest rate not falling below 10.55% per annum. In case notified/ circular interest rate falls below 10.55% per annum, the same shall be applicable.
- (c) Interest on PFC loan to be serviced on quarterly basis and due date for payment of interest is 15th day of April, 15th day of July, 15th day of October and 15th day of January every year.
- (d) Interest on REC loan to be serviced on quarterly basis and due date for payment of interest is last day of the last month of the calendar quarter for every year.
- (e) The Company has availed the option of interest reset in three years from the date of disbursement and paid upfront fee @ 0.05% on term loan sanctioned instead of commitment charges on undrawn amount for each of the quarter.
- (vi) The maturity profile of borrowings (Including interest accrued-Refer-Note 25) is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In one year or less or on demand	4,370.86	2,054.44	973.31
Between one & two years	25,595.35	-	-
Between two & three years	22,264.51	6,705.66	-
Between three & four years	22,264.51	9,731.05	3,527.43
Between four & five years	22,264.51	9,731.05	5,068.21
More than five years	286,697.15	136,402.57	75,096.84
Total contractual cash flows	383,456.89	164,624.77	84,665.80
Less: Capitalisation of transaction costs	404.90	429.08	453.26
Total Borrowings	383,051.99	164,195.69	84,212.54

21. Other Financial Liabilities

(₹ in Lakhs)

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

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

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

22. Provisions

(₹ in Lakhs)

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

(i) Provision for employee benefits include Gratuity, Leave Benefits & Sick Leave

(ii) Movement in provision balances are analysed below:

At at March 31, 2017

(₹ in Lakhs)

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

At at March 31, 2016

(₹ in Lakhs)

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

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The total cost charged to statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 495.70 lakhs (2016: ₹ 982.91). The major defined contribution plans operated by the Company are as below:

a. Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

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

2. Defined benefit plans

a. Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment in OPGC Ltd as per Rules of the Group Gratuity Scheme of the company. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India towards the gratuity contribution. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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

(₹ in Lakhs)

Change in defined benefit obligations	Year ended March 31, 2017	Year ended March 31, 2016
(a) Obligation as at the beginning of the year	3,566.73	2,646.13
(b) Current service cost	183.18	170.46
(c) Interest cost	279.99	209.04
(d) Remeasurement (gains) / losses	2.60	613.77
(e) Benefits paid	(41.51)	72.67
Obligation as at the end of the year	3,990.99	3,566.73

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

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

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

	As at March 31,2017	As at March 31, 2016
(a) Discount rate	7.44	7.85
(b) Rate of escalation in salary	8.40	8.80
(vi) The Company expects to contribute ₹ 240.12 lakhs to the plan in fiscal year 2018.		
(vii) The table below outlines the effect on defined benefit obligation in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.		

As at March 31, 2017

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

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

23. Deferred tax balances

(₹ in Lakhs)

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

Income Tax

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

24. Trade and other payables

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

- (i) Payable to employees includes ₹ 513.75 lakhs for 7th pay revision (March 31, 2016: Nil)
- (ii) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

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

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

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

25. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Interest accrued on borrowings	4,370.86	2,054.44	973.31
b) Others:			
Deposits & Retention Money	2,473.23	2,689.14	2,087.02
Capital Creditors	180,997.79	176,293.25	71,132.41
Total	1,87,841.88	181,036.83	74,192.74

26. Other Current Liabilities

(₹ in Lakhs)

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

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

27. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee Benefits	4,370.86	2,054.44	973.31
- Gratuity	-	133.49	38.54
- Leave benefits	173.16	97.75	68.21
Total	173.16	231.24	106.75

28. Revenue from Operations

(₹ in Lakhs)

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

- (i) Sale has been accounted for in accordance with the tariff approval by OERC for FY 2016-17.
- (ii) Sale does not include internal consumption of 349.211 MU including transformer loss of 11.994 MU for the reporting year (previous year 344.496 MU including transformer loss of 16.218 MU), the cost of which has been determined at ₹ 6910.87 lakh (previous year ₹ 5835 lakh) approximately.
- (iii) In absence of power purchase agreement, 0.293 MU net (previous year 0.342 MU net) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.
- (iv) Particulars of Generation, Auxiliary Consumption and Sale of power

(₹ in Lakhs)

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

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

29. Other Income

(₹ in Lakhs)

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

(i) Miscellaneous income includes

(a) Township recoveries of ₹ 20.73 lakhs (previous year ₹ 71.67 lakhs)

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

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

(ii) Excess Provision written back related to

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

30. Cost of raw material consumed

(₹ in Lakhs)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Coal	46,747.02	34,626.33
FO / LDO	356.33	598.825
Total	47,103.35	35,225.15

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

Odisha Power Generation Corporation Limited
Notes forming part of the financial statement
31. Employee Benefit Expenses

(₹ in Lakhs)

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

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

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

- (ii) It includes an amount of ₹ 729.36 lakh (previous year ₹ 706.43 lakh) towards provision for Variable Pay of the employees under approved performance management system of the company.

(iii) Disclosure as per IND AS-19 in respect of provision made towards various employee benefits are given as follows.

- A. Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expense and is charged to the Statement of Profit and Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Govt. of India. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary.
- B. Gratuity:** The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance) for each completed year of service subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme.
- C. Leave:** The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the cadre employees of the Company which accrue annually at 30 days and 10 days respectively. Similarly the company also provides benefit to Market Based Salary structure employees (MBS) which accrued annually at 24 days. Earned leave and half pay leave is not encashable during service. However total earned leave that can be encashed on superannuation / separation shall be restricted to 300 days in case of cadre employees and 60 days in case of MBS employees. Commutation of half-pay leave shall be permissible. These schemes are unfunded and the liability for the same is recognised on the basis of actuarial valuation.

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

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

32. Finance Costs

(₹ in Lakhs)

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

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

33. Depreciation & amortisation expenses**(₹ in Lakhs)**

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

34. Impairment losses**(₹ in Lakhs)**

Particulars	As at March 31, 2017	Year ended March 31, 2016
Impairment of CWIP (Mini Micro Hydel Projects)	1,106.57	-
Less :		
Total	1,106.57	-

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

(₹ in Lakhs)

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

(i) Payment to Auditors As:

(a) As Auditors

Statutory Audit Fees
Statutory Audit expenses

(b) Tax Audit Fees

(b) Certification fee

(c) As Cost Auditors

Cost Audit Fees
Cost Audit expenses

TOTAL

	2016-17	2015-16
Statutory Audit Fees	6.33	6.33
Statutory Audit expenses	1.13	1.01
Tax Audit Fees	1.06	0.75
Certification fee	1.52	0.74
Cost Audit Fees	1.21	1.03
Cost Audit expenses	0.35	0.29
TOTAL	11.59	10.14

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

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

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

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

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

36. Related party transactions

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

(₹ in Lakhs)

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

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

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

37. Earning per share (EPS)

The following table reflects the income and shares data used in the basic and diluted earnings per share computations. (**₹ in Lakhs**)

Particulars	As at March 31, 2017	As at March 31, 2016
Profit after tax	6,792.91	11,836.02
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit attributable to ordinary shareholders - for Basic & Diluted EPS	6,792.91	11,836.02
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	5,207,790	4,902,174
Nominal value of Ordinary Shares (₹)	1,000.00	1,000.00
Basic & Diluted Earnings per Ordinary Share (₹)	130.44	241.44

38. Segment Reporting

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

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

(i) Commitments

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

(ii) Contingencies

(**₹ in Lakhs**)

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

- (i) Interest on above demands wherever applicable is not ascertained and hence not included in the above.
- (ii) 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 July 31, 2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.
- (iii) Other money for which the company is contingently liability includes corporate guarantee of ₹ 12,229.00 lakhs and outstanding letter of credit and guarantees includes pledge of fixed deposit of ₹ 1,539.20 lakhs given to Yes Bank as security for issue of bank guarantee for ₹ 15,392.00 lakhs in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary company i.e. Odisha Coal and Power Ltd.

40. Capital Management :

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

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

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

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

41. Disclosure on Financial Instruments

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

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

(a) Financial assets and liabilities

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

(₹ in Lakhs)

As at March 31, 2017	Fair value through profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					29,940.55	29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74	12,775.74
Loans					1,165.76	1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02	25,420.02
Total	-	-	-	-	69,302.07	69,302.07	69,302.07
Financial liabilities							
Trade and other payables					6,766.84	6,766.84	6,766.84
Borrowings					378,681.12	378,681.12	378,681.12
Other financial liabilities					188,353.64	188,353.64	188,353.64
Total	-	-	-	-	573,801.60	573,801.60	573,801.60

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

- (b) The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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

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

- (i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.
- (iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end
- (iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017, 2016 and April 1, 2015

(c) **Financial risk management**

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

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to: (i) By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Company's business plan. (ii) By achieving greater predictability to earnings and determining the financial value of the expected earnings in advance.

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

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

	As at March 31, 2017					₹ in Lakhs
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years	
Non- derivative financial liabilities						
Borrowings including interest thereon	3,83,051.98	3,83,051.98	3,965.96	92,388.88	2,86,697.15	
Trade payables	6,766.84	6,766.84	6,766.84	-	-	
Other financial liabilities	1,88,353.64	1,88,353.64	1,87,841.88	511.76	-	
Total non- derivative financial liabilities	5,78,172.46	5,78,172.46	1,98,574.68	92,900.64	2,86,697.15	
	As at March 31, 2016					₹ in Lakhs
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years	
Non- derivative financial liabilities						
Borrowings including interest thereon	1,64,195.70	1,64,195.70	1,625.36	26,167.76	1,36,402.57	
Trade payables	9,288.53	9,288.53	9,288.53	-	-	
Other financial liabilities	1,81,762.70	1,81,762.70	1,81,036.83	725.87	-	
Total non- derivative financial liabilities	3,55,246.93	3,55,246.93	1,91,950.72	26,893.63	1,36,402.57	
	As at April 1, 2015					₹ in Lakhs
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years	
Non- derivative financial liabilities						
Borrowings including interest thereon	84,212.53	84,212.53	520.05	8,595.64	75,096.84	
Trade payables	5,762.13	5,762.13	5,762.13	-	-	
Other financial liabilities	74,581.07	74,581.07	74,192.74	388.33	-	
Total non- derivative financial liabilities	1,64,555.73	1,64,555.73	80,474.92	8,983.97	75,096.84	
The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.						

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

43. Events after reporting period

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

In terms of our report attached.

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-
(S.P. Padhi)
Partner
FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

**Comments of the Comptroller and Auditor General of India
under sections 143(6) of the Companies Act, 2013 on the
Standalone Financial Statement of
Odisha Power Generation Corporation Limited
for the year ended 31st March 2017**

The preparation of financial statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2017 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 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 : 04 November 2017.

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 31 March 2017. This supplementary audit has been carried out independently without 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 matters 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**Equity and Liabilities :****Current Liabilities :****Other current liabilities : (Note - 26)****Statutory Dues payable - ₹ 17.68 crore**

1. The above is understated by ₹ 4.45 crore due to non-provision of liabilities towards arrear water tax (₹1.87 crore) and Penal Interest thereon (₹2.58 crore) demanded by the Executive Engineer, Main Dam Division, Burla for drawing and lifting water from Government water source by IB Thermal Power Station, Banharpali during June 2013. This has also resulted in understatement of trade receivables by ₹1.87 crore, as the amount will be recovered from GRIDCO Limited, as per Power Purchase Agreement (PPA) and understatement of other expenses and overstatement of profit for the year by ₹2.58 crore each.

Comments on Financial Position**Equity and Liabilities****Capital Work-in-Progress (Note-5)****Expenditure During Construction - ₹629.86 crore**

2. The above is overstated by ₹ 3.76 crore due to accounting of excess amount paid to the Executive Engineer, Main Dam Division Burla for drawal of water from the Hirakud Water Reservoir during the period July 2016 to March 2017 which was required to be adjusted due to subsequent revision of water tax downward. This has also resulted in overstatement of other current liabilities (statutory dues payable) by the same amount.

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

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar

Date : 17.01.2018

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF ODISHA POWER GENERATION CORPORATION LIMITED

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated

Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Basis for Qualified Opinion

(A) As per the Para 1 of observation of the Independent Auditor's Report of the other auditor who audited the financial statements / financial information of the subsidiary company has reported that:

i. By virtue of clause no 5.7 of the shareholding agreement, the Govt of Odisha vide letter no 9597 dated 28th December 2016 directed to the subsidiary company to make an approved payment of ₹ 258.44 Crores only to OPGC for development of Monoharpur and Dip-side Monoharpur coal blocks. Over and above the approved sum, the subsidiary company has provided the interest on PFC loan utilized for development of the above mines amounting to ₹ 10.24 Cr. for the FY 2015-16, ₹ 11.18 Cr. for FY 2016-17 claimed by the holding company as expenses incurred for the project. For this additional sum of interest on PFC loan claimed by the holding company although approved by the Board of Directors of the subsidiary company, the same is yet to be approved by the Govt. of Odisha. In view of the aforesaid clause of Share Holders Agreement, pending approval of the interest claimed, the other liabilities has been overstated by ₹ 21.42 Crs (₹ 10.24Crs in the P.Y.) and the Expenditure during construction period has been over stated by the same amount in respective years.

ii. The Holding company has claimed ₹ 51.69 lacs from the Subsidiary Company towards cost of land which the Subsidiary Company has exhibited in the contingent liabilities under note no.27(ii) (b) of the Notes forming part of the financial statements of the Subsidiary Company but the same is yet to be approved by the Govt of Odisha

(B) The other auditor who audited the financial statements / financial information of the subsidiary company has reported that the subsidiary company has allotted following equity shares against conversion of inter corporate loans.

Date of issue	No of shares issued	Total value of shares(₹)	Issued to	Remarks
2.7.2016	5, 09, 74,500 of ₹10 each.	50,97,45,000	Holding Company	Shares allotted against conversion of Inter corporate loan.
2.07.2016	4, 89, 75, 500 of ₹10 each.	48, 97, 55, 000	OHPC LTD	Shares allotted against conversion of Inter corporate loan.
30.03.2017	5, 10, 00,000 of ₹10 each.	51,00,00,000/-	Holding Company	Shares allotted against conversion of Inter corporate loan.
30.03.2017	49,00,0000 of ₹10 each	49,00,00,000/-	OHPC Ltd	Shares allotted against conversion of Inter corporate loan.

The other auditor reported that the above allotment of shares against inter corporate loans are not in accordance to the provisions of sec 62(3) of the Companies Act 2013.

Provisions of sec 62 (3) states that "Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting".

Whereas in the case of the subsidiary company no such prior special resolution were passed in a general meeting for lending such loan against which equity shares were issued.

Emphasis of Matters

The other auditor of the subsidiary company has reported that:

- i. Pending finalization of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the subsidiary company. Refer to note no.8(ii) of the financial statements of the subsidiary
- ii. CWIP of the subsidiary company includes an amount of ₹ 61.66 Cr. towards construction of R and R colony, shifting and other incidental expenses which shall be capitalized, as already completed and handed over which are occupied by the displaced people and this should have been capitalized being completed and utilized.

Observation

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the above paragraphs for Basis for Qualified Opinion and Emphasis of Matters, observation the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2017, and their consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

- i. We did not audit the financial statements / financial information of the subsidiary, whose financial statements / financial information reflect total assets of ₹ 53, 070.54 lakhs as at 31st March, 2017, total revenues of ₹ 18.79 lakhs, net cash inflows amounting to ₹ 173.81 lakhs for the year ended on that date. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- ii. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- ii. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- iv. In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- v. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- vi. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
- vii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- viii. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated Ind AS financial statements disclose the impact of pending litigations on the financial position of the Group-Refer note 39(ii) to the consolidated Ind AS financial statements
 - b. Provision has been made in the consolidated Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India; and
 - d. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.
 - e. It is noted that the constitution of the Company's Audit Committee does not comply with the requirements of the provisions of section 177 of the Act. It is also noted that the Audit committee has no independent director and the role and effectiveness of such Audit Committee, in our opinion does not meet the requirements of corporate governance prescribed in the Act.

For Nag & Associates

Chartered Accountants

FRN: 312063E

Sd/-

(Siva Prasada Padhi)

Partner

M.No. 053292

Place: Bhubaneswar

Date : 04.11.2017

Annexure – A to the Auditors' Report of even date on the Consolidated Ind AS financial statements of Odisha Power Generation Corporation Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Odisha Power Generation Corporation Limited (herein after referred to as "the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary which is incorporated in India is based on the corresponding reports of the auditors of such company incorporated in India.

