OPGC
Power for Progress

.... *reassuring reliability*

34th ANNUAL REPORT
2017 - 2018

Our Vision

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

Our Mission

- To attain global best practices by adopting, innovating and deploying cutting edge solutions
- To achieve excellence in reliability, safety and quality of power by creating a culture of empowerment and high performance
- To be a responsible corporate citizen having concern for environment, society, employees and people at large.

Our Values

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

Contents

About OPGC

Odisha Power Generation Corporation Ltd. 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. Construction of 2x660 MW units under its expansion programme has reached the final stage and is likely to be operational in the year 2019. With the available resources and fuel security in terms of allocation of coal mine to Odisha Coal and Power Ltd. [a joint venture company of OPGC (51%) and Odisha Hydro Power Corporation Ltd.(49%)] for exclusive use of OPGC 2x660 MW expansion units- 3&4 OPGC is poised to be the most reliable source of power for the State of Odisha.

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 programme 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 with completion of hydro test. Light up has been planned in next few months. Progress of TG and Auxiliaries is too in line with the requirement. With Start-up power available, Balance of Plant works on the verge of completion. The project commissioning is under progress.

Aerial View of OPGC Units

MGR

L&T is executing this EPC project to establish rail connectivity from our captive Coal Mines at Manoharpur to Power Plant at Banharpali. Major activities for commissioning of Charla connectivity (intermediate loading station) are in verge of completion and scheduled to be completed within a month to facilitate supply of commissioning coal. All other works like P-Way works, station building, bridges and S&T works are in progress.

New Charla loading station

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, in full swing. The Ash Pond will have HDPE liner in its bed and embankment slope. Construction of Phase-I has been planned to be completed within one year.

Bird's eye view of Ash Pond Phase I

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.

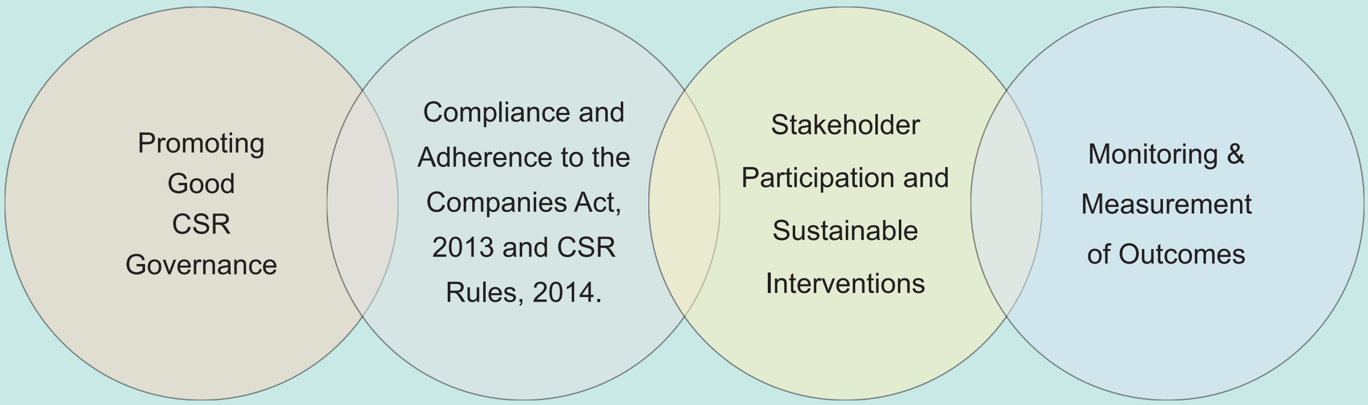
Bird's eye view of New Residential Colony

Corporate Social Responsibility at OPGC: Building a Sustainable Future

Mr. Alok Mukherjee, Director (Operations) and
Dr. Manoj K. Dash, Head (CSR & Sustainability),
receiving 6th Annual Greentech CSR Award - 2018
for
Learning Enhancement Programme
at
Taj Vivanta, Goa.

OPGC, through its Corporate Social Responsibility (CSR) interventions has been making sincere attempts to bring about qualitative changes in lives of people in the peripheral villages of its thermal power plant at Banharpali of Lakhanpur Block in Jharsuguda district.

CSR STRATEGY



- All projects are approved by the CSR Committee and subsequently by 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 marching towards sustainability of the interventions

OPGC organises Stakeholder consultation meetings through CSR team to identify the projects and programmes to be implemented during the succeeding Financial Year as well as review the performance of current and ongoing projects.

Meeting with PRI Members and Elected Representatives

WATER, SANITATION & HYGIENE

Provision of Safe Drinking Water

- Piped and potable drinking water is being provided by OPGC to 17 periphery villages near ITPS from its own Water Treatment Plant (WTP) since 2006. The project covers Banharpali, Telenpali, Kisanpada, Rengali, Sardhapali, Kantatikra, Bhaludole, Sargipali, Temporipada and Samlaitikra, Phalsamunda, Baragad, Dhubadera, Binka, Sapali, Old Adhapada, Baliamunda 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.