For Nag & Associates

Chartered Accountants
FRN: 312063E

Sd/-

(Siva Prasada Padhi)

Partner

M.No. 053292

Place : Bhubaneswar

Date : 04.11.2017

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

₹ in Lakhs

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	5	23,277.48	19,732.10
	(b) Capital work-in-progress - Tangible	5	5,94,665.59	3,32,939.00
	(c) Other Intangible assets	6	804.48	73.83
	(d) Intangible assets under development	6	-	614.52
	(e) Financial Assets			
	(i) Investments	7	10,041.88	-
	(ii) Loans and Advances	8	556.06	387.84
	(iii) Others	9	-	-
	(f) Other non-current assets	10	87,083.49	60,253.84
	Total non-current assets		7,16,428.98	4,14,001.13
2	Current assets			
	(a) Inventories	11	4,268.55	4,877.57
	(b) Financial Assets			
	(i) Trade receivables	12	12,775.74	9,014.58
	(ii) Cash and cash equivalents	13	15,533.24	25,823.79
	(iii) Bank Balances other than (ii) above	13	14,407.31	24,323.83
	(iv) Loans	14	609.70	9,736.08
	(v) Others	15	25,420.02	27,741.75
	(c) Current Tax Assets (Net)	16	2,924.47	2,935.31
	(d) Other current assets	17	1,305.69	1,498.93
	Total Current Assets		77,244.72	1,05,951.84
	TOTAL ASSETS		7,93,673.70	5,19,952.97
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	18	97,521.74	49,021.74
	(b) Other Equity	19	1,14,607.70	1,11,511.36
	Total equity		2,12,129.44	1,60,533.10
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	20	3,78,681.12	1,62,141.26
	(ii) Other financial liabilities	21	511.76	725.87
	(b) Provisions	22	3,829.39	3,863.97
	(c) Deferred tax liabilities (Net)	23	1,342.41	1,131.29
	Total non-current Liabilities		3,84,364.68	1,67,862.38
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Trade and other payables	24	6,766.84	9,288.54
	(ii) Other financial liabilities	25	1,87,841.88	1,81,036.83
	(b) Other current liabilities	26	1,907.14	1,000.88
	(c) Provisions	27	173.16	231.24
	(d) Current Tax Liabilities (Net)	16	490.56	-
	Total Current Liabilities		1,97,179.57	1,91,557.49
	TOTAL EQUITY AND LIABILITIES		7,93,673.70	5,19,952.97
	Notes forming part of the financial statements	1 - 44		

In terms of our report attached.

For Nag & Associates

Chartered Accountants

FRN : 310962E

Membership No : 053292

Place : Bhubaneswar

Date : 04.11.2017

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

For and on behalf of the Board

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

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations	28	72,178.28	62,753.49
II	Other Income	29	3,630.73	7,841.90
III	Total Income (I + II)		75,809.01	70,595.39
IV	Expenses			
	(a) Cost of materials consumed	30	47,103.35	35,225.15
	(b) Employee benefit expenses	31	5,799.02	5,642.00
	(c) Finance costs	32	977.19	465.42
	(d) Depreciation and amortization expenses	33	1,452.95	2,192.05
	(e) Impairment losses	34	1,106.57	-
	(f) Other expenses	35	8,133.67	8,762.06
	Total expenses (IV)		64,572.75	52,286.69
V	Profit before exceptional items and tax (III - IV)		11,236.26	18,308.70
VI	Exceptional Items		-	-
VII	Profit after exceptional items (V - VI)		11,236.26	18,308.70
IX	Share of Profit of Associates		-	-
X	Share of loss of Joint Ventures		(155.57)	(2.55)
XI	Profit before tax (VII+IX+X)		11,080.68	18,306.15
XII	Tax Expenses:			
	(i) Current tax		4,220.89	6,973.72
	(ii) Tax of earlier years		10.85	22.12
	(iii) Deferred tax		211.61	(523.16)
	Total tax expenses		4,443.35	6,472.68
XIII	Profit for the year (XI - XII)		6,637.34	11,833.46
XIV	Other Comprehensive Income / (Losses)			
	(A) (i) Items that will not be reclassified to profit and loss			
	(a) Remeasurements of the defined benefit plans		(1.39)	(606.21)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		0.48	209.80
	(B) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses)		(0.91)	(396.41)
XV	Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)		6,636.43	11,437.05
XVI	Earnings per equity share:- Basic and diluted (Rs)	37	127.45	241.39
XVII	Notes forming part of the financial statements	1 - 44		

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

For and on behalf of the Board

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

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

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(A) Cash flows from operating activities:		
Profit before taxes	11,080.68	18,306.15
Adjustments for:		
Depreciation and amortization expense	1,452.95	2,192.05
Provision for impairment	1,106.57	-
Share of loss in joint venture	155.57	2.55
Profit/loss on sale of Fixed Assets	15.15	(2.53)
Foreign currency fluctuation gain/(loss)	(0.20)	(0.95)
Interest and finance charges	977.19	465.42
Interest Income from investment & deposits	(3,291.05)	(7,479.57)
CSR expenditure	324.33	268.34
Operating profit before working capital changes	11,821.19	13,751.46
Adjustments for:		
Trade receivable	(3,785.20)	(4,644.92)
Inventory	637.47	1,052.94
Other financial assets	9,981.05	52,640.58
Trade and other payables	(2,560.24)	3,284.87
Other financial and non financial liabilities	5,214.89	1,07,464.48
Cash generated from operations	21,309.16	1,73,549.41
Taxes Paid	(3,730.34)	(7,471.86)
CSR expenditure	(324.33)	(268.34)
Net cash flow from operating activities	17,254.49	1,65,809.21
(B) Cash flows from investing activities:		
Payments for purchase of fixed assets	(2,41,485.61)	(2,00,529.94)
Sale of property, plant and equipment	89.61	541.34
Interest received	3,517.60	7,878.11
Repayment of loan and other receivable	1,109.27	(36,474.63)
Loans and advances provided	(168.22)	(43.33)
Dividend including Dividend Distribution Tax	(3,540.08)	(4,425.11)
Payment towards capital and other advances	(25,785.77)	2,595.89
Advance payments against leasehold land	(1,101.27)	16,282.84
Net cash used in Investing Activities	(2,67,364.48)	(2,14,174.83)
(C) Cash flows from financing activities:		
Issue of shares	48,500.00	-
Proceeds from borrowings	2,16,515.69	78,877.86
Interest paid	(24,982.12)	(11,991.78)
Repayment of other financial liabilities	(214.11)	337.54
Net cash flow from financing activities	2,39,819.46	67,223.62
Net Increase/(decrease) in cash or cash equivalents	(10,290.55)	18,858.01
Cash and cash equivalents at the beginning of the year	25,823.79	6,965.78
Cash and cash equivalents at the end of the year	15,533.24	25,823.79
Notes forming part of the financial statement	Note No. 1 - 44	

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

In terms of our report attached.

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

Odisha Power Generation Corporation Limited
Consolidated statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

(₹ in Lakhs)

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

(₹ in Lakhs)

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

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2015	5,888.43	8,960.23	89,650.76
Profit for the year			11,833.46
Other Comprehensive Income			(396.41)
Total Comprehensive Income			11,437.05
Dividend (including tax on dividend)			(4,425.11)
Transfer of profits of the year to General Reserve		-	-
Balance as at March 31, 2016	5,888.43	8,960.23	96,662.70
Profit for the year			6,637.34
Other Comprehensive Income			(0.91)
Total Comprehensive Income			6,636.43
Dividends			(3,540.08)
Transfer of profits of the year to General Reserve		-	-
Balance as at March 31, 2017	5,888.43	8,960.23	99,759.04
Notes forming part of the financial statement		Note No. 1 - 44	

For and on behalf of the Board

In terms of our report attached.

For Nag & Associates
Chartered Accountants

Sd/-
(S.P. Padhi)
Partner

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Notes to Financial Statements

Note 1. General Corporate Information:

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

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

Odisha Power Generation Corporation Limited together with its subsidiaries, joint ventures and associates is herein after referred to as the "Group".

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

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

Note 2. First time adoption consideration

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

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

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

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

(ii) Determining whether an arrangement contains a Lease

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

(iii) Investments in joint ventures

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

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

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

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

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

Note 3. Significant Accounting Policies

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

3.1 Basis of preparation

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

The Group has adopted all the applicable Ind AS and such adoption was carried out in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Group has transited from Indian GAAP which is its previous

GAAP, as defined in Ind AS 101 with necessary disclosures relating to reconciliation of Shareholders' equity and the comprehensive net income as per Previous GAAP to Ind AS.

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

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

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

3.2 Adoption of New and Revised Standards

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

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

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

3.3 Use of estimates and critical accounting judgments.

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

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

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

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

3.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

3.5 Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

3.6 Cash and cash equivalent.

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

3.7 Cash Flow Statement

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

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

Tangible Assets:

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

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

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

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

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

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

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

Intangible Assets:

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

Subsequent expenditure:

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

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

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

Capital work-in-progress

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any) under Capital Work-in progress. The cost includes purchase cost of materials / equipment's duties

and nonrefundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of assets.

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

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

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

Depreciation & Amortization:

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

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

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

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

Tangible Assets:

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

Intangible Assets

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

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

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

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

Disposal and derecognition of assets

An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.9 Impairment of tangible and intangible assets

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

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

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

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

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

3.10 Foreign Currency Transactions

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

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

3.11 Provisions and Contingent Liabilities and Contingent Assets

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

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

Onerous contracts

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

Restoration, rehabilitation and decommissioning

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

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

Environmental liabilities

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

Litigation

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

Contingent Liabilities and Assets :

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

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

3.12 Leases

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

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

The Group as lessee.

Operating lease:

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

Finance lease :

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

The Group as lessor

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

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

3.13 Inventories

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

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

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

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

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

3.14 Trade receivable

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

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

3.15 Financial Instruments

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

Financial assets at amortized cost

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

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

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

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

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

Financial liabilities and equity instruments issued by the Group**Financial Liabilities**

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

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

Equity instruments

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

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until

extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

Financial guarantee contract liabilities

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial liability

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

Offsetting financial instruments

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

3.16 Borrowing cost

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

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

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

3.17 Accounting for Government grants / Grants in Aid

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

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

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

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

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

3.18 Employee Benefits

Short-term employee benefits

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

Post-employment benefits

i. Defined contribution plans

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

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The gratuity schemes are funded by the Group and are managed by separate trusts. The present value of these defined benefit plans are ascertained by an independent Actuary on each balance sheet date using the Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability / (asset) is treated as a net expense within employment costs. Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

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

long-term employee benefits (unfunded)

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

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

3.19 Tax Expenses

Tax expense for the year comprises current and deferred tax.

Current tax :

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

Deferred tax

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

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

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

3.20 Revenue Recognition

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

Revenue to be earned from the sale of electrical energy which is regulated based on certain formulae and parameters set out in tariff regulations issued from time to time. Tariff is based on the cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, cost of capital, cost of working capital, operation & maintenance expenses and energy charge i.e. a variable charge primarily based on fuel costs.

Sales of Electrical Energy

The Group derives revenue principally from sale of energy. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, there is no

continuing management involvement, and the amount of revenue can be measured reliably. Revenue from the sale of electrical energy is measured at the fair value of the consideration received or receivable.

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

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

Other Incomes:

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

Income from dividend

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

Interest Income

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

3.21 Exceptional items

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

3.22 Restatement of material error / omissions

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

3.23 Critical accounting judgments and key sources of estimation uncertainty

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

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

Critical judgments in applying accounting policies :

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

i. Financial assets at amortized cost

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

ii. Key sources of estimation uncertainty:

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

a. Impairment of investments

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

b. Provisions

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

c. Contingent liabilities

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

d. Fair value measurements and valuation processes:

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

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

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

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

4 (i) Equity reconciliation

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016
Equity under previous GAAP		1,08,335.05
Tax Adjustment	(a)	130.08
Proposed Dividend	(b)	3,540.07
Government Grant reclassification	(c)	(185.58)
Prior Period Adjustment	(d)	(35.45)
Employee benefit (Leave & Gratuity)	(e)	(270.26)
Share of consolidation	(f)	(2.55)
Equity under Ind AS		1,11,511.36

4 (ii) Total comprehensive income reconciliation

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2016
Net income under Previous GAAP		11,482.65
Prior Period adjustments	(d)	115.82
Tax Adjustment	(a)	70.34
Employee benefit (Leave & Gratuity)	(e)	(229.20)
Share of Joint Venture	(f)	(2.55)
Profit for the year under Ind AS		11,437.60
Other comprehensive income		396.41
Total comprehensive income under Ind AS		11,833.46

4 (iii) Reconciliation of statement of cash flow

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

Notes to reconciliations between Previous GAAP and Ind AS

(a) Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. These adjustments have resulted in an increase in equity under Ind AS by ₹ 130.07 lakhs as at March 31, 2016 and increase in net profit by ₹ 70.33 lakhs for the year ended March 31, 2016.

(b) Proposed Dividend

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

(c) Government Grant

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

(d) Prior Period Expenses

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

(e) Employee benefit (Leave & Gratuity)

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

These adjustments have resulted in decrease in equity under Ind AS by ₹ 270.26 lakhs as at March 31, 2016 and also decrease in net profit under Ind AS by ₹ 229.20 lakhs for the year ended March 31, 2016.

(f) Equity accounting of joint ventures and changes in scope of consolidation

In accordance with Ind AS 28, "Investments in Associates and Joint Ventures", the Group has accounted for its joint ventures using the equity method unlike proportionate line by line method under the previous GAAP. The entity was consolidated as subsidiary under the Previous GAAP have been consolidated as joint ventures and accounted for using the equity method under Ind AS.

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

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

(₹ in Lakhs)

Carrying amounts of : Freehold Land Building Plant & Equipments Furniture & Fixture Vehicles Office Equipment Road Bridge & Culvert Water Supply Drainage & Sewerage Power Supply Distribution & Lighting Heavy Mobile Equipment Library and Books											As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles	Office Equipment	Roads & Bridges & & Culvert	Water Supply Drainage & Sewerage	Power Supply Distribution & Lighting	Heavy Mobile	Library Books	Total	
5 (i) Deemed cost													
Balance as at April 1, 2015	25.49	2,521.18	15,055.12	169.63	128.06	832.62	735.51	164.04	138.88	31.85	-	19,802.38	
Additions	-	70.07	1,466.97	46.78	9.57	312.31	329.81	18.06	48.21	-	0.26	2,302.04	
Disposals	(9.74)	(0.61)	(400.82)	(1.88)	(28.53)	(18.08)	-	-	-	-	(0.01)	(459.67)	
Balance as at March 31, 2016	15.75	2,590.64	16,121.27	214.53	109.10	1,126.85	1,065.32	182.10	187.09	31.85	0.25	21,644.75	
Additions	-	2,373.77	1,126.37	483.19	8.06	702.52	140.06	156.69	328.87	-	-	5,319.53	
Disposals	-	(0.40)	(87.20)	(2.01)	-	-	-	-	-	-	-	(89.61)	
Balance as at March 31, 2017	15.75	4,964.01	17,160.44	695.71	117.16	1,829.37	1,205.38	338.79	515.96	31.85	0.25	26,874.68	
Sub-total										23,277.48	19,732.10	19,802.38	
Capital work-in-progress										594,665.59	332,939.00	122,953.61	
										617,943.07	352,671.10	142,755.99	

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

(₹ in Lakhs)

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

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

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

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

(₹ in Lakhs)

Description	Gross Block			Depreciation				Net Block		
	As at 01.04.2016	Addition	Deduction /	Up to 31.03.2017	Up to 01.04.2016	For the Year	Arrear Deprecia- tion	Deduction / Written	As at 31.03.2017	At at 31.03.2016
Operational Units	125,934.31	1,512.76		127,357.46	(107,266.87)	(1,279.73)		74.10	(108,414.73)	18,942.73
Power Plant - 3 & 4	1,305.79	3,806.77	-	5,112.56	(298.92)	(478.91)		-	(777.83)	4,334.73
Total	127,240.10	5,319.53	(89.61)	132,470.02	(107,565.79)	(1,758.64)	-	74.10	(109,192.55)	23,277.48
										19,732.10

Particulars	Freehold Land	Building	Plant & Equipments	Furniture & Fixture	Vehicles Equipment	Office Bridges & Drainage & Culvert	Power Supply Distribution & Sewerage	Supply Mobile & Lighting	Heavy Books	Library	Total
5(iii)											
Gross block as on April 1, 2015	25.49	7,638.90	111,292.81	419.62	252.65	2,800.72	471.26	552.22	305.94	14.09	125,397.73
Accumulated depreciation as on April 1, 2015	-	5,117.73	96,237.69	249.99	124.59	1,968.10	307.22	413.34	274.09	14.09	105,595.36
Net block as on April 1, 2015	25.49	2,521.17	15,055.12	169.63	128.06	832.62	164.04	138.88	31.85	-	19,802.37

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

(iv) Details of CWIP

(₹ in Lakhs)

A	CAPITAL WORK IN PROGRESS	As at March 31, 2017	As at March 31, 201	As at April 1, 2015
	Tangible Assets			
	For Operational Power Plants	7,257.48	6,534.33	4,587.43
	For Mini Micro Hydel Projects	1,314.76	1,314.76	1,314.76
	Less: Accumulated Impairment losses	(1,106.57)		
	For Development of Coal Mines			7,277.31
	For Expansion Power Plants	5,87,199.92	3,25,089.91	1,09,774.11
	Total	5,94,665.59	3,32,939.01	1,22,953.61
	Intangible Assets under Development			
	Software	-	614.52	81.32
	Coal Mines Development			
	TOTAL	-	614.52	81.32

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

(₹ in Lakhs)

Particulars	As at 01.04.2016	Deferred tax	Deductions / Adjustments	Deferred tax Capitalized	At at 31.03.2017
Ash Pond	10.97	34.26		-	45.23
Building	4,391.55	3,359.59		(335.21)	7,415.92
CMT- Building	2,594.65	-		(2,594.65)	-
Consultancy Charges- Power plant	1,789.13	1,360.04		-	3,149.16
Inspection Charges - Others	-	2.58		-	2.58
MGR	563.71	28,707.24		-	29,270.95
Plant & Machinery	238,302.19	191,579.23		-	429,881.42
Power Supply Distribution lighting	83.40	16.31		-	99.71
Road Bridge & Culvert	3.47	45.71		-	49.18
Statutory Clearance Fees & Expenses	129.36	4.63		-	133.99
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	46,686.68	53,692.18	(46,686.68)	-	53,692.18
Expenses During Construction Period	30,060.75	32,924.78		-	62,985.53
Total	324,636.63	311,726.55	(46,686.68)	(2,929.86)	586,746.64

(₹ in Lakhs)

Particulars	As at 01.04.2016	Deferred tax	Deductions / Adjustments	Deferred tax Capitalized	At at 31.03.2017
Ash Pond	-	10.97		-	10.97
Building	1,360.03	3,031.52		-	4,391.55
CMT- Building	-	2,594.65		-	2,594.65
Consultancy Charges	1,789.13	-		-	1,789.13
Inspection Charges - Others	-	-		-	-
MGR	-	-		563.71	-
Plant & Machinery	53,136.05	185,166.14		-	238,302.19
Power Supply Distribution lighting	6.88	76.52		-	83.40
Road Bridge & Culvert	121.14	-		(117.67)	3.47
Statutory Clearance Fees & Expenses	55.13	74.23		-	129.36
Survey and Soil Investigation	5.47	-		-	5.47
Water Supply & Arrangements	15.31	-		-	15.31
Stock in Transit & Pending Inspection	40,671.08	46,686.68	(40,671.08)	-	46,686.68
Expenses During Construction Period	12,613.89	17,446.86		-	30,060.75
Total	109,774.11	255,651.28	(40,671.08)	(117.67)	324,636.63

- (v) Loan from PFC & REC is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (660 X 2MW). For details, Refer Note 20.
- (vi) ₹ 26,345.53 Lakh (March 31, 2016: ₹ 12,631.67 Lakh) of borrowing costs has been capitalised during the year on qualifying assets (property, plant and equipments) using a capitalisation rate of 10.55 % (March 31, 2016: 10.55%).
- (vii) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. An amount of ₹ 1,314.76 Lakh was incurred for four Mini Hydel Projects (Harabhangi, Badanala, Banpur and Barboria) which could not be completed since 1996 (schedule date of completion). Out of the above amount, ₹ 1,106.57 Lakh (P.Y. ₹ Nil) has been charged to statement of profit and loss as an impairment.

6 . Intangible Assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Carrying amounts of :		
Software & SAP licence	804.48	73.83
Intangible assets under development	-	614.52
Total	804.48	688.35

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

7 . Investments - Non - current

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amounts	No. of shares	Amounts
UNQUOTED INVESTMENTS CARRIED AT COST	-	-	-	-
Equity investment in joint ventures (jointly controlled entities)				
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	102,000,000	10,041.88	25,500	
Total		10,041.88		-

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Unquoted		
Aggregate carrying amount of unquoted investments	10,041.88	-
Total carrying amount	10,041.88	-

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

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

Particulars	As at March 31, 2017	As at March 31, 2016
% of Holding	51%	51%
Place of Business	Manoharpur and Dip-side Manhorpaur	Manoharpur and Dip-side Manhorpaur

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

The decisions in respect of activities which significantly affect the risks and rewards of the entity, however require an unanimous consent of both the shareholders. The entity has therefore been accounted for as joint ventures.

8. Loans & Advances

(₹ in Lakhs)

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

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

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

9 . Other Financial Assets

(₹ in Lakhs)

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

10 - Other non-current assets**(₹ in Lakhs)**

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

Notes:

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

Operating Leases**(₹ in Lakhs)**

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

- (vi) During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was ₹ 100.97 lakhs (2015-16: ₹ 144.56 lakhs).
- (vii) Lease hold land are amortised over the lease period or 30 years which ever is less. Refer policy Note 3.8.
- (viii) Prepaid expenses includes payment made for various insurance coverages.

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Raw Materials*		
(1) Cost	929.13	1472.37
(2) Less: Provision	-	-
(b) Components, Chemicals, Stores & Spares*		
(1) Cost	3,420.25	3476.31
(2) Less: Provision	91.58	91.58
(c) Tools & Tackles		
(1) Cost	10.75	11.11
(2) Less: Provision	-	-
(d) Stock in Transit		
(1) Cost	-	9.36
(2) Less: Provision	-	-
Total Inventories	4,268.55	4,877.57

(i) * Physical verification of inventories except oil have been carried out by third party and valued as per significant accounting policy Note No. 3.13

12 - Trade receivables**(₹ in Lakhs)**

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

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

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

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

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

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

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

- (v) In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.
- (v) There are no outstanding debts due from directors or other officers of the Company.

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

13 - Cash and Cash Equivalents

(₹ in Lakhs)

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

- (i) The cash and bank balances are denominated and held in Indian rupees.
- (ii) Earmarked cash and bank balances primarily represents margin and security provided for obtaining bank guarantees as detailed below:
- The Company had provided security to Yes Bank in terms of fixed deposits of ₹1,539.20 (FY 2015-16: ₹ 3,100.00 lakhs) for issuance of performance bank guarantees on behalf of OCPL in favour of "Nominating Authority, Ministry of Coal, Government of India".
 - The Company had provided security to Yes Bank in terms of fixed deposits of ₹ 3,090.00 lakhs (FY 2015-16: ₹ 3,090.00 lakhs) for issuance of bank guarantees in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line
 - Fixed deposits of ₹ 533.34 lakhs (FY 2015-16: ₹ 533.34 lakhs) has been pledged as security deposits in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" for drawl of water from Hirakud reservoir
 - Fixed deposits of ₹ 177.99 lakhs (FY 2015-16: ₹ 177.99 lakhs) has been pledged as security deposit in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.
- (iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

(₹ in Lakhs)

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

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

14 - Loans

(₹ in Lakhs)

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

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

Secured loan represents vehicle loan of ₹ 49.79 lakhs (March 31, 2016 : ₹ 38.63 lakhs), which has been hypothecated in the favour of the company.

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

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

The Company has agreed to provide an amount of ₹ 5,600 lakhs and ₹ 4,000 lakhs as inter company loan on request of the OCPL. The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit. Term of Loan: The loan shall be for a period of 365 days from the date of the agreement and may be extended after approval of Board of Directors of the Company on the basis of request from OCPL.

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

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

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

Odisha Power Generation Corporation Limited
Notes forming part of the financial statement
15 - Other Financial Asset

(₹ in Lakhs)

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

- (i) Manoharpur and Dip-side Manoharpur coal blocks allotted to the Company were cancelled by virtue of decision of Hon'ble Supreme Court of India vide its Judgment dated. 24th / 25th September 2014. Both the coal blocks were allotted by the Nominated Authority, Ministry of Coal, Govt. of India vide its letter No. 103/25/2015/NA dated 24th March 2015 to Odisha Coal and Power Ltd. (OCPL) a subsidiary and joint venture company of the Company and Odisha Hydro Power Corporation Ltd. (OHPC). As per Clause 5(g) of the Shareholder's Agreement signed by the Company, OHPC and OCPL on 21st April 2016, the expenditure incurred by OPGC for development of the Manoharpur and Dipside Manoharpur coal blocks up to 31st March 2015 shall be payable by OCPL to the company after certification by Statutory Auditor of the Company and approval by Govt. of Odisha.

Accordingly an amount of ₹177,54.75 lakhs (net off liabilities for security deposit & retention money from contractor ₹78.09 lakhs, accumulated depreciation ₹ 44.51 lakhs and borrowings ₹ 7966.33 lakhs) incurred by the company up to 31st March 2015 as a prior allottee has been certified by the Statutory Auditors of the Company and approved by Govt. of Odisha vide Memo No. 9598 dated 28.12.2016 . The same has been accounted as receivable from OCPL. Details of amount receivable as prior allottee and other receivable from OCPL as shown above on the reporting date are given below:

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

(₹ in Lakhs)

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

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

17 - Other current assets

(₹ in Lakhs)

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

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

18 - Equity Share Capital**(₹ in Lakhs)**

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares Held (Face value of ₹ 1000 each)	% of Total Shares	No. of shares Held (Face value of ₹ 1000 each)	% of Total Shares
Name of Shareholder				
Governor of Odisha	49,73,609	51.00%	25,00,109	51.00%
AES India Pvt Ltd	7,96,178	8.16%	7,96,178	16.24%
AES OPGC holding	39,82,387	40.84%	16,05,887	32.76%
	9,752,174	100%	4,902,174	100%

(iii) 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.

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

19 - Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
General Reserve	8,960.23	8,960.23
Retained earnings	99,759.04	96,662.70
Security Premium reserve	5,888.43	5,888.43
Total	114,607.70	111,511.36

(i) General Reserve

(₹ in Lakhs)

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

(ii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	96,662.70	89,650.76
Profit attributable to owners of the Company	6,637.34	11,833.46
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.91)	(396.41)
Payment of dividends on equity shares	2,941.30	3,676.63
Related income tax on dividend	598.78	748.48
Balance at the end of the year/period	99,759.04	96,662.70

(iii) Security Premium Reserve

(₹ in Lakhs)

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

The nature of reserves are follows:

- General Reserve :-** Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.
- Securities Premium Reserves:** Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").
- Proposed Dividend:**
In respect of the year ended March 31, 2017, the directors propose that a dividend of ₹ 17.01 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Financial Statements. The proposed equity dividend is payable to all holders of fully paid equity shares. Total estimated equity dividend including dividend distribution tax to be paid is ₹ 1,996.86 lakhs.

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

20 - Borrowings**(₹ in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016
Secured - at amortised cost		
From PFC	2,09,752.24	94,651.70
From REC	1,68,928.88	67,489.56
Total	3,78,681.12	1,62,141.26

- (i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the company as prior allottee amounting to ₹10,145.19 lakh (Previous Year ₹ 9,024.91 lakh). In line with clause 5.7 of Shareholders Agreement signed by the company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the company and approval by Govt. of Odisha. On request of the company and OCPL, PFC sanctioned Loan in favour of OCPL by off loading from sanctioned limit of the company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment /transfer of the loan outstanding up to date of off loading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of off load), against sanctioned loan made by PFC. Further, on request of OCPL, the Company has requested PFC for prepayment of loan and interest utilised for development of coal mine. Pending with such off loading and / or acceptance of PFC for prepayment, ₹ 10,145.19 lakhs shown under Term loan as above.
- (ii) Term loan of ₹ 4,33,000 lakhs each were sanctioned by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) for construction of 2X660 MW Coal based Thermal Power Plant, Development of Manoharpur Coal Mines and Merry Go Round (MGR) Railway System (Project). Both PFC and REC have off loaded proportionate sanctioned limit related to development of coal mine as the coal mine was cancelled and allotted in favour of Odisha Coal and Power Limited, a Joint venture company of OPGC & OHPC. Accordingly the sanctioned limit is reduced to ₹ 3,81,187 lakhs and ₹ 3,81,200 lakhs by PFC and REC respectively.
- (iii) **Security :-**
- The term loans including interest, additional interest and other charges have been secured by way of first charge on pari passu basis through equitable mortgage / simple mortgage / english mortgage (yet to be created) in favour of PFC and REC of all immovable assets of the project (2 X 660 MW power plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts.
 - 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.
 - Repayment of the principal, interest and other charges due on term loan from PFC has been secured by opening of "Escrow Account" with Union Bank of India and also Union Bank of India has been appointed as Escrow Agent for this purpose.
 - Repayment of the principal, interest and other charges due on term loan from REC has been secured by opening of "Trust and Retention Account" with Union Bank of India.
- (iv) **Repayment:-**
- Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2018 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.
 - The term loan from REC shall be repaid in 60 equal quarterly instalments and the 1st loan repayment due date shall be the last day of the last month of the calendar quarter following the quarter in which the moratorium period expires i.e. 31st December 2018 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full. Moratorium period shall be Commercial Date of Operation (COD) plus six months subject to maximum of five years from the date of 1st disbursement.
- (v) **Interest:-**
- Interest on term loan shall be paid at the prevailing rate applicable to A+ category of state sector borrower with discount / rebate allowed from time to time on the date of each disbursement as per the terms and conditions of sanction of loan and policy of PFC and REC.
 - PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.15) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.55% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.16) on applicable rate subject to interest rate not falling below 10.55% per annum. In case notified/ circular interest rate falls below 10.55% per annum, the same shall be applicable.
 - 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.
 - 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.
 - 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.
 - The maturity profile of borrowings (including interest accrued-Refer-Note 25) is as follows:

(₹ in Lakhs)

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

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

21. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Capital Creditors	-	12.13
b) Security Deposits	134.55	395.38
c) EMD and Retention Money	191.63	132.78
d) Payable to Government	185.58	185.58
Total	511.76	725.87

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

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

22. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Employee Benefits		
- Gratuity	521.47	715.43
- Leave benefits	3,307.92	3,148.55
Total	3,829.39	3,863.97

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

As at March 31, 2017

(₹ in Lakhs)

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

As at March 31, 2016

(₹ in Lakhs)

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

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The total cost charged to statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 495.70 lakhs (2016: ₹982.91). The major defined contribution plans operated by the Company are as below:

a. Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company

2. Defined benefit plans

a. Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment in OPGC Ltd as per Rules of the Group Gratuity Scheme of the Company. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India towards the gratuity contribution. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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

(₹ in Lakhs)

Change in defined benefit obligations	Year ended March 31, 2017	Year ended March 31, 2016
(a) Obligation as at the beginning of the year	3,566.73	2,646.13
(b) Current service cost	183.18	170.46
(c) Interest cost	279.99	209.04
(d) Remeasurement (gains)/losses	2.60	613.77
(e) Benefits paid	(41.51)	(72.67)
Obligation as at the end of the year	3,990.99	3,566.73

(₹ in Lakhs)

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

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

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

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

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

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

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

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

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

As at March 31, 2017

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

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

23. Deferred tax balances		(₹ in Lakhs)
Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liabilities	2,798.42	2,622.54
Less : Deferred Tax Asset	1,456	1,491.26
Net Deferred Tax (Asset)/ Liability	1,342.41	1,131.28

Income Tax		
(i)	The reconciliation of estimated income taxes to income tax expenses is as follows:	
		(₹ in Lakhs)
Particulars	As at March 31, 2017	As at March 31, 2016
Income before income taxes	11,080.68	18,306.15
Tax Calculated based on normal tax rate	3,834.80	6,335.39
Items not deductible for tax/not liable to tax		
Donation & CSR Expenses	144.64	138.76
Non deduction of tax at source	7.38	1.00
Impairment loss	382.96	-
Others	73.56	(2.47)
Income tax expense reported	4,443.35	6,472.68

(ii)	Significant component of deferred tax assets and liabilities for the year ended March 31, 2017 is as follows:				
		(₹ in Lakhs)			
	Opening balance as at April 1, 2016	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2017
Deferred tax assets					
Provisions	1,449.05	(32.55)	0.48	-	1,416.98
Others	42.21	(3.17)	-	-	39.03
Total	1,491.26	(35.73)	0.48	-	1,456.01
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,622.54	175.88	-	-	2,798.42
Total	2,622.54	175.88	-	-	2,798.42
Net Deferred tax (assets)/liabilities	1,131.28	211.60	(0.48)	-	1,342.41

	Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows:				
		(₹ in Lakhs)			
	Opening balance as at April 1, 2015	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2016
Deferred tax assets					
Provisions	921.74	317.51	209.80	-	1,449.05
Others	12.40	29.80	-	-	42.21
Total	934.14	347.32	209.80	-	1,491.25
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	2,798.38	(175.83)	-	-	2,622.54
Total	2,798.38	(175.83)	-	-	2,622.54
Net Deferred tax (assets) / liabilities	1,864.23	(523.15)	(209.80)	-	1,131.29

24. Trade and other Payables	(₹ in Lakhs)	
Particulars	As at March 31, 2017	As at March 31, 2016
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	3.66	23.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	913.30	2,183.27
Other Payables		
Liabilities for Expenses	4,553.79	5,672.31
Payable to employees	1,296.09	1,409.72
Total	6,766.84	9,288.53
(i) Payable to employees includes ₹ 513.75 lakhs for 7th pay revision (March 31, 2016: Nil)		
(ii) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:		
(₹ in Lakhs)		
Description	For the year ended March 31, 2017	For the year ended March 31, 2016
I) The principal amount remaining unpaid to supplier as at the end of the year	3.66	23.25
ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
Trade Payables includes ₹ 211.64 lakh (Previous year ₹ 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.		