- In addition to the above, OPGC has been supplying potable water to water-scarce periphery villages of Ib Thermal Power Station (ITPS) through tankers. more than 40 villages in eight (8) Gram Panchayats are being covered through this programme. Water supply is provided to all identified villages from 1st April till end of June. Water tankers are deployed, which make multiple trips every day to cover the villages which come under Gram Panchayats - Dalagaon, Kusuraloi, Kumarbandh, Piplikani, Remanda, Rampela, Tilia and Telenpali. This drive caters to drinking water needs of about 12,000 people during summer.

Mitigating drinking water crisis through water tankers during peak summer season

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 by providing resources to the community for creation of sustainable water sources and safe toilets to all the households of its periphery region.

3000 households are being provided with Toilet, Bathroom and three water points each

Villages/ Hamlets Covered: 39
Gram Panchayats Covered: 04
Telenpali, Kushraloi, Tilia, Kumbharbandh

❖ The project has generated widespread awareness on better practices in hygiene among the local community. The three water points covering - Toilet, Bathroom and Kitchen area in each household are progressively getting connected with 24x7 overhead water reservoirs built separately as an integrated part of the project.

❖ 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 youths/women, Hygiene Trainings for women, information, education and communication (IEC) campaign with school children, Trained Leaders from each village steering the projects, are different components of WASH.

❖ Village Water & Sanitation Committees (VWSCs) have been formed in each village to look after day-to-day Operartion & 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 have undergone Masonry Training.

RAIN WATER HARVESTING TO AUGMENT GROUND WATER RESOURCES

With the overall objective of sensitizing people regarding dwindling ground water levels in this region, OPGC had kicked off water recharging, conservation, augmentation and responsible use campaigns since 2016 in the peripheral villages of ITPS. Several activities have been taken up under the banner of Ib Water Conclave. As

Rain Water Harvesting Structure built in Community Centre of Village Banharpali

a part of this initiative, OPGC is setting up demonstration projects.

A 'rain water harvesting' structure has been constructed at the community centre built by OPGC at Phatapali village of Tilia Gram Panchayat in partnership with Centre for Ground Water Recharge (CGWR), Raipur. The technique is based on collection and storage of rain water at surface or in sub-surface aquifers (underground layer of water-bearing permeable rock), before it is lost as surface run-off. The augmented resource can be harvested in the time of need. The initiative, a first by OPGC in its periphery villages, is expected to aid in increasing ground water levels in the long run thereby leading to improvement in ecology of the area through gradual increase in vegetation cover. As no separate or additional land is required for water storage purpose, the CSR team of OPGC will motivate villagers to replicate this model to fight and reverse water scarcity in future.

EDUCATION

Learning Enhancement Programme (LEP)

- ❖ The project was aimed at addressing issues such as: Learning retention among children; creation of ambience of learning in homes and the community; encouraging application of innovative teaching methodology, tools and Teaching Learning Material (TLM) by teachers; and addressing drop-out and absenteeism among children in the 06-14 age group.
- ❖ Project implemented in 35 Primary, Upper Primary, Ashram and High Schools from Standard I to X in partnership with 'Pratham Education Foundation' from August 2015 till March 2018.
- ❖ The project addressed 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 CAML (Combined Activities for Maximised Learning) methodology which propagates best teaching practices.
- ❖ Endline, Baseline and mid-term assessment of students carried out to measure the improvement among students using the tools administered in nation-wide ASER survey by Pratham Education Foundation.
- ❖ Teaching and Learning Materials (TLM) provided to students and teachers for First Language and Mathematics.
- ❖ Village Sensitisation and Mothers' Meetings conducted to promote learning environment in communities.
- ❖ Door-to-door mobilizations taken up to track irregular children and discourage absenteeism in schools.
- ❖ More than 100 volunteers, well educated girls,

Classroom learning support to students

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.

❖ Through community-wide interventions an ambience of learning developed in active participation of parents, youth volunteers and community leaders.

Mega Learning Carnival

❖ This annual event is being organised with a view to spark curiosity, ignite imagination and propagate a creative temperament among the students and teachers of 35 target schools located in the periphery of Ib Thermal Power Station (ITPS).

❖ The 3rd Mega Learning Carnival was organized at the OPGC Learning Centre Campus of ITPS for 5 days from 9th to 13th January 2018 in collaboration with Pratham Education Foundation, OPGC's implementation partner in Learning Enhancement Programme (LEP). Director (Operations) of OPGC Mr. Alok Mukherjee inaugurated the event on 9th January in the presence of Block Education Officer of Lakhanpur block Mr. Rabi Ratna Bag and Head of CSR & Sustainability, Dr. Manoj Dash.

❖ About 3000 children and 180 teachers visited the Mega Learning Carnival during the five days long event and got exposure to innovative ways of learning science, languages and mathematics. Dr. Prabhas Kumar Singh, Hon'ble Member of Parliament, Bargarh Parliamentary Constituency, attended the valedictory event as the Chief Guest on 13th January, 2018.

Dr.Prabhas Singh, Hon'ble Member of Parliament, Bargarh, inaugurating a school building in the presence of CSR team

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.

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. With the formation of a Producer Company, Ib Srushti Women Livelihoods Services Producer Company Limited, the project has reached 1060 target families located in 22 villages of 06 Gram Panchayats (Lakhanpur Block, Jharsuguda District) by organizing them into a Producer Company which has helped them build an institutional platform, provide access to financial services, enhance livelihood activities, and link them to markets.