25. Other Financial Liabilities		(₹ in Lakhs)	
Particulars		As at March 31, 2017	As at March 31, 2016
a)	Interest accrued on borrowings	4,370.86	2,054.44
b)	Others:		
	Deposits & Retention Money	2,473.23	2,689.14
	Capital Creditors	1,80,997.79	1,76,293.25
	Total	1,87,841.88	1,81,036.83

26. Other Current Liabilities		(₹ in Lakhs)	
Particulars		As at March 31, 2017	As at March 31, 2016
a)	Advances from Customers & others	139.18	71.00
b)	Statutory Dues Payables	1767.96	929.88
	Total	1,907.14	1,000.88
(i)	Statutory dues includes payables in respect of excise duties, service tax, sales tax, VAT, tax deducted at source among others.		

27. Provisions		(₹ in Lakhs)	
Particulars		As at March 31, 2017	As at March 31, 2016
	Employee Benefits		
	- Gratuity	-	133.49
	- Leave benefits	173.16	97.75
	Total	173.16	231.24

28 - Revenue from Operations**(₹ in Lakhs)**

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

- (i) Sale has been accounted for in accordance with the tariff approval by OERC for FY 2016-17.
- (ii) Sale does not include internal consumption of 349.211 MU including transformer loss of 11.994 MU for the reporting year (previous year 344.496 MU including transformer loss of 16.218 MU), the cost of which has been determined at ₹ 6910.87 lakhs (previous year ₹ 5835 lakhs) approximately.
- (iii) In absence of power purchase agreement, 0.293 MU net (previous year 0.342 MU net) of energy generated from Mini Hydel Projects (Kendupatana and Biribati) has not been accounted.
- (iv) Particulars of Generation, Auxiliary Consumption and Sale of power

(₹ in Lakhs)

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

29 - Other Income

(₹ in Lakhs)

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

Miscellaneous income includes

- (a) Township recoveries of ₹ 20.73 lakhs (previous year ₹ 71.67 lakhs)
- (b) ₹ 29.77 lakh (previous year ₹ 68.77 lakh) liquidated damage and penalty recovered from contractors and others
- (c) ₹ 8.18 lakh (previous year ₹ 28.90 lakh) towards forfeiture of security deposits, earnest money deposits, retention money and writing back of old liabilities.

Excess Provision written back related to

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

30 - Cost of raw material consumed**(₹ in Lakhs)**

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

Particulars of raw materials consumed**(₹ in Lakhs)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Coal	46,747.02	34,626.33
FO / LDO	356.33	598.825
Total	47,103.35	35,225.15

- (i) Shortage of coal of 1,287.35 MT amounting to ₹24.10 lakhs (Previous year shortage of 10,505.81 MT amounting to ₹ 163.31 lakhs) found during physical verification has been charged to cost of raw material consumed as per the policy Note No- 3.13.

31 - Employee Benefit Expenses

(₹ in Lakhs)

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

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

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

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

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

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

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

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

32 - Finance Costs**(₹ in Lakhs)**

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

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

33 - Depreciation & amortisation expenses

(₹ in Lakhs)

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

34 - Impairment losses

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment of CWIP (Mini Micro Hydel Projects)	1,106.57	-
Less :		
Total	1,106.57	-

35 - Other Expenses

(₹ in Lakhs)

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

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

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

(iii) Out of ₹394.85 lakhs, the company spent as follows during the year.

PARTICULARS	In Cash	Cash	Total
Construction / acquisition of any asset	-	-	-
On purpose other than (i) above	296.87	27.46	324.33
Total	296.87	27.46	324.33

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

36. Related party transactions

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

(₹ in Lakhs)

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

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

37. Earning per share (EPS)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	6,637.34	11,833.46
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit attributable to ordinary shareholders - for Basic & Diluted EPS	6,637.34	11,833.46
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	52,07,790	49,02,174
Nominal value of Ordinary Shares (₹)	1,000.00	1,000.00
Basic & Diluted Earnings per Ordinary Share (₹)	127.45	241.39

38. Segment Reporting

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

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

(i) Commitments

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

(ii) Contingencies

(₹ in Lakhs)

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

- (i) Interest on above demands wherever applicable is not ascertained and hence not included in the above.
- (ii) 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 July 31, 2012 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Group. In view of above no contingent liability also provided for.
- (iii) Other money for which the Group is contingently liability includes corporate guarantee of ₹ 12,229.00 lakhs and outstanding letter of credit and guarantees includes pledge of fixed deposit of ₹ 1,539.20 lakhs given to Yes Bank as security for issue of bank guarantee for ₹ 15,392.00 lakhs in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary Group i.e. Odisha Coal and Power Ltd.

40. Capital Management :

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

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

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

41. Disclosure on Financial Instruments

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

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

(a) Financial assets and liabilities

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

(₹ in Lakhs)

As at March 31, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					29,940.55	29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74	12,775.74
Loans					1,165.76	1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02	25,420.02
Total	-	-	-	-	69,302.07	69,302.07	69,302.07

Financial liabilities							
Trade and other payables					6,766.84	6,766.84	6,766.84
Borrowings					3,78,681.12	3,78,681.12	3,78,681.12
Other financial liabilities					1,88,353.64	1,88,353.64	1,88,353.64
Total	-	-	-	-	5,73,801.60	5,73,801.60	5,73,801.60

(₹ in Lakhs)

As at March 31, 2016	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					50,147.62	50,147.62	50,147.62
Trade receivables					9,014.58	9,014.58	9,014.58
Loans					10,123.92	10,123.92	10,123.92
Other financial assets					27,741.75	27,741.75	27,741.75
Total	-	-	-	-	97,027.87	97,027.87	97,027.87

Financial liabilities							
Trade and other payables					9,288.54	9,288.54	9,288.54
Borrowings					1,62,141.26	1,62,141.26	1,62,141.26
Other financial liabilities					1,81,762.70	1,81,762.70	1,81,762.70
Total	-	-	-	-	3,53,192.50	3,53,192.50	3,53,192.50

- (b) The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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

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

- (i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.
- (iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end
- (iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017 and March 31, 2016

(c) Financial risk management

In the course of its business, the Group is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

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

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

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

(₹ in Lakhs)

	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	3,83,051.98	3,83,051.98	3,965.96	92,388.88	2,86,697.15
Trade payables	6,766.84	6,766.84	6,766.84	-	-
Other financial liabilities	1,88,353.64	1,88,353.64	1,87,841.88	511.76	-
Total non- derivative financial liabilities	5,78,172.46	5,78,172.46	1,98,574.68	92,900.64	2,86,697.15

(₹ in Lakhs)					
	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	1,64,195.70	1,64,195.70	1,625.36	26,167.76	1,36,402.57
Trade payables	9,288.54	9,288.54	9,288.54	-	-
Other financial liabilities	1,81,762.70	1,81,762.70	1,81,036.83	725.87	-
Total non- derivative financial liabilities	3,55,246.94	3,55,246.94	1,91,950.73	26,893.63	1,36,402.57

42. Statement of net assets and profit and loss as required under Schedule III

Name of the entity	As % of consolidated net assets	Amount		As % of consolidated profit or loss	Amount
Parent					
Odisha Power Generation Corporation Limited	100%	2,12,658.08		100%	6,636.43
Joint Venture (Equity Accounting)					
Indian					
1. Odisha Coal and Power Limited	9.28%	19,689.96		-3.25%	(215.51)

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

44. Events after reporting period

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

In terms of our report attached.

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-
(S.P. Padhi)
Partner
FRN : 310962E
Membership No : 053292
Place : Bhubaneswar
Date : 04.11.2017

Sd/-
(M.R. Mishra)
Company Secretary

Sd/-
(H.P. Nayak)
Director Finance

Sd/-
(Indrani Dutta)
Managing Director

**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 31 March 2017.**

The preparation of Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31st March 2017 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) read with 129 (4) of the Companies Act, is responsible for expressing opinion on the financial statements under Section 143 read with section 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 : 04 November 2017.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143 (6) (a) read with section 129(4) of the Act of the Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2017. We conducted a supplementary audit 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditor's report.

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

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNT GENERAL

Place : Bhubaneswar

Date : 17.01.2018



OCPL

**Odisha
Coal and
Power
Limited**

A Subsidiary Company

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 2nd Annual Report on the project development, performance and operating result of the Company for the financial year 2016-17 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.

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 largely complete. Stage – I & II Forest Clearances, Environment Clearance and approval of Mining Plan & Mine Closure Plan are in place. Construction of R&R colony (Phase-I) and other infrastructural facilities including

temporary mine office and transit guest house have been completed. Drilling at Dip-Side Manoharpur Coal Block for exploration has been completed and the draft Integrated Geological Report has been received from CMPDI.

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 the requirements of the Allotment Agreement, Performance Security in the form of Bank Guarantee (BG) for ₹ 153.92 Cr. has been submitted with the Nominated Authority, Ministry of Coal, Government of India on 24-10-2017 for a period of one year.

Statutory Permits / Clearances:

Your Company has obtained the following statutory permits / clearances till 31st October, 2017:

Manoharpur Coal Block		
Sl. No.	Permits/Clearances	Authority/Department
1.	Revised Mining Plan and Mine Closure Plan (Revision-I)	Ministry of Coal
2.	Forest Clearance of Manoharpur coal mines in favour of OCPL	Ministry of Environment & Forest and Climate Change (MoEF & CC)
3.	Environment Clearance of Manoharpur coal mines in favour of OCPL	Ministry of Environment & Forest and Climate Change (MoEF & CC)
4.	Consent to Establish for Coal Mine in favour in favour of OCPL	State Pollution Control Board, Odisha
5.	Grant of 5.55 Cusecs of water from Hirakud back water	Department of Water Resources, GoO
6.	Explosive License	Ministry of Commerce & Industry, Petroleum & Explosive Safety Organisation (PESO)

7.	Non-Mineralisation Clearance in favour of 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 in favour of 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
17.	Mining Lease execution	Steel& Mines Dept , Govt of Odisha

Dip-Side Manoharpur		
1.	Prospecting License (PL) deed execution	Govt. of Odisha
2.	PL Registration	Collector, Sundargarh
3.	Permission for drilling of boreholes in forest area	Forest & Environment Department, GoO

Mining Plan

OCPL has the approved mining plan & mine closure plan (Revision-I) in place. For adoption of new technology in the coal mining area, OCPL has submitted the mining plan & mine closure plan (Revision-II) with the Ministry of Coal (MoC), GoI for its approval.

Drilling of Dip-Side Manoharpur Coal Block

Manoharpur coal block is an explored one with a total net geological reserves of 181.68 Million Tonnes (MT) of coal. Dip side of Manoharpur block was a regionally explored block at the time of allotment of coal blocks with a total indicated reserves of 350 MT of coal.

Detailed exploratory drilling in Dip-Side Manoharpur Coal Block has been undertaken and completed in the FY 2016-17. Drilling of 79 boreholes (26801 meterage) were conducted and the draft Integrated Geological Report has been received from CMPDI in October, 2017. The total geological reserve of dip side Manoharpur coal block comes to approximately 725 MT of coal.

Land and R & R

Private Land:

Out of the total area of 1039 Ac., allotment of an area of 1035.70 Ac. in favour of Odisha Coal and Power Limited has been completed by IDCO. The balance are in process at various levels.

Government Land:

Out of the total area of 1041 Ac., allotment for an area of 874.47 Ac. in favour of Odisha Coal and Power Limited has been completed. The balance are in process at various levels.

Forest Land:

Possession of 491 Ac. out of 495 Ac. of forest land has been taken over by OCPL. The balance 4 Ac. land is pending due to stay order of the Hon'ble High Court of Odisha on account of FRA compensation matter. In addition to the above 141.04 Ac. of forest land has been transferred from OPGC to OCPL.

Rehabilitation and Resettlement:

The shifting of displaced families of village Manoharpur to rehabilitation and resettlement colony at Sukhabandh (Hemgir) is in progress. Out of 244 DFs 97 have already shifted to R&R colony till the end of October, 2017. The RoR (Patta) of house plots allocated to DFs in the R&R colony has been handed over by the administration. The Annuity Scheme has been implemented through LIC. The Company has also engaged MART, an expert agency for promotion of sustainable livelihood among DFs. The agency has been imparting skill development and capacity building training and promoting various livelihood and entrepreneurial activities. The construction work of R&R colony – Phase 2 at Hemgir for Sanghumuda village will begin in the current year.

Significant and Material Order Passed by the Regulators or Court or Tribunal impacting the going concern status and Company Operations in future

OCPL had received the 1st show cause notice from the Nominated Authority, MoC, GoI, on 28th April, 2016 for the delay in obtaining the Prospecting License (PL) for Dip-side Manoharpur Coal Block. OCPL responded with the reasons and justifications for delay which are not attributable to OCPL and requested the Nominated Authority to drop the show cause notice.

Second show cause notice was received from the Nominated Authority on 17th July, 2017 for delay in achievement of milestone of "Completion of exploration and preparation of Geological Report (GR)" in respect of Dip-Side Manoharpur Coal Block. OCPL vide letter dated 29th July, 2017 explained the reasons of delay which was due to the delay in issuance of co-ordinates by the Nominated Authority and requested the Nominated Authority, Ministry of Coal, GoI to drop the show cause notice. No response on the matter has been received from the Nominated Authority till date.

Major Contracts and Agreement

Coal Handling Plant (CHP): Letter of Award (LoA) has been issued to the McNally Bharat Engineering Company Limited for construction of CHP within a period of 810 days from the date of signing of Agreement.

Mine Operator (MO): Request for Qualification (RFQ) process has been completed and the Request for Proposal (RFP) has been issued to 5 (five) qualified bidders.

R&R Colony (Phase-II) : LoI has been issued to M/s Shree Balaji Engicons Pvt. Ltd. 6th November, 2017 for construction of the colony.

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 44 months i.e. May 2019 from the zero date (i.e. 31st August 2015).

Capital Structure

The Authorised Share Capital of the Company is ₹ 750.00 crore, divided into 7,50,00,000 Equity Shares of ₹ 10/- each. The paid up Equity Share Capital of the Company stands at ₹ 200.00 crore. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited (OPGC) and Odisha Hydro Power Corporation Limited (OHPC) in the ratio of 51:49.

Long Term Financing

The project cost of Manoharpur coal mine has been approved by the Board amounting to ₹ 1382 crores. The revised mine plan and cost estimate for the project is under preparation by CMPDI. So far the equity contributions from the shareholders

as on 31st March 2017 is ₹ 200 crores from OPGC and OHPC. The debt portion is proposed to be financed through Financial Institutions/ Commercial Banks. Sanction of an amount of ₹ 500 crores towards debt portion of Project cost has been received from the Union Bank of India in FY 2016-17

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 at Table no-1 for easy appreciation of the financial health of the company.

Particulars	Amount in ₹ lakhs for FY 2016-17	Amount in ₹ lakhs for FY 2015-16 (15 months)
Revenue from Operations		--
Other income	18.79	6.82
Total Income	18.79	6.82
Cost of material consumed	--	--
Employee benefit expenses	2519.78	--
Other Cost	1821.88	86.76
Depreciation & Amortization expenses	134.62	--
Less: Expenditure (other than interest) transferred to capital work in progress	(4261.98)	--
Total Expenses	214.31	86.76
Profit before Exceptional items	(195.51)	(79.94)
Less: Exceptional items	--	--
Profit/(Loss) before tax	(195.51)	(79.94)
Less: Tax expenses	20.01	--
Profit/(Loss) after Tax	(215.51)	(79.94)
Less: Any appropriations, if any	--	--
Balance carried to Balance Sheet	(215.51)	(79.94)

REVIEW OF OPERATIONS

During the year under review, the Total Income was ₹ 18.79 Lakhs with no revenue from operation. The Company posted a net loss after tax of ₹ 215.51 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 ₹4.62 crores and ₹55.47 crores respectively as on 31st March, 2017.

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 end 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 is in the process of developing the 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 currently carrying out coal mine developmental works and plans for its operation shortly for which permits and clearances from different State and Central Govt. agencies is being applied for. However, the Policy of Government may impact OCPL's development as well as operational strategy when any change in law is promulgated by Govt.

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. Pravakar Mohanty (DIN 01756900), Director (F), OHPC was appointed as Director on 6th December, 2016 as OHPC nominee in place of Mr. B. K. Behera. Mr. Hemant Sharma, IAS (DIN 01296263), Chairman OPGC was appointed as Chairman OCPL on 20th January, 2017 in place of Mr. Rajesh Verma, IAS. Mr. Vishal Kumar Dev, IAS, (DIN 01797521) CMD, OHPC and Mr. Sanjib Kumar Tripathy (DIN 07915634), Director (O) (I/C) were appointed as Director w.e.f. 12th September, 2017 in place of Late Shital Kumar Jena and Mr. A.K. Mishra as OHPC nominee Directors respectively.

The sad demise of Shri Shital Kumar Jena was an irreparable loss to OCPL. The Board place on records their appreciation for the valuable services rendered by him during his tenure as Director.

The Directors also place on record their appreciation for the valuable services rendered by Mr. Rajesh Verma, IAS, Mr. B.K. Behera, and Mr. A K Mishra during their tenure as Director of the Company.

STATUTORY AUDITORS

M/s Anil Mihir and Associates have been appointed as the Statutory Auditors of the Company by Comptroller and Auditor General (C&AG) of India for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2016-2017 and comments of C&AG of India u/s 143 (6) (b) of the Companies Act, 2013 are enclosed as a part of the report.

INTERNAL AUDIT

The Board of Directors of the Company has appointed, after recommendations of the Audit Committee, M/s SAPSJ and Associates, Cost Accountants as internal auditors for conducting Internal Audit. The Internal Auditors monitor and evaluate the efficiency 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 at end of financial year 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 at Annexure – III which form a part of the Directors' Report.

MANAGEMENT COMMENTS ON C&AG OF INDIA REVIEW

Review of the Accounts for the year ended 31st March, 2017 by the Comptroller and Auditor General (C&AG) of India is furnished at Annexure – IV which also forms a part of this

report. Your Directors are pleased to inform that the C&AG of India has given NIL comments on the Annual Accounts of the Company.

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. M/s Jalan & Associates, Chartered Accountants have been appointed for assessment and evaluation of the Internal Financial Control systems of the Company and have found the same in order.

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 Livelihood Management, 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, or Turn over or from Net Profit point of view. Hence, there is no statutory requirement of having a CSR committee for OCPL.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had held Nineth 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 review the adequacy and effectiveness of internal audit and to monitor the 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 of lead time for training and external hiring.

Need based training has been imparted to the workforce to narrow down the performance gaps.

INDUSTRIAL RELATIONS

Your Company has maintained a healthy, cordial and harmonious industrial relations at all the levels during the year under report. Your Directors wish to place on record their sincere appreciation for the excellent team spirit with which the entire team of the company worked at site and corporate office and made commendable 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 the 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 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, Union Bank of India, Punjab National Bank, ICICI Bank, State Bank of India, Yes Bank, REC, PFC, Auditors, Advocates, 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 activities of the Company.

We also acknowledge the constructive suggestions received from Government of India, Government of Odisha, C&AG of India, Statutory Auditors and Internal Auditors.

Your Directors also wish to place on records their appreciation for the support and co-operation extended by all the members of 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	<ul style="list-style-type: none"> LED illuminaires have been provided in office buildings and for outdoor illumination. Air condition system provided in office buildings are all of BEE 5 star rating. OCPL is also committed to use energy efficient luminaires and appliances in all future projects. All distribution transformers installed at site are BEE star rated. Sizing & selection of electrical machines and drive units are being carried out in an optimized way to reduce energy consumption. Office buildings & guest houses have been designed in a way to use maximum day-light and to reduce energy consumption. Automatic power factor correction panels have been incorporated in design for all future projects.
	(ii)	the steps taken by the company for utilising alternative sources of energy	<ul style="list-style-type: none"> A 2.5 KWP Grid connected roof top solar system has been installed in the guest house at site. Steps have been taken to install a 9 KWP Grid connected solar system at site office by publishing an open tender to appoint a construction agency. OCPL is further planning to construct a 500 KWP grid connected solar power plant for the common facility loads of R&R colony.
	(iii)	the capital investment on energy conservation equipments	₹ 20 Lakhs (Approx)
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 31.03.2017

[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, ODISHA-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:

SI 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

SI 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 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% 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		200000000	200000000	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		200000000	200000000	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) FIs									
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		200000000	200000000	100.00	

ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		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	
1	Odisha Power Generation Corporation Ltd.	25500	51.00		102000000	51.00		Nil
2	Odisha Hydro Power Corporation Ltd.	24500	49.00		98000000	49.00		Nil
	Total	50000	100.00		200000000	100.00		

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

SI No.	Shareholder's Name	No. of Shares	% of total shares of the company
1	Odisha Power Generation Corporation Ltd.	101974500	Nil
2	Odisha Hydro Power Corporation Ltd.	97975500	Nil
	Total	199950000	Nil

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

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the beginning of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	NA			

v) Shareholding of Directors and Key Managerial Personnel:

SI No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 - 31.03.2017)	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the beginning of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	NA			

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding / accrued but not due for payment****(₹ in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		12568.21		
ii) Interest due but not paid		37.34		
iii) Interest accrued but not due				
Total (i+ii+iii)		12605.55		12605.55
Change in Indebtedness during the financial year				
● Addition		13398.91		
● Reduction		-19995.00		
Net Change		-6596.09		-6596.09
Indebtedness at the end of the financial year				
i) Principal Amount		6009.46		6009.46
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		6009.46		6009.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and / or Manager: NA**

SI 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						82,800
	b) Commission						
	c) others, please specify						
	Total (2)						
	Total (B) = (1+2)						82,800
	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 / Compounding 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 to Statutory Auditor's Comment

Sl. No.	Comment	Management reply
1	<p>A. By virtue of clause no 5.7 of the shareholding agreement the Govt of Odisha vide letter no 9597 dated 28th December 2016 directed to the OCPL to make an approved payment of ₹ 258.44 crores only to OPGC duly verified and certified by the statutory Auditors on account of expenditure incurred by OPGC for development of Manoharpur and Dip-side Manoharpur coal blocks. Over and above the approved sum the OCPL has provided the interest on PFC loan utilised for development of the above mines amounting to ₹ 10.24 crores for the FY 2015-16 ₹ 11.18 crores for FY 2016-17 as claimed by the OPGC Ltd as expenses incurred for the project. For this additional sum of interest on PFC loan claimed by OPGC although approved by the Board of Directors of OCPL the same is yet to be approved by the Govt. Of Odisha. In view of the aforesaid clause of Share Holders Agreement, pending approval of interest claimed, the other liabilities has been overstated by ₹21.42 crores (10.24 crores in the P.Y.) and the Expenditure during construction period under CWIP is over stated by the same amount in respective years.</p>	<p>The coal blocks were primarily allocated to OPGC which had incurred a sum of ₹258.44 crores on development of coal mines up to 31st March, 2015. Subsequently the coal blocks were de-allocated by virtue of the order of the Hon'ble Supreme Court of India and reallocated to OCPL. As per the Shareholder's Agreement the expenditure incurred by OPGC along with all the liabilities, as the prior allottee, was transferred to OCPL based on statutory Auditors certification and Govt. of Odisha approval on 28th December, 2016. The sum of ₹ 258.44 crores includes liabilities of ₹ 0.78 crores and PFC loan of ₹ 79.66 crores which was exclusively taken to meet expenditure on development of coal mine and the same is interest bearing as well.</p> <p>The Board of OCPL in its 26th meeting held on 30th March 2017, further in 30th meeting held on 12th September, 2017, has already approved for repayment of PFC loan along with interest accrued thereon. Thus, it is clearly evident that there is a probability of outflow of resources which will be required to settle the obligation in future.</p> <p>Further, we invite reference to 'IND AS 37' which states a 'provision' is a liability of uncertain timing or amount. And a 'liability' is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. Further a provision is recognized when a) the</p>

		<p>entity has a present obligation as a result of a past event, b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and c) a reliable estimate can be made of the amount of the obligation.</p> <p>Since, all the criteria for recognition of a provision are satisfied, the management has accounted the interest on PFC loan in the books of accounts although it has not discharged the liability as on the Balance sheet date.</p>
	<p>B. OPGC has claimed ₹ 51.69 lakhs from the company towards cost of land which the company has exhibited in the contingent liabilities note no.2 (ii) but the same is yet to be approved by the Govt. Of Odisha.</p>	<p>This is with regard to a land payment made by OPGC for development of coal mine as a prior allottee in addition to ₹ 258.44 crores. OPGC as a prior allottee had acquired Land by making payment to IDCO for coal mine. In addition to the transfer of ₹ 258.44 crores a further claim of ₹ 51.69 lakhs towards land has been made by OPGC which was subsequently identified and the same is yet to be decided by the Management / Board and hence the same has not been accounted in the books pending the approval from competent authority it has been treated as a contingent liability.</p> <p>According to para 28 of Ind As-37 a contingent liability is disclosed as required by para 86 unless the possibility of an outflow of resources embodying economic benefit is remote. As per the internal assessment it is estimated that the possibility of outflow of resources with regard to the demand by OPGC is not remote. Hence, the same has been exhibited as contingent liability in the notes to account.</p> <p>Once there will be a probability of future outflow towards the claim after getting the approval from competent authority, the same shall be provided in the books of account as a provision / liability.</p> <p>In our view the treatment of above is in line with the Ind AS.</p>

2	The company has allotted following equity shares against conversion of inter corporate loans.					<p>Section 62 (1) (a) of the Companies Act, 2013 empowers "Board of Directors" to issue equity shares to existing shareholders in proportion with their present shareholding in the company.</p> <p>Further, Section 62 (1) (c) of the Companies Act, 2013 contain provisions for issue of shares to any persons (Other than existing shareholders of the company in proportion with their present shareholding) only through "Special Resolution" passed by members of the Company.</p> <p>Whereas, Section 62 (3) of the Companies Act, 2013 enumerates that equity shares can be issued by exercising options as attached with debentures or by conversion of loan into shares in the company but the terms of issue of such debentures or loan containing such an option requires prior approval of Shareholders by way of special resolution.</p> <p>The basic principle laid down in Section 62 (1) of the Companies Act, 2013 is that the existing Shareholders are only entitled for any issue of further shares by the Company. Here Board is having authority to issue shares to them. Whereas, if the company wants to issue shares to any person other than to the existing shareholders it should pass a special resolution.</p> <p>In the present Case: The OCPL Board issued equity shares on right basis to existing shareholders in proportion with their present shareholding under Section 62 (1) (a) of the Companies Act, 2013. The formalities required under aforesaid Section were duly complied with viz. issue of Offer Letter. Therefore, upon acceptance of the Offer Letter by the Shareholders with request to convert the inter-corporate loan into equity. The equity shares were allotted to them (existing shareholders).</p> <p>Therefore, In the present allotment of OCPL, Section 62 (3) is not attracted.</p>
	Date of issue	No of shares issued	Total value of shares (₹)	Issued to	Remarks	
	2.7.2016	5,09,74,500 of ₹ 10 each.	50,97,45,000	OPGC Ltd	Shares allotted against conversion of Inter corporate loan.	
	2.7.2016	4,89,75,500 of ₹ 10 each.	48,97,55,000	OHPC Ltd	Shares allotted against conversion of Inter corporate loan.	
	30.03.17	5,10,00,000 of ₹ 10 each	51,00,00,000/-	OPGC Ltd	Shares allotted against conversion of Inter corporate loan.	
	30.03.17	49,00,000 of ₹ 10 each	49,00,00,000/-	OHPC Ltd	Shares allotted against conversion of Inter corporate loan	<p>The above allotment of shares against inter corporate loans are not in accordance to the provisions of sec 62(3) of the Companies Act 2013.</p> <p>Provisions of sec 62 (3) states that "Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting".</p> <p>Whereas in the case of OCPL no such prior special resolution were passed in a general meeting for raising such loan against which equity shares were issued.</p>

3	<p>A) Attention is invited to note no 9 (ii) regarding pending finalisation of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the company.</p>	<p>The forest land on which physical possession though has been taken is for a period which shall be coterminous as per mining lease period as per the Govt. of India circular in this regard. And the mining lease has not been signed as on the date of 31st March, 2017. Further, the allotment of land is pending lease procedures on fixation of land premium.</p> <p>Attention is invited to "IND AS 17" on accounting of Leases "The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease". As at this date: a lease is classified as an operating lease or a financial lease. Since, the recognition criteria of lease is not satisfied on the date due to pending lease procedures the same has been shown as capital advances. Once the lease and lease premium shall be fixed the same shall be treated in line with the "Ind AS 17" and be amortized over the mining lease period.</p>
	<p>B) CWIP includes an amount of ₹ 61.66 crores towards construction of R & R colony , shifting and other incidental expenses which shall be capitalised as already completed and handed over which are occupied by the displaced people, this should have been capitalised being completed and utilised.</p>	<p>₹61.66 crores has been incurred towards construction of R& R colony and certain development expenses for the displaced families of Manoharpur area villages.</p> <p>Further, the shifting process to the colony and handing over the colony along with land is in process. Only 84 families out of 244 have been shifted to the colony as on March, 2017.</p> <p>Such expenditures are directly attributable to acquisition of Land in coal mine areas and exclusively incurred for the said purpose. Hence, the same is treated to be a part of land cost. Once the Lands qualify for recognition in the books (currently shown under Capital Advances) the R&R expenses shall be capitalized to the Land.</p>

Independent Auditor's Report

To

The Members of

Odisha Coal and Power Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Odisha Coal and Power Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 34(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Observation

1. A) By virtue of clause no 5.7 of the shareholding agreement the Govt of Odisha vide letter no 9597 dated 28th December 2016 directed to the OCPL to make an approved payment of ₹ 258.44 crores only to OPGC duly verified and certified by the statutory Auditors on account of expenditure incurred by OPGC for development of Manoharpur and Dip-side Manoharpur coal blocks. Over and above the approved sum the OCPL has provided the interest on PFC loan utilised for development of the above mines amounting to ₹ 10.24 crores for the FY 2015-16, ₹ 11.18 crores for FY 2016-17 claimed by the OPGC Ltd as expenses incurred for the project. For this additional sum of interest on PFC loan claimed by the OPGC although approved by the Board of Directors of OCPL the same is yet to be approved by the Govt. Of Odisha. In view of the aforesaid clause of Share Holders Agreement, pending approval of the interest claimed, the other liabilities has been overstated by ₹ 21.42 crores (₹10.24 crores in the P.Y.) and the Expenditure during construction period has been over stated by the same amount in respective years.
- B) OPGC has claimed ₹ 51.69 lakhs from the company towards cost of land which the company has exhibited in the contingent liabilities note no. 27 (ii) but the same is yet to be approved by the Govt of Odisha.
2. The company has allotted following equity shares against conversion of inter corporate loans.

Date of Issue	No of shares Issued	Total value of shares (₹)	Issued to	Remarks
2.7.2016	5, 09, 74,500 of ₹ 10 each.	50,97,45,000	OPGC Ltd	Shares allotted against conversion of Inter corporate loan.
2.7.2016	4,89,75,500 of ₹ 10 each.	48,97,55,000	OHPC Ltd	Shares allotted against conversion of Inter corporate loan.
30.03.2017	5,10,00,000 of ₹ 10 each	51,00,00,000/-	OPGC Ltd	Shares allotted against conversion of Inter corporate loan.
30.03.2017	49,00,0000 of ₹ 10 each	49,00,00,000/-	OHPC Ltd	Shares allotted against conversion of Inter corporate loan.

The above allotment of shares against inter corporate loans are not in accordance to the provisions of sec 62(3) of the Companies Act 2013.

Provisions of sec 62 (3) states that "Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the Company. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting".

Whereas in the case of OCPL no such prior special resolution were passed in a general meeting for lending such loan against which equity shares were issued.

Emphasis of Matters

3. A) Attention is invited to note no 9 (ii) regarding pending finalisation of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the company.
- B) CWIP includes an amount of ₹ 61.66 crores towards construction of R & R colony, shifting and other incidental expenses which shall be capitalised as already completed and handed over which are occupied by the displaced people, this should have been capitalised being completed and utilised.

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 section 143(11) of the Act, we give in the **Annexure - A** a statement on the matters specified in the paragraph 3 and 4 of the order .
2. As required by the Directions issued by the Comptroller and Auditor General of India in terms of subsection (5) of section 143 of the act, we give in **Annexure - C** a statement on the matters specified in the aforesaid Directions.
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, the statement of cash flows and the statements of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under ;
 - (e) As per notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, Section 164 (2) of the Companies Act, 2013 is not applicable to the company
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure - B**"; and

- (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. As explained to us, there is no pending litigation having financial impact to be disclosed by the company .
 - ii. The Company has made provision, as required under the applicable law or Ind AS, 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; and
 - iv. The Company has provided requisite disclosures in its standalone Ind AS financial Statements as to holdings as well as dealings in Specified Bank Notes during the period From 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company . Refer Note 2.27 to the standalone Ind AS financial statements.