Snapshots of PC activities

- The Producer Company (PC) was incorporated on 16th September 2016 (one year after launch of the project) pursuant to sub-section (2) of section 7 of the Companies Act, 2013, with 1060 shareholders to enhance livelihoods opportunities of women, farmers and fishermen.
- 2 years of PC completed successfully (Incorporated on 16th September 2016 after its incorporation by Ministry of Corporate Affairs, Govt. of India)
- ₹ 9.94 lakh of member-contributed finances (shareholder capital, membership fees, voluntary savings, etc.)
- In Poultry business, the number of members who have joined since last year has increased to 162 from 20
- 439 members have availed loan for various activities till date - poultry, agriculture, fishery (more and more members are eager to start new business ventures at the village level)
- Around 500 (50%) members have already benefitted from the PC either through saving of costs or through increase in incomes
- “Retail Services” introduced by the Company which does doorstep delivery of grocery items to its members at prices lower than prevailing market rates which is a new initiative in this part of the state.
- 23 persons already working as PC staff at the ground level (22 Jeevika Saathis + 1 Accountant + 2 Marketing Personnel)- Aiding in local employment
- Capacity building of Company's decision-makers - better accounting and audit system has been developed for internal audits and generate transparent reports
- Sradhanjali Fund created as insurance product. 387 members covered under LIC life insurance with ₹ 38.7 lakh coverage

The 2nd Annual General Meeting (AGM) of the Producer Company held on 28th October. More than 600 shareholders of the Producer Company from 21 periphery villages participated in the meeting to discuss the progress made during previous year and the plans for the ongoing fiscal year

Visit of CSR Projects by Revenue Divisional Commissioner (RDC), Northern Division, Odisha

Mr. D. V. Swamy, IAS, Revenue Divisional Commissioner (RDC), Northern Division, Sambalpur, visited ITPS on 29th November 2017. During the visit, the RDC inaugurated the office of Ib Srushti Women Livelihoods Services Producer Company Ltd. at ITPS Market Complex, in the presence of Director-Operations Mr. Alok Mukherjee, Head-CSR & Sustainability, OPGC, Dr. Manoj Dash and other senior officials of OPGC. The office space has been allotted by OPGC.

Visit of RDC to CSR Project site

Mr. Swamy visited two ongoing mega CSR projects - WASH and Sustainable Livelihood Project in Kantajharia hamlet of Telenpali panchayat. RDC saw the Overhead Tank and toilets built by OPGC and interacted with the people of the village. He also visited a poultry-shed built by one of the members residing in the hamlet for rearing of desi variety of chicks.

The RDC also interacted with the Directors of Ib Srushti in a separate meeting held at ITPS Resource Centre. He appreciated the interest and enthusiasm shown by the Directors and suggested many new propositions and suggestions for advancement of the Producer Company in Insurance, Eco-tourism, Poultry, Food-processing and many other potential areas of entrepreneurship.

Counselling of candidates in one of the Kaushal Melas

Skill-building of Youth for Enhanced Career Choices

This initiative is a part of a 3-year project named "Career Counselling of Youth" which is being implemented in 06 surrounding Gram Panchayats of ITPS. As many as 1500 youth will be targeted under the project to undergo various skill-based courses for increasing their employability.

RURAL DEVELOPMENT THROUGH CRITICAL COMMUNITY INFRASTRUCTURE DEVELOPMENT

- ❖ 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.

Toilet Complex Built at Reserve Police Lines, Jharsuguda

Toilet Complex Built at Reserve Police Lines, Jharsuguda

A toilet-cum-bath complex has been built by OPGC at Reserve Police Line, Jharsuguda, comprising of two blocks – one each for women and men. Each block consists of 4 toilets, 2 urinals and 3 bathrooms.

Community Centre at Village Pudhipali of Tilia Panchayat

OPGC has constructed a Community Centre at Pudhipali village of Tilia Gram Panchayat. Community Centres are one of the most needed and demanded community assets which emerge as socio-cultural hub of the village in which people come together to organize various activities, social functions, meetings and many other purposes that enrich their lives.

Community Centre at Village Pudhipali of Tilia Panchayat

SPORTS TRAINING TO RURAL YOUTH AND STUDENTS

- Promoting talent in the field of sports is also one of the core objectives of OPGC's CSR Policy.
- Football and Volleyball Coaching Camps were organized with support from Football Association of Odisha (FAO) and Odisha Volleyball Association (OVA).
- Cricket, Football and Volleyball training camps were held for rural youth and students at Rajiv Gandhi Ground of Ib Thermal Power Station (ITPS).
- These camps are aimed at spotting the sporting talents and give them better training so that the raw talents can be given a proper push to shape their future in sports. 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



Snapshots of Coaching Camps held at Ib Thermal Power Station

PREVENTIVE HEALTH AND NUTRITION INTERVENTIONS

OPGC has been providing health and allied 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.

ITPS Hospital

- ❖ 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 our regularly in peripheral villages.

Health Camps for People

Free health camps are conducted in target Gram Panchayats and people took the benefit of health camps. Patients were checked up for various ailments like Hypertension, Diabetes Mellitus, Headache, Weakness, Polyarthritis, Bronchitis, Fever, Anorexia, etc. They were provided with medical advice and free medicine. Chief Medical Officer of ITPS Hospital Dr. Bijaylal Biswal with his team members organizes such camps all round the year.

Health Camp for Senior Citizens

Provision of Health Equipment to CHC

Provision of Health Equipment to CHC

As a part of OPGC's ongoing CSR initiatives in the preventive health sector, two new equipment 'Autoclave' and 'Semi Auto Analyser' were handed-over to Dr. Ekanta Pradhan, Medical Officer of Community Health Centre (CHC), Lakhanpur block by the RDC of Northern Division, Odisha, during his visit to ITPS.

Awareness Drive on Disaster Management

OPGC in collaboration with Jharsuguda District Emergency Cell organized three-day-awareness campaigns in six peripheral Gram Panchayats starting from 25th June 2018. During its journey covering Telenpali, Dalgaon, Remenda, Kusuraloi, Kumarbandh and Tilia Gram Panchayat, members of Self Help Groups, housewives, youth club members and students actively participated in the awareness drive. Experts from Odisha Disaster Rapid Action Force (ODRAF) coordinated the drive. The experts made the gathering aware of different aspects of lightning, its causes and effects on life and property. The ODRAF team explained measures to be taken during lightning and basic First Aid to be followed post lightning strikes to the gathered community. Encouraged by active participation of community, the professionals from ODRAF also explained First Aid measures to be taken during different incidents like Snake bite, Respiratory choking, drowning, etc. Youth, especially college-going students and school children, actively participated in this drive.

Women and school children participating in Lightning Awareness Drives

Community members participating in Lightning Awareness Drives

FINANCIAL HIGHLIGHTS

(₹ in lakh)

FINANCIAL PERFORMANCE	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Revenue	62,311.60	75,809.00	70,595.39	63,000.57	62,264.01
PBDIT	3,407.24	13,795.77	20,007.92	24,878.86	20,222.05
Depreciation & Amortisation	2,528.35	2,559.52	2,192.05	1,916.10	1,839.76
PBT	858.90	11,236.25	17,815.87	22,962.76	18,382.29
Taxes	379.84	4,443.35	6,333.22	7,905.65	5,625.12
PAT	479.06	6,792.91	11,482.65	15,057.11	12,757.17
PER SHARE DATA	**2017-18**	**2016-17**	**2015-2016**	**2014-2015**	**2013-2014**
EPS (₹)	4.36	130.44	234.24	307.15	260.24
Book Value (₹)	1716.83	2,176.82	3,209.94	3,047.91	2,831.03
Dividend per Share (₹)	Nil	65.00	75.00	65.00	255.00
FINANCIAL POSITION	**2017-18**	**2016-17**	**2015-2016**	**2014-2015**	**2013-2014**
Share Capital	1,58,049.74	97,521.74	49,071.74	49,021.74	4,9021.74
Networth	2,71,344.63	2,12,287.57	157,356.79	149,414.22	138,782.22
Total Debt	5,48,040.93	3,78,681.12	162,570.33	83,692.49	41,987.37
Tangible Assets	33,770.29	23,277.48	21,213.32	21,289.45	20,611.86
Intangible Assets	765.91	804.48	73.83	78.94	74.65
Cash and Investments	64,632.89	40,140.55	50,147.62	84,896.60	84,266.89
Current Assets	68,215.77	77,244.72	102,880.40	96,961.74	97,415.09

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 28 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. 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. Pravakar Mohanty, Director (Finance) : Mr. Mohanty is a fellow member of the Institute of Cost Accountant of India (ICAI), M.Com and law graduate. He has an illustrious career span of more than 37 years in various PSUs in the field of finance & Management. Mr. Mohanty is presently serving as the Director (Finance), Odisha Hydro Power Corporation Limited (OHPC), a "Gold rated State PSU". Prior to OHPC, Mr. Mohanty served Neelachal Ispat Nigam Limited (NINL), a Central PSU, as its Director (Finance) for about two years. Mr. Mohanty starting his career 1984, he has made long journey in Industrial Development Corporation of Odisha Limited (IDCOL), the oldest PSU in Odisha, by serving it in different capacities in Finance & Corporate Planning Division for more than 30 years. Besides he has also handled the responsibility of remaining in charge of Managing Director of Konark Jute Limited, in two spells and also Director of Beach Sand Project of IDCOL. He is presently continuing as a member of Odisha State Productivity Council (OSPC) and nominated by Government of India as a member in the Appellate Authority under Ministry of Corporate Affairs, Government of India.

He has rich experience of teaching in professional Institutions and universities & addressed in many Seminars, Conferences, Workshop etc. He has played an instrumental role in term loan financing of Rs. 1036 Cr. from Punjab National Bank and Union Bank of India to OCPL.

Mr. Alok Mukherjee, Director (Operations) : Mr. Mukherjee has an illustrious career span of more than 34 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. 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. Rajendra Shrivastav, Director : Mr. Shrivastav is the Market Business Leader of AES India. Having over 40 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. 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 26 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 34th ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby issued that the 34th Adjourned Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on 25.01.2019 at 11.00 AM 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, 2018 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

2) To note the appointment of M/s Nag & Associates, Chartered Accountant, as Statutory Auditors for the financial year 2018-19 and authorize the Board to fix their remuneration.