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

Sd/-
(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968

Place : Bhubaneswar
Date : 12/09/2017

Annexure - A to the Auditors' Report

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

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has conducted physical verification of Fixed Assets during the year by external agency M/s SAPSJ & Associates Cost Accountants and there is not any material discrepancy found as per the report submitted by them. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has not started commercial operation. Accordingly, it does not hold any physical inventories. Thus, this paragraph of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income -tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees state insurance and duty of excise.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings outstanding from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the Information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non - cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For Anil Mihir & Associates

Chartered Accounts

FRN-303038E

Sd/-

(CA. Mihir Kumar Sahu)

Sr. Partner

M. No. 053968

Place : Bhubaneswar

Date : 12/09/2017

Annexure-B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Anil Mihir & Associates

Chartered Accounts

FRN-303038E

Sd/-

(CA. Mihir Kumar Sahu)

Sr. Partner

M. No. 053968

Place: Bhubaneswar

Date: 12/09/2017

Annexure - C to the Auditors' Report
Directions under section 143 (5) of the Companies Act, 2013

Referred to our report of even date

Particulars	Remarks
Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to the information and explanations given to us, the company is in the process of acquiring land. The company holds clear title deeds for the land already acquired. 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 - C1 series.
Whether here are any cases of waiver/write off of debts/loans/interest etc. if yes, the reasons there for and amount involved.	To the best of our knowledge and according to the explanations and information given to us, there are no cases of waiver/write off of debts/ loans/interest etc. during the period under audit.
Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	To the best of our knowledge and according to the information and explanations given to us, there are no inventories lying with the third parties.

Sector Specification Additional Directors

Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case of land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company is under acquisition of land for mining purpose. No such cases come across.
Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, The cases of deviation may be detailed,	The settlement of land is done through IDCO. No deviations found during the process of audit.
Whether the Company has an effective system for recovery of revenue as per contractual terms and revenue is properly accounted for the books of accounts in compliance with the applicable Accounting Standard.	The company is under preoperative stage. Hence no revenue recognised.
How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	Not Applicable
In case of thermal power projects, compliance of the various pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and complemented.	Not Applicable as this is not a power generating Company.

Has the company entered into revenue sharing agreements with private parties for extraction of coal pitheads and it adequately projects the financial interest of the company.	The company has not entered into any revenue sharing agreement during the period of audit.
Does company have a project system for reconciliation of quantity quality coal ordered and received and whether grade of coal moisture and demurrage etc. Are properly recorded in the books of accounts?	The operation of the company has not yet been started. Hence this clause is not applicable.
How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable as this is not a power generating Company.
In the case of hydroelectric projects the water discharge is as per policy/ guidelines issued a by the state government to maintain biodiversity . For not maintaining it penalty paid/ payable may be reported.	NotApplicable as this is not a power generating Company.

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

Place : Bhubaneswar
Date : 12/09/2017

Sd/-
(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968

ANNEXURE - C1
Status of Land Acquisition

Status of private land acquisition as on 13.09.2017

MANOHARPUIR COAL MINE PRIVATE LAND UPDATES- SUNDARGARH									
PURPOSE	VILLAGE	LA CASE NO.	TOTAL AREA APPLIED	Lease Deed Executed Between Collector & IOCO	Date of Registration In favour of IOCO	Possession Handed Over to IOCO	Date of Possession handed over to IOCO	Allotment In favour of OCPL	Date of Allotment
			Acres						
COAL MINE	Manoharpur	01/10	497.17	497.17	25th Oct 2017	497.17	27th Dec 2013	497.17	29th Dec 2016
		02/10	29.78	29.78		29.78	27th Dec 2013	29.78	
	Ghumudasan	03/10	93.59	93.59		93.59	29th April 2016	93.59	
		04/10	3.16	3.16		3.16	20th July 2016	3.16	
	Dullnga	05/10	105.72	105.72		105.72	29th April 2016	105.72	
		06/10	32.34	32.34		32.34	29th April 2016	32.34	
	Kathphall	07/10	14.46	14.46		14.46	27th Dec 2013	14.46	
	Paramanapur	08/10	0.47	0.47		0.47	27th Dec 2013	0.47	
SUB-TOTAL			776.69	776.69		776.69		776.69	
Addi.Land for Coal Mine	Ghumudasan	70/12	125.54	125.54	17th May 2017	125.54	20th July 2016	125.54	-
	Dulinga	71/12	55.96	55.96	25th Oct 2017	55.96	20th July 2016	55.96	29th Dec 2016
	Kathphall	72/12	12.85	12.85		12.85	29th April 2016	12.85	
	Manoharpur	73/12	11.06	11.06		11.06	29th April 2016	11.06	
SUB-TOTAL			205.41	205.41		205.41			
Mine Left Out	Manoharpur	ST Land	0.88	-	-	-	-	-	
	Ghumudasan		1.22	-	-	-	-	-	
	Dullnga	Direct Purchase	3.59	-	-	-	-	-	
	Manoharpur		0.42	-	-	-	-	-	
	Ghumudasan		0.32	-	-	-	-	-	
	Sub-Total		6.43	-	-	-	-	2.62	Direct Purchases

Transfer of Pvt land from OPGC to OCPL	Ghumudasan	From OPGC to OCPL	45.51	-	-	-	-	-	-
	Sarbahal		5.47	-	-	-	-	-	-
	Sub-Total		50.98	.	.	.	Transfer from OPGC	50.98	11.09.2017
GRAND TOTAL			1,039.51	982.10	NA	982.10	NA	1,035.70	NA

Status of Govt. Land Acquisition as on 13.09.2017

MANOHRPUR COAL MINE GOVERNMENT LAND, SUNDARGARH							
PROJECT	VILLAGE	APPLIED (Ac.)	SANCTIONED (Ac.)	LEASE WITH IIDCO	POSSESSION TO IIDCO	ALLOTMENT TO OPCL (PP)	ALLOTMENT TO OCPL (LEASE)
Coal mine	Manoharpur	385.80	385.65	346.66	346.66	38.99	346.66
	Dulinga	173.77	172.94	162.46	162.46	8.62	162.46
	Ghumudasan	52.53	52.53	50.61	50.61	1.70	50.61
	Paramanandpur	3.05	3.05	2.89	2.89		2.89
	Kathapali	105.79	105.71	105.71	105.71	Nil	105.71
	Durubaga	5.01	5.01	2.30	2.30	2.71	2.30
SUBTOTAL		725.95	724.89	670.63	670.63	52.02	670.63
R & R Colony	Sukhabandha	77.07	37.77	37.77	37.77	Nil	37.77
	Hemgir	102.90	102.90	102.90	102.90	Nil	-
SUBTOTAL		179.97	179.97	140.67	140.67	Nil	37.77
Addl. Coal mine	Manoharpur	7.02	7.02	3.68	3.68	Nil	3.68
	Dullinga	26.15	26.15	23.90	23.90	-	23.90
	Ghumudasan	28.72	26.09	3.23	3.23	-	-
SUBTOTAL		61.89	59.26	30.81	30.81		27.58
Sub Station	Sarbahal	15.08	15.08	15.08	15.08	-	15.08

Magazine	Laikera	2.13	2.13	2.13	NA	NA	2.13
ITC	Kamaiaga	4.00	4.00	4.00	NA	NA	-
Office	Hemgir	2.00	2.00	2.00	NA	NA	-
Approach Road to R & R Colony	Sukhabandh	2.08	-	-	-	-	-
Inter Connectivity Road	Sukhabandh	0.76	-	-	-	-	-
	Hemgir	2.61	-	-	-	-	-
Cremation Ground for R & R Colony	Sukhabandh	1.57	1.57	1.57	NA	NA	1.57
Left Out Govt Land Coal Mines	Ghumudasan	2.36	-	-	-	-	-
Mine Colony	Sarbahal	9.20	-	-	-	-	-
Mine Colony MO	Lalkera	9.55	-	-	-	-	-
MGR Land transfer from OPGC to OCPL	Ghumudasan	13.52	-	-	-	-	-
	Sarbahal	8.27	-	-	-	-	-
SUBTOTAL		73.13	72.78	72.78	72.78	72.78	72.78
GRAND TOTAL		1.040.94	988.90	866.89	857.19	52.02	827.54

Forest Land Status as on 6.9.17			
Name of the Village	Diversified land In Ac.	Possession Taken	Balance Area
Dulinga	15.01	15.01	
Parmanandpur	13.61	13.61	
Durubaga	14.63	14.63	
Manoharpur	390.71	390.71	
Ghumudasan	24.5	24.5	
Kathapali	31.89	27.81	4.08
Resver Forest	5	5	
Total	495.35	491.27	4.08

Odisha Coal and Power Limited Balance Sheet as at March 31, 2017

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	6	993.59	8.47
	(b) Capital work-in-progress	6	26,550.60	9,496.64
	(c) Intangible assets	6 (i)	10.28	0.82
	(d) Financial Assets			
	(i) Loans	7	13.23	13.03
	(e) Other non-current assets	8	24,285.09	4,621.36
	Total Non - Current Assets		51,852.79	14,140.32
2	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	9	917.39	743.58
	(ii) Bank balances other than (i) above	9	0.10	0.10
	(iii) Others	10	3.06	-
	(b) Current Tax Assets (Net)	11	-	0.49
	(c) Other current assets	12	297.19	71.47
	Total Current Assets		1,217.74	815.64
	TOTAL ASSETS		53,070.54	14,955.96
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	13	20,000.00	5.00
	(b) Other Equity	14	(310.04)	(94.53)
	Total equity		19,689.96	(89.53)
	LIABILITIES			
1	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	15	3.12	-
	Total non-current liabilities		3.12	-
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	6,009.46	12,568.21
	(ii) Other financial liabilities	17	27,235.52	2,384.20
	(b) Other current liabilities	18	121.25	93.08
	(c) Current Tax Liabilities (Net)	11	11.24	-
	Total Current Liabilities		33,377.47	15,045.49
	TOTAL EQUITY AND LIABILITIES		53,070.54	14,955.96
Notes forming part of the financial statements		1-28		

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Place : Bhubaneswar
Date : 12/09/2017

Odisha Coal and Power Limited

Statement of Profit and Loss for the period ended March 31, 2017

(₹ in Lakhs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations	19	-	-
II	Other Income	20	18.79	1.95
III	Total Income (I + II)		18.79	1.95
IV	Expenses			
	(a) Employee Benefit expense	21	2,519.78	262.87
	(b) Finance costs	22	-	-
	(c) Depreciation and amortization expense	6	134.62	0.40
	(d) Other expenses	23	1,821.88	292.67
	Less : Expenditure (other than interest) transferred to capital work in progress		(4,261.98)	(459.46)
	Total expenses (IV)		214.31	96.48
V	Loss before tax (III - IV)		(195.51)	(94.53)
VI	Tax Expense:	11		
	(a) Current tax		16.89	-
	(b) Deferred tax		3.12	-
	Total tax expense		20.01	-
VII	Loss for the period (V -VI)		(215.51)	(94.53)
VIII	Other Comprehensive Income / (Losses)			
	(A) (i) Items that will not be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
	(B) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses)		-	-
IX	Total Comprehensive Income / (Losses) for the year (VII+VIII) (Comprising Loss and Other Comprehensive Income for the period)		(215.51)	(94.53)
X	Earnings per equity share:- Basic and diluted (Rs)	26	(0.29)	(189.06)
XI	Notes forming part of the financial statement	1-28		

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Place : Bhubaneswar
Date : 12/09/2017

Odisha Coal and Power Limited

Statement of Cash Flow for the years ended March 31, 2017 (₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Cash flows from operating activities:		
Loss before taxes	(195.51)	(94.53)
Adjustments for:		
Depreciation and amortisation of non-current assets	-	-
Operating profit before working capital changes	(195.51)	(94.53)
Movements in working capital:		
(Increase)/ decrease in loans and othe financial assets	(3.06)	(0.10)
(Increase)/decrease in other assets	(235.13)	(71.47)
Increase/ (decrease) in other payables	28.17	93.08
Increase/ (decrease) in other liabilities	1,336.02	809.85
Cash generated from operations	930.49	736.82
Taxes Paid	(5.17)	(0.49)
Net cash flow from operating activities	925.32	736.33
(B) Cash flows from investing activities:		
Payments for purchase of fixed assets	(17,989.58)	(9,123.82)
Payments to acquire financial assets	(0.20)	(13.03)
Advance payments against leasehold land	(19,654.32)	(4,621.37)
Net cash used in Investing Activities	(37,644.10)	(13,758.21)
(C) Cash flows from financing activities:		
Issue of shares (conversion of loan of related parties)	19,995.00	5.00
other finance by related parties	23,456.33	1,192.24
Repayment of loan to related parties	(6,558.74)	12,568.22
Net cash flow from financing activities	36,892.59	13,765.46
Net Increase/(decrease) in cash or cash equivalents	173.81	743.58
Cash and cash equivalents at the beginning of the year	743.58	-
Cash and cash equivalents at the end of the year	917.39	743.58
Notes forming part of the financial statement		Note No. 1-28

(I) Repayment of loan includes conversion of loan of ₹ 19,995 lakhs in to equity during the FY 2016-17 (FY 2015-16: Nil)

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Place : Bhubaneswar
Date : 12/09/2017

Odisha Coal and Power Limited

Statement of Changes in Equity for the years ended March 31, 2017

A. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
5.00	-	5.00

(Rupees in Lakhs)

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
5.00	19,995.00	20,000.00

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus	
	General Reserve	Retained earnings
Balance as at April 1, 2015	-	-
Loss for the year		(94.53)
Other Comprehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(94.53)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2016	-	(94.53)
Loss for the year		(215.51)
Other Comprehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(215.51)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2017	-	(310.04)
Notes forming part of the financial statement	Note No. 1-28	

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Place : Bhubaneswar
Date : 12/09/2017

Odisha Coal and Power Limited

Reconciliation between previous GAAP and Ind AS

5 (i) Equity reconciliation

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016
Equity under previous GAAP		(74.94)
Increase in loss due to adjustments	5(ii)	(14.59)
Equity under Ind AS		(89.53)

(89.53)

5 (ii) Total comprehensive income reconciliation

Particulars	Note	For the period ended March 31, 2016
Net income under Previous GAAP		(79.94)
Interest income adjustments	(a)	(4.87)
Prior period adjustments	(b)	(1.05)
Adjustment of revenue expenses charged to CWIP	(c)	(8.67)
Profit for the year under Ind AS		(94.53)
Other comprehensive income		-
Total comprehensive income under Ind AS		(94.53)

(94.53)

5 (iii) Reconciliation of statement of cash flow

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

Notes to reconciliations between Previous GAAP and Ind AS**(a) Interest income adjustments**

Interest income adjustments represents investment income on the temporary investment (interest on fixed deposits) of borrowed funds obtained specifically for the purpose of obtaining a qualifying asset. These adjustments have resulted in decrease in equity and increase in net loss under Ind AS by ₹ 4.87 lakhs for the year ended March 31, 2016.

(b) Prior period adjustments

Expenses pertains to FY 2015-16 but not accounted for due to error or omission the adjustment of which has resulted in decrease in equity and increase in net loss under Ind AS by ₹ 1.05 lakhs for the year ended March 31, 2016.

(c) Adjustment of revenue expenses charged to CWIP

These are the expenses which would have been charged to revenue adjustment of which has resulted in decrease in equity and increase in net loss under Ind AS by ₹ 8.67 lakhs for the year ended March 31, 2016.