By order of the Board

Date- 18.01.2019
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 34th ANNUAL GENERAL MEETING

Notice is hereby issued that the 34th Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on 28.12.2018 at 11.30 AM 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, 2018 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

2) To note the appointment of M/s Nag & Associates, Chartered Accountant, as Statutory Auditors for the financial year 2018-19 and authorize the Board to fix their remuneration.

By order of the Board

Date- 20.12.2018
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.

MANAGEMENT REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 34th Annual Report on the performance and operating result of the Company for the financial year 2017-18 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 **2842.347 MUs** corresponding to an average Plant Load Factor (PLF) of **77.25 %** at plant availability of **87.17 %** against the previous year performance of **3234.844** MUs corresponding to PLF of **87.92 %** at Plant availability of **95.28 %** . The fall in the PLF is mostly attributable to loss of generation due to poor quality of coal and one additional annual outage when compared to previous year. Despite the shortcomings, your Directors have the pleasure to inform you that with the PLF of **77.25%** OPGC achieved 2nd Position among the state sector utilities in India.

This is worth mentioning that the Operation and Maintenance (O&M) team of our Company are making their best efforts to run the plant at the optimum capacity with least interruptions and all safety measures in place. Since both units have been operating for more than 20 years, maintaining plant efficiency & availability has posed a continuous challenge which is required to be met with greater effort and use of newer technologies in the field of power plant maintenance and management. Hence, continuous efforts are made to improve the plant reliability and productivity through renovation/ modernisation and system up gradation as required.

As a part of the above efforts, steps towards Green Initiatives i.e. cleaner environment, installation of New Parallel ESP pass, Dry Fog Dust Suppression System (DFDS) & 12 KW Roof top solar plant in various location has been completed. Performance guarantee tests for both the initiatives (ESP & DFDS) are planned to be completed by 30th March 2019.

Project Development

Construction of OPGC's expansion project of 2x660 MW is in progress. EPC contractors for Main Plant and Balance of Plant (BOP) are Bharat Heavy Electricals Limited and BGR Energy System Limited. BGR Energy has achieved about 96.5% overall progress and 95.5% in construction on the BOP works while BHEL has achieved 98.5% overall progress and 87% in construction on the BTG scope till October 2018. 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 80% 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. Meanwhile, OPGC has worked out the alternative plan and the same has been commissioned.

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 Township and renovation is being done by NCC Limited. NCC has achieved 81% overall progress till Oct 18.

Construction of Ash Pond is being done by M/s Shree Balaji Engicons Pvt. Ltd. Construction of Ash Pond Phase 1 is near completion and Phase 2 work has commenced.

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. Construction of both PGCIL and OPTCL line have been completed and back charged.

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

- **BTG:**
    - ❖ Unit 4: Boiler Light up, Boiler Chemical Cleaning and TG on Barring Gear completed. Steam Blowing Commenced
    - ❖ Unit 3: Boiler Hydro Test & TG on Barring Gear achieved. Boiler is ready for Light up
    - ❖ Air Compressor System Commissioned
    - ❖ U3 GT Back Charging Completed
- **BGRE:**
    - ❖ Water System is Commissioned including Raw Water System, Pre Treatment Plant, DM Plant with Ultra Filtration System.
    - ❖ Switchyard commissioned and back charged from both PGCIL & OPTCL lines
    - ❖ CW System with both IDCT 3 and IDCT 4 Commissioned
    - ❖ Fuel Oil Pump House: LDO system commissioned and HFO unloading started
    - ❖ Fire water Pump House: commissioned and under operation
    - ❖ Chimney: Major work completed and under operation
    - ❖ CHP: Commissioning for coal stacking nearly completed
- **MGR:**
    - ❖ Plan B completed and handed over to operation

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.

<u>FINANCE & ACCOUNTS</u>

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

(₹ in lakh)

	Consolidated Result		Standalone Result	
	2017-18	2016-17	**2017-18**	2016-17
Revenue from Operations	60,719.50	72,178.28	60,719.50	72,178.28
Other income	1,592.10	3,630.73	1,592.10	3,630.73
Total income	62,311.60	75,809.01	62,311.60	**75,809.01**
Expenses excluding interest and depreciation & impairment of assets	58,904.36	61,036.05	58,904.36	61,036.05
Interest, depreciation & impairment of assets	2,548.34	3,536.71	2,548.34	3,536.71
Profit Before Tax	858.90	11,236.25	858.90	11,236.25
Provision for taxes	379.84	4,443.35	379.84	4,443.35
Share of Loss in Joint Venture	155.90	155.57		
Profit After Tax	323.16	6,637.33	479.06	6,792.91

Since equity method of consolidation under Ind AS is applicable to your Company for consolidation of the accounts of its lone subsidiary, Odisha Coal and Power Limited (OCPL), there is no difference in the consolidated numbers excepting that of Profit After Tax.

The key aspects of your Company's performance during the financial year 2017–18 are as follows:

a) Revenue: Revenue from operation of your Company for FY 2017–18 stood at ₹ 60,719.50 lakh as against ₹ 72,178.28 lakhs for FY 2016–17 showing a decrease of around 16%. The revenue is lower in FY 2017–18 mainly due to reduction in quantum of power sold. Your Company has sold 2,511.80 million units of electricity during FY 2017–18 as against 2,885.67 million units in FY 2016–17 with decrease in Plant Load Factor (PLF) from 87.92% in the previous year to 77.25 % in FY 2017–18.

b) Other Income: Other income of your company reduced from ₹ 3,630.73 lakh to ₹ 1,592.10 lakh during FY 2017-18. This is mainly due to low idle cash balance in the banks earning interest.

c) Expenses: Expenses for FY 2017-18 stood at ₹ 61,452.70 lakh as against that of ₹ 64,572.76 lakh for FY 2016-17 with a reduction of around 5% which is not commensurate with the reduction of revenue year-on-year basis. This is mainly due to expenses in overhauling, increase in rate of electricity duty from 30 paise to 55 paise per unit and also due to first time provisioning of onetime retirement benefit and terminal TA on actuarial valuation basis.

DIVIDEND & DIVIDEND POLICY

The Company's overarching objective is to strike the right balance between adequately rewarding shareholders through dividend and providing enough funds to drive future growth to maximize long term sustainable shareholder value. Your company had 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 till the commissioning of Unit 3 &4 (2x660 MW) and distribute maximum dividend in the post commissioning years subject to availability of distributable profit. However, in view of the insignificant profit earned during the financial year 2017–18, your Directors do not recommended any dividend on Equity Shares for the year under review.

RESERVES AND SURPLUS

The balance amount in Reserves and Surplus stands at ₹ 113,294.89 lakh (previous year ₹ 114,765.83 lakh) 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 there is no disclosure or reporting requirement 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 i.e. FY 2017-18, the Company has incurred a Loss of ₹ 305.68 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. Pravakar Mohanty, (DIN: 01756900) was appointed as Director (Finance) of the Company w.e.f 20.06.2018 in place of Mr. H.P. Nayak, IRAS (DIN: 06386473) upon change of nomination by Government of Odisha.

Your Directors place on record their appreciation for the valuable services rendered by Mr. H.P. Nayak, IRAS during his tenure as Director (Finance) of the Company.

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 2017-18 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 AND COST AUDIT REPORT

M/s. Niran & Co., Cost Accountants (Firm Registration No. 000113) were appointed as Cost Auditors in accordance with the requirement of the Central Government and pursuant to Section 148 of the Act, your Company carries out an annual audit of cost accounts relating to electricity. The Cost Audit Report and the Compliance Report of your Company for 2017-18, was filed on 26.09.2018 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s. Niran & Co., Cost Accountants, before the due date of 30th September 2017 for the year 2017-18. For the financial year 2018-19, the Board of Directors of the Company, on the recommendations of the Audit Committee, has re-appointed M/s. Niran & Co. Cost Accountants, as Cost Auditors of the Company.

INTERNAL AUDITORS

The Board of Directors of the Company based on recommendations of the Audit Committee had re-appointed M/s. SDR and Associates, Chartered Accountants (Firm Regn. No.326522E), as Internal Auditors for FY 2017-18. 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. SRB and Associates, Chartered Accountants (Firm Regn. No.310009E) have been appointed as the Internal Auditor for the FY 2018-19 with the recommendation of Audit Committee.

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 on March 31, 2018 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 LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees or investments are given under Notes to Accounts of financial statements.

INTERNAL CONTROL

The Company has its internal audit function reviews and ensures sustained effectiveness of Internal Financial Controls (IFC) by adopting a systematic approach to its work. 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. On review of the internal audit observations and action taken on audit observations, we can state that there are no adverse observations having material impact on financials, commercial implications or material non-compliances which have not been acted upon.

Budget variance analysis of physical and financial performance of the company is prepared for review of Board as a measure of budgetary control to ensure that the activities confirm to the annual plan. 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 the first element of OPGC Value system and comes before everything else as your company cares for its people and wants them to go home safely after each day's work. Your company's goal is to make that possible for each OPGC person and contractor/service provider by creating and sustaining an incident-free workplace. **Your company is in the sixth year of LTI free journey by achieving 21 million LTI free man hours and 2330 LTI free man days as on 31.10.2018.**

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

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

Your company's aim has been to challenge employee behaviour and change mind-sets, and continuously seek ways to enhance standards in the areas of health, safety and the environment.

The company's EHS management system in line with ISO 14001, OHSAS 18001 & Global safety standards helps it achieve what it really believes in. The company has bagged number of State as well as National level EHS awards. OPGC's Safety Management System has been accredited to OHSAS 18001, besides the system has been further strengthened with AES Corporate Global Safety Standard

Commitment to improved environmental performance

The Company has developed strategies and objectives designed to drive long term improvement in environmental performance, which have been integrated into 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 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.
- OPGC was rated three star by State Pollution Control Board w.r.t its consistent compliance to emission control norm.
- Environment Management System has been accredited to ISO 14001:2015.

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 was able to utilize around 60% of its ash generated during the year 2017-18.

Quantity of Ash generated in the year:	919536 MT
Quantity of Bottom Ash generated in the year:	183907 MT
Quantity of Fly Ash generated in the year:	735629 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 crore 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 WORKPLACE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

OPGC's vision of attaining sustainable growth is achieved by producing an overall positive impact on society through its Corporate Social Responsibility (CSR) initiatives. OPGC's CSR Policy for FY 2017-18 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 usher in an inclusive business model, OPGC has allied its CSR interventions taking into account the social and economic challenges, environmental opportunities and threats and thus its projects and programmes are well-integrated into the decision-making structures and processes of the organization. OPGC has been proactively and periodically engaging with stakeholders, to find out what issues matter most to them in order to improve decision-making, transparency and accountability.