Odisha Coal and Power Limited

Notes forming part of the financial statements

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Carrying amounts of :		
Freehold Land	9.74	-
Buildings	846.45	-
Furniture & Fixtures	73.71	4.81
Vehicle	4.31	
Office and other Equipments	59.38	3.65
Total (A)	993.59	8.47
Capital work-in-progress	26,550.60	9,496.66
Total (B)	26,550.60	9,496.66

6 (i). Intangible assets

Software	10.28	0.82
Total (C)	10.28	0.82
Grand Total (A+B+C)	27,554.47	9,505.95

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Cost							
Balance as at April 1, 2016	-	-	4.90	-	3.77	1.02	9.69
Additions	9.74	879.64	75.36	5.73	76.00	82.75	1,129.20
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	9.74	879.64	80.26	5.73	79.77	83.77	1,138.89

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Accumulated depreciation and impairment							
Balance as at April 1, 2016	-	-	0.08	-	0.12	0.20	0.40
Elimination on disposals of assets	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	33.19	6.46	1.42	20.26	73.28	134.62
Balance as at March 31, 2017	-	33.19	6.54	1.42	20.39	73.48	135.02

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Carrying amount							
Balance as at April 1, 2016	-	-	4.81	-	3.65	0.82	9.28
Additions	9.74	879.64	75.36	5.73	76.00	82.75	1,129.20
Disposals	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	33.19	6.46	1.42	20.26	73.28	134.62
Balance as at March 31, 2017	9.74	846.45	73.71	4.31	59.38	10.28	1,003.87

- (i) Building includes Transit guest house of ₹ 609.17 lakhs completed on April 30, 2016 and Mining office of ₹237.27 lakhs completed on May 15, 2015 was capitalised during the current year.
- (ii) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. Based on the assessment, the Company did not recognise any impairment charge during the year ended March 31, 2017.
- (iii) ₹ 5,218.39 (March 31, 2016: ₹ 1,870.90 lakhs) of borrowing costs has been capitalised during the year on qualifying assets
- (iv) Manoharpur and Dipside Manoharpur Coal Blocks (the Coal Blocks) were initially allotted to Odisha Power Generation Corporation Ltd (OPGC). 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 allotted 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.

An amount of ₹ 17,754.75 lakhs (net off liabilities for security deposit & retention money from contractor ₹ 78.08 lakhs, accumulated depreciation ₹ 44.51 lakhs and borrowings of ₹7,966.33 lakhs) details of which was given below, duly incurred by OPGC up to 31st March 2015 as a prior allottee. Out of above expenditure, an amount of ₹ 7,966 lakhs was drawn down as loan from PFC (Total loan sanctioned to OPGC includes loan for development of Coal Mines) and balance amount of ₹ 17,754.75 lakhs spent from its internal accruals. As per clause 5.7 of shareholders agreement signed among the Company, OPGC and Govt. of Odisha (GoO) dated April 21, 2016, the above expenditure incurred by OPGC for development 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. Pending with approval of Govt. of Odisha, the above amount could not be accounted for in the books of accounts of the Company for the financial year 2015-16 . However, the approval from Department of Energy, GoO has been obtained vide letter no 9597 dated December 28, 2016 based upon which the above expenditure has been accounted for under the respective heads during the year 2016-17.

Details of assets and liabilities transferred by OPGC

Particulars of Expenditure	Amount (₹)
Assets	
Fixed Assets	118.62
Development expenses including borrowing cost	6,915.23
Land including land advance	18,239.46
Other capital advance to contractors	570.37
Total Assets	25,843.68
Liabilities	
Security deposit and retention money from contractor	78.09
Loan from PFC	7,966.33
Accumulated Depreciation (Note e)	44.51
Total Liabilities	8,088.92
Assets net of liability	17,754.76

- (v) Depreciation and amortisation expenses of ₹ 134.62 lakhs (March 31, 2016: ₹ 0.40 lakhs) has been capitalised during the year in Capital-Work-In-Progress (CWIP). It includes depreciation and amortisation expenses of ₹29.18 lakhs which pertains to FY 2015-16 on transferred assets from OPGC.
- (vi) CWIP includes rehabilitation and resettlement (R&R) expenses of ₹ 6,165.67 lakhs for construction of R&R colony, Shifting to R&R colony and other incidental expenses and an amount of ₹ 2,002.83 lakhs incurred under the head Annuity for the displaced families at coal mine area village shall be capitalised part of land cost on acquisition of land.

(vii) Details of Capital Work In Progress is disclosed hereunder:

(₹ in Lakhs)

Particulars	As at March 31, 2016	Addition/ (Capitalised) during the year	As at March 31, 2017
R & R Colony at Sukhabandha	3,021.33	3,144.35	6,165.67
R & R Colony -phase-II	-	0.50	0.50
Construction of Transit Guest House & Mining Office	452.98	(452.98)	-
Construction of Admin Building	-	12.70	12.70
Annutiy	-	2,002.83	2,002.83
Road, Bridges & culverts	-	82.18	82.18
Development of Coal Mines	3,631.99	4,675.74	8,307.73
Consultancy For coal Mines	91.17	1,641.96	1,733.13
Power, Supply, Lighting CM	-	100.51	100.51
Up front Fees	3,105.82	-	3,105.82
Statutory Clearance Fees & Expenses	-	29.11	29.11
Survey & Soil Investigation (Coal Mines)	9.56	42.31	51.87
Geological Report Fees	425.44	-	425.44
Pipe line	-	2,112.85	2,112.85
Drilling & Exploration	-	748.87	748.87
Survey & drawing equipment	-	0.13	0.13
Pre operative Expenses	2,390.36	7,588.64	9,979.00
Employee Benefit Expenses (Refer Note-21)	262.87	2,519.78	2,782.65
Finance Cost (Refer Note-22)	1,935.76	3,383.07	5,318.83
Interest income on fixed deposit (Refer Note-20)	(4.87)	(56.56)	(61.43)
Depreciation and Amortisation Expenses (Refer Note-6 & Note-8)	0.40	134.77	135.17
Administrative & Other expenses (Refer Note-23)	196.19	1,607.58	1,803.77
Total	9,496.66	17,053.97	26,550.60

Notes forming part of the Financial Statements

7. Loans- Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	13.23	13.03
- Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
b) Loans to related parties		
- Secured, considered good		
- Unsecured, considered good		
- Doubtful		
Less : Allowance for bad and doubtful advances		
c) Loans to employees		
- Secured, considered good		
- Unsecured, considered good		
- Doubtful		
Less : Allowance for bad and doubtful advances		
Total	13.23	13.03

8. Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Prepayments (Leasehold Land)	1.33	-
Capital Advances	24,275.68	4,621.36
Advance to contractors	6.27	-
Others	1.81	-
TOTAL	24,285.09	4,621.36

- (i) Leasehold land includes development cost on land. Amortisation expenses of ₹ 0.15 lakhs (March 31, 2016: ₹ Nil) has been capitalised during the year in Capital-Work-In-Progress (CWIP).
- (ii) Capital advance includes ₹ 3,013.94 lakhs as advance against forest land in manoharpur against which partial physical possession has been taken by the company during the current year pending finalization of further lease procedures. Balance amount represent amount paid to IDCO for acquisition of land, the sublease of which is pending from IDCO. Pending the lease procedures the leased land could not be capitalized and amortized.
- (iii) Other assets includes, insurance premium paid on water pipe line project for the period April 01, 2018 to November 27, 2018.

Notes forming part of the Financial Statements

9. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with banks		
(1) Unrestricted Balance with banks		
(i) In Current Account	2.39	743.58
(ii) In Deposit Account	915.00	-
Cash and cash equivalents as per balance sheet	917.39	743.58
(2) Earmarked Balances with banks		
(i) In Current Account	-	-
(ii) In Deposit Account	0.10	0.10
Total	0.10	0.10
Total Cash and Cash Equivalents	917.49	743.68

- (i) The cash and bank balances are denominated and held in Indian rupees.
- (ii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016			
(+) Unpermitted receipts (a)	-	-	-
(+) Permitted receipts	-	-	-
(-) Unpermitted payments (b)	-	-	-
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

10. Others

Particulars	As at March 31, 2017	As at March 31, 2016
Advances to staff	0.49	-
Interest accrued on loans and depoits	2.57	-
TOTAL	3.06	-

- (i) Interest accrued on loans and depoits primarily relates to Short Term Deposits.

Notes forming part of the Financial Statements

11. Current tax assets and liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current tax assets		
Tax refund receivables	5.65	0.49
TOTAL	5.65	0.49
Current tax liabilities		
Income Tax payable	16.89	-
TOTAL	16.89	-

12. Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Prepayments (Leasehold Land)	0.05	-
Advances to employees	0.75	0.47
Advances to suppliers	265.39	71.00
Others	31.00	-
TOTAL	297.19	71.47

(i) Other assets represents, amount paid for Insurance premium, statutory fees and others for the financial year 2017-18.

13. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Equity Share Capital	20,000.00	5.00
TOTAL	20,000.00	5.00
Authorised Share Capital		
350,000,000 nos. of equity shares of ₹10/- each (Previous Year 100,000,000 nos. of equity shares of ₹ 10/- each)	35,000.00	10,000.00
Issued and Subscribed capital comprises :		
200,000,000 nos. of equity shares of ₹ 10/- each (Previous year 50,000 nos. of equity shares of ₹ 10/- each)	20,000.00	5.00
Total	20,000.00	5.00

Notes

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

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Ordinary shares of ₹10 each				
At beginning of the year	50,000.00	5.00	-	-
Shares allotted during the year	199,950,000.00	19,995.00	50,000.00	5.00
	200,000,000.00	20,000.00	50,000.00	5.00

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares
Odisha Power Generation Corporation Limited	102,000,000	51.00%	25,500.00	51.00%
Odisha Hydro Power Corporation Limited	98,000,000	49.00%	24,500.00	49.00%

- (ii) The authorised share capital of the company has been increased from existing ₹ 1,000 lakhs to ₹ 35,000 lakhs consisting of 350,000,000 no. of equity shares of ₹ 10/- each w.e.f July 19, 2016.
- (iii) The corporation has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the corporation, the holder of equity shares will be entitled to receive any of the remaining assets of the corporation, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be proportion to the number of equity shares held by the shareholder.

14. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Retained earnings	(310.04)	(94.53)
Total	(310.04)	(94.53)

(i) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	(94.53)	-
Loss attributable to owners of the Company	(215.51)	(94.53)
Balance at the end of the period	(310.04)	(94.53)

15. Deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets	54.31	-
Less : Deferred Tax Liabilities	57.43	-
Net Deferred Tax Asset/ (Liability)	(3.12)	-

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

(₹ in Lakhs)

	Opening balance as at April 1, 2016	Deferred tax expense/ (income) recognised in profit and loss	Deferred tax expense/ (income) recognised in OCI	Deferred tax expense/ (income) recognised in other equity	Closing balance as at March 31, 2017
Deferred tax assets					
Preliminary Expenses	-	54.31	-	-	54.31
Total	-	54.31	-	-	54.31
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	-	(57.43)	-	-	(57.43)
Total	-	(57.43)	-	-	(57.43)
Net Deferred tax assets/(liabilities)	-	(3.12)	-	-	(3.12)

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

	(₹ in Lakhs)				
	Opening balance as at April 1, 2015	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/(income) recognised in OCI	Deferred tax expense/(income) recognised in other equity	Closing balance as at March 31, 2016
Deferred tax assets					
Total	-	-	-	-	-
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	-	-	-	-	-
Total	-	-	-	-	-
Net Deferred tax assets/(liabilities)	-	-	-	-	-

- (ii) The Company has not recognised deferred tax assets arising from the carryforward of unused tax losses as the operation of the company is yet to be started and there is no strong evidence that future taxable profit is available to recover such assets.

16. Short term borrowings

	(₹ in Lakhs)	
Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured borrowings - at amortised cost		
From Related Parties		
- Odisha Power Generation Corporation Ltd (OPGC)	461.96	9,568.21
- Odisha Hydro Power Corporation (OHPC)	5,547.50	3,000.00
Total	6,009.46	12,568.21

- (i) Inter company loan had been availed from Odisha Power Generation Corporation Ltd (OPGC) as per the decision of the Board of Directors in their 6th meeting dated April 17, 2015 for ₹ 5,600 Lakhs and on 10th meeting dated July 08, 2015 for ₹ 4,000 lakhs respectively. Further during the current year ₹ 450 lakhs had been availed as per the decision of the Board on 21st meeting dated September 29, 2016 to meet expenses on development of coal mines. Interest is accrued on each loan disbursement at the rate charged by Power Finance Corporation Ltd. (PFC) to State Sector borrowers (Category A+) applicable on the date of each disbursement. The interest has been accrued and compounded on quarterly basis and to be payable at the end of the term of the loan along with the principal amount. The term of the each loan is 365 days from the date of agreement i.e. April 25, 2015 and July 13, 2015 respectively.
- (ii) Inter company loan of ₹ 14, 897.55 lakhs has been availed from Odisha Hydro Power Corporation (OHPC) as per decision of the Board of Directors in their 13th meeting held on dated November 09, 2015, 19th meeting and 26th meeting held on March 30, 2017 to meet expenses on development of coal mines. Interest is payable at 9.4% which is the rate that is equivalent to maximum FD rate of OHPC plus one percent.
- (iii) Out of the above loan, loan amount of ₹ 10,197.45 lakhs pertains to OPGC and ₹ 9,797.55 lakhs pertains to OHPC respectively has been converted to equity during the current financial year on account of OPGC and OHPC respectively. The balance amount including interest (compounded on quarterly basis) is payable as on the reporting date.

Notes forming part of the Financial Statements

17. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Interest accrued on borrowings	-	37.34
b) Others:		
Capital Creditors	441.07	382.11
Payable to related party	24,648.58	1,192.24
Security & Retention money deposits	50.75	413.87
Other payables	2,095.11	358.63
Total	27,235.52	2,384.20

- (i) Payable to related party i.e. OPGC of ₹ 24,506.01 lakhs is towards expenditure incurred by OPGC for development of coal mines up to March 31, 2015 which is transferred to the Company later on (for details refer Note-6) and ₹ 142.57 lakhs towards reimbursement of deputed employee benefit expenses including arrear salary as per 7th pay revision commission w.e.f January 01, 2016. This also includes PFC loan and interest payable there on to OPGC of ₹ 10,373.53 lakhs as on March 31, 2017.
- (ii) Other payable also includes amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006”. This has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

(₹ in Lakhs)

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

18. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Other statutory dues payable	121.25	93.08
	121.25	93.08

- (i) Other statutory dues payables primarily includes liabilities towards royalty, tax deducted at source, building cess etc.

Notes forming part of the Financial Statements

19. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Revenue From Operation	-	-
	-	-

20. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a) Interest Income		
Bank Deposits at amortised Cost	56.56	4.87
b) Sale of Scrap	-	0.24
c) Sale of Tender Form	18.66	1.71
c) Misc. Income	0.14	-
<i>Less : amount included in the cost of qualifying assets</i>	<i>(56.56)</i>	<i>(4.87)</i>
Total	18.79	1.95

21. Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	2,427.25	241.12
Contribution to provident and other funds	53.54	14.36
Contribution to Gratuity	17.68	4.69
Reimbursement Expenses to Employees	6.20	1.43
Staff Welfare expenses	15.11	1.28
Total	2,519.78	262.87
<i>Less : Capitalised as preoperative expenses</i>	<i>(2,519.78)</i>	<i>(262.87)</i>
Total	-	-

- (i) Employees working in the company are deputed from OPGC on secondment 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 appointed by OPGC.

Employee benefit includes an amount of ₹ 53.54 lakhs towards provident fund (March 31, 2016: ₹ 14.36 lakhs) and ₹ 17.68 lakhs towards gratuity (March 31, 2016: ₹ 4.69 lakhs) and ₹ 14.25 lakhs towards leave (March 31, 2016: ₹ 7.11 lakhs), paid / payable to OPGC as per the above arrangement with the Company. Accounting policies related to the same is provided in Note-3.09.

- (ii) The Company has capitalised the entire employee benefit expenses of ₹ 2,519.78 lakhs (March 31, 2016: ₹ 262.87 lakhs) as preoperative expenses. (Refer Note-5 for details of the same)

Notes forming part of the Financial Statements

22. Finance Costs

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	Interest Expense		
	Interest on and loans from related parties	3,347.50	1,870.90
(b)	Other Borrowing Cost		
	Guarantee Commission	35.57	64.86
	Total Finance Cost	3,383.07	1,935.76
	<i>Less : amount included in the cost of qualifying assets</i>	(3,383.07)	(1,935.76)
	Total	-	-

23. Other Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Auditor Expenses	1.40	0.86
Director Fees	0.83	0.64
Filing Fees	173.69	80.81
Professional Fees	-	1.05
Training, Seminar & Conference Expenses	21.13	4.45
Other administrative expenses	17.25	8.67
Total (A)	214.31	96.48
Tendering Expenses	29.63	2.57
Bank Charges	0.06	0.60
Liasoning expenses	0.74	-
Communication Expenses	34.91	4.15
Community Socio cultural activity Expenses	24.75	-
Consultancy & Professional Fees	173.73	14.56
Courier Charges	0.47	0.16
Electricity Charges	15.01	4.78
Entertainment Expenses	3.10	-
Environment & Safety relate Expenses	3.39	0.09
Loss on foreign excahnge fluctuation	0.05	0.05
Vehicle Hire and Fuel Charges	332.94	58.59
Incidental Expenditure during construction	-	0.28
Insuarance Charges	0.92	-
Legal Fees	96.27	0.77
Project Meeting and Hospitality Expenses	50.99	4.10
Miscellaneous Expenses	37.63	0.81
News Papers & Periodicals	0.91	-
Project Office and other maintenance Expenses	46.08	5.10
Periphery Development Expenses	217.19	19.25
Printing & Stationary Expenses	57.44	3.52
Rates & Taxes	10.82	1.20
Recruitment Expenses	0.64	-
Project office Rent Expenses	134.36	20.46
Security Expenses	46.02	14.95
Service Charges	6.72	1.18
Transit House Expenses	60.31	13.21
Travelling Expenses	222.52	25.81
Total (B)	1,607.58	196.19
Total (A+B)	1,821.89	292.67
<i>Less : Capitalised as preoperative expenses ('C)</i>	<i>1,607.58</i>	<i>196.19</i>
Total (Net)	214.31	96.48

Notes forming part of the Financial Statements

24. Financial Instruments

- (i) Capital Management :- The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

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

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

- (ii) Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.13 to the financial statements.