The Company's CSR interventions in its community are based on Schedule-VII of the Companies Act, 2013 relating to CSR. OPGC works in the core sectors of Education, Preventive Health, Sustainable Livelihood & Skill development, Critical infrastructure development and Sports Training in its operational areas. Focus and direction of CSR Committee is now on bringing in more resources through sustainable and innovative projects with long-term impact. During the year, the Company has spent ₹ 142.35 lakh as against the mandated spending of ₹ 350.09 lakh. A detailed report on CSR activities prepared in line with various applicable provisions of the Companies Act, 2013 is attached at **Annexure-V.**

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 2017-18 are as under:

Name & Position	No. of Meetings held during the tenure of the member	Number of Meetings attended
Sri Hemant Sharma, IAS – Chairman	9	9
Sri Indranil Dutta, Managing Director	9	9
Sri H.P. Nayak IRAS, Director (F)	9	9
Sri Alok Mukherjee, Director (O)	9	9
Sri Vijay Arora, IAS – Director	7	0
Sri D. K. Jena, IAS – Director	7	6
Sri Rajendra Shrivastav – Director	7	7
Sri Mark Eugene Green – Director	7	5
Sri Martin Charles Crotty- Director	2	2

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, six meetings of the Committee were held on 18th May, 2017; 18th August, 2017; 15th Septemebr, 2017; 25th September 2017; 29th January, 2018 and 28th March, 2018

Members of the Committee during the year ending on 31st March, 2018 are as below:

1	Sri Hemant Sharma, IAS	Chairman – Non executive
2	Sri Alok Mukherjee	Director (Operations), Member- executive
3	Sri Martin Charles Crotty	Director, Member- Non executive
4	Sri Mark Eugene Green	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
Sri Hemant Sharma, IAS, Chairman	6	6
Sri Alok Mukherjee, Director (Operations), Member	6	6
Sri Martin Chales Crotty, Director, Member	2	2
Sri Mark Eugene Green, Director, Member	4	2

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.

The Company has devised an effective and progressive workforce intake strategy that is aligned to its business needs and suited well to counter the varied complexities as well as evolving business environment of the organisation. During the year under report 61 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 recruitment on the CTC structure was resorted to and during the year 20 persons have joined 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, 59 in-house training programmes were organised to empower them with up to date knowledge on various subjects in which 1291 employees have undergone training and 71 employees were given opportunity to attend 12 institutional training programmes and seminars. In this period 10364 Man hours of training have been imparted. As part of career progression policy and broader objective of maintaining a motivated workforce, 44 executives and 37 non-executives were promoted to higher positions.

INDUSTRIAL RELATIONS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

ACKNOWLEDGEMENT

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

Your Directors also place on record their appreciation for 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.

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

Your Directors also appreciates the contribution of contractors, service providers, vendors and consultants in the implementation of various projects of the Company and wish to place on records their appreciation for the support and co-operation extended by all members of the OPGC family.

For and on behalf of the Board of Directors

Place: Bhubaneswar

Sd/-
(Hemanta Sharma)
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	• Unit-1 CW Pump 1B impeller replacement , to increase the Cooling water flow & improve unit performance. • Unit-2 Flue gas duct replacement , to reduce power consumption of Induced Draft Fans . • Unit-2 Boiler feed pump Cartridge replacement & Recirculation valve replacement to reduce specific power consumption of the pump. • Unit-2 APH seal replacement and Unit-1 APH Basket replacement to enhance Boiler Efficiency and reduce unit heat rate • Unit-2 Mill Liner replacement to improve the milling performance. • 1175 no of LED tube lights, street lights & lamps has been procured & replacement are under progress.
	(ii)	the steps taken by the Company for utilising alternative sources of energy	• 900 Litre/day Solar Water Heater has been installed at roof of plant canteen . • 2x3 KW PV Solar system installed at Ash Pond Control Room roof top . • 12 KW rooftop solar power panels has been installed at roof of DM Plant control room & CW Pump house .
	(iii)	The capital investment on energy conservation equipments	Total investment below equipments = 42.18 Lakhs • 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 12 KW PV Solar system installed at DM plant control room & CW pump house building in june-2018 = 13.75 Lakhs. Cost of LED lights = 19.48 Lakhs.
B	**Technology absorption**		
	(i)	the efforts made towards technology absorption	• LED lights
	(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 31.03.2018

[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%	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 31.03.2018)				% 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)		4973609	4973609	51.00		8060537	8060537	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.		3982387	3982387	32.76		6948259	6948259	40.84	
d) Banks / FIs									
e) Any other									
Sub-total (A) (2) :-									
Total shareholdings of Promoter									
(A) = (A) (1) + (A) (2)		**9752174**	**9752174**	**100**		**15804974**	**15804974**	**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) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1) :-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholdings									
holding nominal share capital upto									
₹ 1 lakh									
ii) Individual shareholdings									
holding nominal share capital in									
excess of ₹ 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)		**9752174**	**9752174**	**100.00**		**15804974**	**15804974**	**100.00**	