- (a) Financial assets and liabilities

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

(₹ in Lakhs)

As at March 31, 2017	Amortised cost	Derivative instruments other than in hedging relationship	Equity instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying Value	Total Fair Value Financial assets
Financial assets						
Cash and bank balances	917.49	-	-	-	917.49	917.49
Loans	13.23	-	-	-	13.23	13.23
Other financial assets	3.06	-	-	-	3.06	3.06
Total financial assets	933.78		-	-	933.78	933.78
Financial liabilities						
Borrowings	6,009.46	-	-	-	6,009.46	6,009.46
Other financial liabilities	27,235.52	-	-	-	27,235.52	27,235.52
Total financial liabilities	33,244.98	-	-	-	33,244.98	33,244.98

(₹ in Lakhs)

As at March 31, 2016	Amortised cost	Derivative instruments other than in hedging relationship	Equity instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying Value	Total Fair Value Financial assets
Financial assets						
Cash and bank balances	743.68	-	-	-	743.68	743.68
Loans	13.03	-	-	-	13.03	13.03
Total financial assets	756.71		-	-	756.71	756.71
Financial liabilities						
Borrowings	12,568.21	-	-	-	12,568.21	12,568.21
Other financial liabilities	2,384.20	-	-	-	2,384.20	2,384.20
Total financial liabilities	14,952.41	-	-	-	14,952.41	14,952.41

- (b) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- (c) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- (d) Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

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

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

- (iii) The Company has not transferred any of its financial assets during the year.

(iv) Financial risk management

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

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

- (a) **Market Risk :** Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.
- (b) **Credit Risk :** Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
- (c) **Liquidity Risk:** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.
- (d) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(₹ in Lakhs)

	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	6,009.46	6,009.46	6,009.46	-	-
Other financial liabilities	27,235.52	27,235.52	27,235.52	-	-
Total non- derivative financial liabilities	33,244.98	33,244.98	33,244.98	-	-

(₹ in Lakhs)

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	12,568.21	12,568.21	12,568.21		
Other financial liabilities	2,384.20	2,384.20	2,384.20		
Total non- derivative financial liabilities	14,952.41	14,952.41	14,952.41	-	-

Notes forming part of the Financial Statements

25. Related party transactions

OCPL is controlled by the Odisha Power Generation Corporation Ltd (OPGC). OPGC holds 51% ownership interest in the Company including and as on March 31, 2017 and balance 49% ownership interest is held by Odisha Hydro Power Corporation (OHPC) who has significant influence over the Company. The Company's related parties principally consist of its holding company (OPGC), OHPC and Government of Odisha. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(₹ in Lakhs)

Transactions	OPGC	OHPC	Key Management Personnel	Relatives of Key Management Personnel	Government of Odisha
Finance provided					
FY 2016-17*	10,659.41	15,345.05			
FY 2015-16	9,570.76	3,002.45			
Interest on loan given					
FY 2016-17**	2,891.77	456.41			
FY 2015-16	1,829.41	41.49			
Transfer of Assets (net of liabilities)					
FY 2016-17	2,240.43				
FY 2015-16	-				
Remuneration					
FY 2016-17			43.77		
FY 2015-16			40.16		
Sitting Fees					
FY 2016-17			0.83		
FY 2015-16			0.64		
Guarantee outstanding					
FY 2016-17	7,821.00	7,542.00			
FY 2015-16	7,821.00	7,542.00			
Outstanding paybles					
FY 2016-17**	24,648.58				
FY 2015-16	1,192.24				

* It includes equity and loan provided by OPGC and OHPC respectively.

** It includes interest on PFC loan availed by OPGC for the FY 2016-17 and 2015-16 .

Notes forming part of the Financial Statements

26. Earning per share (EPS)

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

(₹ in Lakhs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Loss after tax	(215.51)	(94.53)
Less: Amount to be paid for diluted portion (net of tax)	-	-
Loss attributable to ordinary shareholders - for Basic & Diluted EPS	(215.51)	(94.53)
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	753.55	0.50
Nominal value of Ordinary Shares (₹)	10.00	10.00
Basic & Diluted Earnings per Ordinary Share (₹)	(0.29)	(189.06)

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

(i) Commitments :

Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) ₹ 5,466.90 lakhs (March 31, 2016: ₹ 10,165.99 lakhs).

(ii) Contingencies :

- (a) OPGC and OHPC had submitted guarantee to Yes Bank for issuance of performance bank guarantee on behalf of OCPL of ₹ 15,392 lakhs in favour of Nominated Authority, Ministry of Coal, Government of India.
- (b) A claim of ₹ 51.69 lakhs raised by OPGC towards cost of land has not been provided in the books of the Company as the same has been incurred by OPGC prior to formation of OCPL. Pending the approval of competent authority, the Company is contingently liable for the same.

28. Events after reporting period

- (i) The authorised share capital of the company has been further increased from existing ₹ 35,000 lakhs to ₹ 75,000 lakhs consisting of 750,000,000 no. of equity shares of ₹ 10/- each w.e.f July 14, 2017.

Odisha Coal and Power Limited

Notes to the Financial Statements for the year 2016-17

1. General Information	<p>The Odisha Coal and Power Limited ("OCPL" / "the Company") incorporated on January 20, 2015 with its registered office at Bhubaneswar, Odisha, India. Subsequently Odisha Power Generation Corporation Ltd (OPGCL) and Odisha Hydro Power Company Ltd (OHPC) holds 51% and 49% of share capital of the Company respectively pursuant to the Government of Odisha Notification No. 1088 dated 4th February, 2015 and No. 1160 dated 6th February, 2015. The Company files application for allotment of Manoharpur and Dip-side Manoharpur Coal Block under the provisions of The Coal Mines (Special Provisions) Second Ordinance, 2014 and is declared as the successful allottee of the said coal blocks on 24th March, 2015. Manoharpur coal block is an explored coal block with a total reserve of 181MT and Dip-side Manoharpur coal block is a regionally explored block with a total reserve of 350 MT. On 30th March 2015 to be precise, it signed the Allotment Agreement with the Nominated Authority, Ministry of Coal (Moe), Government of India. Allotment Order of Manoharpur & Dip-side Manoharpur coal blocks is issued on 31st Aug 2015 to OCPL by the Nominated Authority for supply of coal exclusively for OPGC expansion Power Project (Unit 3, 4, 5, & 6), 4 units of 660 MW each at Ib Thermal Power Station, Banaharpali, Jharsuguda, Odisha. OCPL is operating primarily in mining and supply of coal.</p>
2. Statement of Compliance	<p>In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1 April, 2016. As per the notification, the opening balance sheet date is April 01, 2015. However as the company was incorporated on January 20, 2015, hence the 1st accounting year i.e. January 20, 2015 to March 31, 2016 is considered as the 1st financial year under Ind AS for comparative purpose.</p> <p>As the 1st accounting year of the Company is ended on March 31, 2016, the 1st time transition options provided under Ind AS 101 is not applicable and hence the Company has not availed any optional and mandatory exemptions/exceptions provided under Ind AS 101.</p> <p>These financial statements for the year ended March 31, 2017 are the Company's first financial statements prepared in accordance with Ind AS. Prior to adoption of Ind AS, the Company had been preparing its financial statements in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ("together referred to as "Indian GAAP") for the period up to and including the year ended 31 March 2016.</p>
3. Significant Accounting Policies	<p>The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.</p>
3.01. Basis of preparation	<p>The financial statements of the Company have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013 (to the extent notified and applicable) .</p> <p>The Company has adopted all the applicable Ind AS and the Company has transited from Indian GAAP which is its previous GAAP with necessary disclosures.</p>

	<p>The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.</p> <p>All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.</p>
3.02. Adoption of New and Revised Standards	<p>Standards issued but not yet effective: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April, 2017.</p> <p>Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.</p> <p>The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.</p>
3.03. Use of estimates and critical accounting judgments.	<p>These financial statements have been prepared based on estimates and assumptions in conformity with the recognition and measurement principles of Ind AS.</p> <p>In preparation of financial statements, the company makes judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. Significant judgements and estimates relating to the carrying amount of assets and liabilities, while evaluating/assessing useful lives of property, plant and equipment, impairment of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.</p> <p>Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note - 4.</p>

3.04. Cash and cash equivalent.	Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and unrestricted for withdrawal and usage
3.05. Cash Flow Statement	Cash flow is reported using the indirect method, where by profit / (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.
3.06. Property, Plant and Equipment	<p>Tangible Assets: Property, plant and equipment held for use in the production or/ and supply of goods or services, or for administrative purposes, are measured at cost, less any subsequent accumulated depreciation and impairment loss, if any. Such cost comprises purchase price (net of recoverable taxes, trade discount and rebate etc.), borrowing cost, and any cost directly attributable to bringing the assets to its location and working condition for intended use.</p> <p>Expenditure incurred on development of freehold land and leasehold land are capitalized as part of the cost of the land. Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.</p> <p>In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, borrowing costs if any attributable to such construction.</p> <p>Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.</p> <p>Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.</p> <p>Intangible Assets: Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite useful lives are amortized over their estimated useful lives, whereas intangibles assets having indefinite useful lives is not amortized. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.</p> <p>Subsequent expenditure: Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>Capital work-in-progress Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any) under Capital Work-in progress. The cost includes purchase cost of materials / equipment's duties and non-refundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of assets.</p>

Capital expenditure on assets not owned by the company and related to the business of the Company is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter under Property, plant and equipment

Expenses incurred relating to project, net of income earned during project development stage prior to its intended use are considered as pre-operative expenses and disclosed under Capital work-in-Progress.

Depreciation & Amortization:

Depreciation is provided on a straight line basis over the useful lives of the assets as prescribed under Schedule II of the Companies Act 2013 or as ascertained based on internal assessment and independent technical evaluation that the useful lives as best represent the period over which Company expects to use these assets.

Particulars	Useful lives
Building	Over the period of 30 years
Furniture & Fixtures and Electrical Equipment's	Over a period of 10 years
Office and Other Equipment's	Over a period of 5 years
Vehicles	Over a period of 8 years
Computers & Software's	Over a period of 3 years

Land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expense are amortized over the lease period.

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

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

Tangible Assets :

Particulars	Depreciation / amortization
Tools and Tackles	Over a period of five years

Intangible Assets

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

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

	<p>Property, plant and equipment including tools and tackles costing up to ₹ 5,000/- are fully depreciated in the year in which it is for put to use.</p> <p>Physical verification of fixed assets are undertaken by the Company in a phased manner over a period of three years and the discrepancies noticed, if any, are accounted for in the year in which such differences are found.</p> <p>Disposal and de-recognition of assets</p> <p>An item of property, plant and equipment and intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.</p>
3.07. Impairment of tangible and intangible assets	<p>At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is reviewed in order to determine the extent of the impairment loss if any.</p> <p>Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the assets may be impaired.</p> <p>Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate, that reflects current market assessments of time value of money and the risks specific to the asset for which the estimation of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.</p> <p>When an impairment loss subsequently reverses, the carrying amount of asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if there had no impairment loss been recognized for the asset (or a cash generating unit) in prior year. A reversal of an impairment loss is recognized in the statement of profit and loss immediately</p>
3.08 Foreign currencies Transactions	<p>The financial statements of the Company are presented in Indian rupees ("INR"), which is the functional currency of the Company and the presentation currency for the financial statements.</p> <p>Transactions in foreign currencies are initially recorded in reporting currency i.e. Indian Rupees, using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary items are measured at historical cost. Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.</p>
3.09. Employee Benefits	<p>Employee benefits, inter-alia includes short term employee benefits, provident fund, gratuity, compensated absences and other terminal benefits.</p>

	<p>In terms of arrangements with OPGC, the company has to make payment for liability towards gratuity, leave benefits (including compensated absences) and other terminal benefit etc. for the period of service rendered by the employees posted on secondment basis from OPGC to OPCL and as per the valuation done by actuary of OPGC.</p>
3.10. Provisions and Contingent Liabilities and Contingent Assets	<p>Provisions : Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated.</p> <p>The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When appropriate, provisions are measured on a discounted basis. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to that liability</p> <p>Contingent Liabilities and Assets: Contingent liabilities are possible obligations that arise from past events and whose existence of which will be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company . Where it is not probable that an outflow of economic benefits will be required to settle the obligations, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of any outflow in settlement is remote. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.</p> <p>Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.</p>
3.11 Leases	<p>The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly.</p> <p>Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p>The Company as lessee. Operating lease: Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.</p> <p>Finance lease: Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are</p>

	<p>apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.</p> <p>The Company as lessor</p> <p>Operating lease - Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.</p> <p>Finance lease - When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as an unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.</p>
3.13.Financial Instruments	<p>Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.</p> <p>Financial assets at amortized cost</p> <p>Financial assets are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding</p> <p>Financial assets at fair value through other comprehensive income (FVTOCI)</p> <p>Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give-rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.</p> <p>Financial assets at Fair value through Profit or loss (FVTPL)</p> <p>Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.</p> <p>Financial liabilities and equity instruments issued by the</p> <p>Company Financial Liabilities</p>

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

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

Equity instruments

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

Compound instruments

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

Financial guarantee contract liabilities

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

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance

	<p>at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.</p> <p>De-recognition of financial liability</p> <p>The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.</p> <p>Offsetting financial instruments</p> <p>Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.</p>
3.14. Borrowing cost	<p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.</p> <p>A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for their intended use. The Company considers a period of twelve months or more as a substantial period of time.</p> <p>All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.</p>
3.15. Accounting for Government grants/ Grants-in-Aid	<p>Government grants are recognized when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.</p> <p>Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.</p> <p>Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.</p> <p>Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.</p> <p>The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.</p>

3.16. Tax Expenses	<p>Tax expense for the year comprises current and deferred tax.</p> <p>Current tax The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period</p> <p>Deferred tax Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.</p> <p>The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the each reporting period.</p>
3.17. Revenue recognition and Other income	<p>Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for estimated rebates and other similar allowances.</p> <p><u>Sales of Coal</u> The Company derives revenue principally from sale of coal. The Company recognizes revenue when all the following criteria are satisfied:</p> <ul style="list-style-type: none"> (i) significant risks and rewards of ownership has been transferred to the customer; (ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained; (iii) the amount of revenue can be measured reliably; (iv) It is probable that the economic benefits associated with the transaction will flow to the Company; (v) recovery of the consideration is probable; and <p><u>Other Incomes</u> Interest recoverable on advances to suppliers as well as warranty claims / liquidated damages is recognised when there is no significant uncertainty about collectability exists or accepted by other party.</p>

	<p>Income from dividend and interest</p> <p>Dividend</p> <p>Dividend income from investments is to be recognized when the right to receive the dividend is established.</p> <p>Interest</p> <p>Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. The effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.</p>
3.18. Exceptional items	Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.
3.19. Restatement of material error / omissions	<p>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.</p> <p>Previous year figure has been regrouped/re-arranged wherever it is necessary.</p>
4. Critical accounting judgments and key sources of estimation uncertainty	
	<p>In the application of the Company's accounting policies, which are described in Note-2, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.</p> <p>Critical judgments in applying accounting policies</p> <p>The following are the critical judgements, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements</p> <p>i. Financial assets at amortized cost</p> <p>The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹ 933.78 lakhs (March 31, 2016: ₹ 756.71 lakhs). Details of these assets are set out in note 24</p>

	<p>ii. Key sources of estimation uncertainty:</p> <p>The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year</p> <p>a. Impairment of investments</p> <p>The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.</p> <p>b. Provisions</p> <p>Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.</p> <p>c. Contingent liabilities</p> <p>Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote</p> <p>d. Fair value measurements and valuation processes:</p> <p>For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:</p> <ul style="list-style-type: none"> • Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; • Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and • Level 3 inputs are unobservable inputs for the asset or liability.
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**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 & Power Limited
for the year ended 31 March 2017.**

The preparation of financial statements of Odisha Coal & Power Limited for the year ended 31 March 2017 in accordance with the 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 (7) of the Act is responsible for expressing opinion of 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 12 September 2017.

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 & Power Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors report.

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

Sd/-
(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar

Date : 06.11.2017