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Government of Odisha	4973609	51.00		8060537	51.00		Nil
2	AES India Private Limited	796178	16.24		796178	8.16		Nil
3	AES OPGC Holding (Incorporated in Mauritius)	3982387	32.76		6948259	40.84		Nil
	Total	**9752174**	**100.00**		**15804974**	**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	3086928
2	AES India Private Limited	0
3	AES OPGC Holding (Incorporated in Mauritius)	2965872
	Total	**6052800**

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

Sl.No.		Shareholding at the begining of the year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 - 31.03.2018)	
	For Each of the Top 10 Shareholders	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2017	**NA**			
b	Changes during the year	**NA**			
c	At the end of the year as on 31.03.2018	**NA**			

v) Shareholding of Directors and Key Managerial Personnel :

Sl.No.		Shareholding at the begining of the year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 - 31.03.2018)	
	For Each of the Top 10 Shareholders	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2017	**NA**			
b	Changes during the year	**NA**			
c	At the end of the year as on 31.03.2018	**NA**			

vi) INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	379086.03			379086.03
ii) Interest due but not paid				
iii) Interest accrued but not due	4370.86			4370.86
Total (i+ii+iii)	383456.89			383456.89
Change in Indebtedness during the financial year				
● Addition	169,340.05			169340.05
● Reduction				
Net Change	169340.05			169340.05
Indebtedness at the end of the financial year				
i) Principal Amount	548426.08			379086.03
ii) Interest due but not paid	5908.74			4370.86
iii) Interest accrued but not due				
Total (i+ii+iii)	**554334.82**			**554334.82**

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl No	Particulars of Remuneration	Mr. H. P. Nayak, Director (F)		Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		37.4	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	4.59	41.99
	(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 (Pension contribution and leave salary)	-	11.80	12
	Total (A)	**-**	**53.79**	**53.79**
	Ceiling as per the Act			

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

Sl No	Particulars of Remuneration	Name of Directors					Total Amount
1	**Independent Directors**						
	a) Fee for attending Board/Committee meetings						
	b) Commission						
	c) others, please specify						
	Total (1)						

2	**Other Non-Executive Directors**						
	a) Fee for attending Board/Committee meetings						
	b) Commission						
	c) others, please specify						
	Total (2)						
	Total (B) = (1+2)						
	Total Managerial Remuneration (A+B)						
	Overall ceiling as per the Act						

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

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

Viii. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure - III

Odisha Power Generation Corporation Ltd.
Statutory Audit Observation and Management Replies for the FY 2017-18

Sl.No	Observation	Management Replies
1	No provision is made for the liability of ₹ 486.24 lakh (including penalty of ₹ 187 lakh) towards demand from the Executive Engineer Main Dam, Burla Division for excess drawl of water. In this respect Company has not disputed the claim, but only requested for waiver of the demand. This has resulted in overstatement of Profit for the year by ₹ 486.24 lakh and understatement of Current Liabilities to that extent.	Executive Engineer Main Dam Division, Burla has raised a demand of ₹ 187 lakh as penalty on the allegation that the company drawn the water during the period 12th June 2013 to 28th June 2013 when water level reached 595 ft. The power generated by the company was committed to the consumers of Odisha through GRIDCO forinterest of the State. Above penalty has been compounded with interest of 2% on monthly basis. During the period though the water allocation was made by the Water Resources, but no agreement was made with the company based upon which penalty to be levied. Department of Energy, GoO vide letter dated. 25.06.2014 has requested to the Dept. of Water Resources, GoO for waival of such penalty & interest with a specific reason that the "Stoppage of drawl 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."The matter was discussed with Water Resources Dept., Govt. of Odisha from time to time. As advised by Principal Secretary, WR dept. Govt. of Odisha an updated information also submitted to vide letter No ÒPGC/3021 dated.18.12.2018. Since the matter of waival 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. 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.

Sl.No	Observation	Management Replies
2	No provision for Goods and Service Tax impact over the erstwhile Service Tax / Excise Duty / VAT has been made in the accounts since 01.07.2017 for capital contracts resulting in understatement of CWIP and corresponding liability in the Financial Statements. The amount is not quantified by the Company.	Most of the contracts are related to Project expansion – Unit 3 & 4 (2x660MW) and the expenses are required to be capitalised. On roll out of Goods and Service Tax (GST) from 1st July 2017, the process of change orders started to comply the provisions of contract as well as GST Laws including section 171 of the CGST / SGST Act. The process took some time for agreement on arrived figures / value of change orders and mean time many ofthe contracts change order have been issued. Since most of the contracts are capital contracts of project and any changes due to GST Change order are to be part of capital expenses and to be capitalised on commissioning of the units,so it has no impact on profitability.
3	We draw attention to Note No.14,21,24,25 & 26 to the standalone Ind AS financial statements in respect of balances under Sundry Creditors, Claims Recoverable, Loans & Advances and Other Liabilities which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.	All major parties' accounts are reconciled and confirmation related to transactions of project as well as operation has been obtained and provided to the Auditors. Regarding other advances which includes different advances given to employees which are periodically reconciled and accounted for. However, for other parties, the same is noted for review during 2018-19 for the possibility of obtaining confirmation.
4	It is observed from the index furnished from the MCA portal, that charges have been created in favour of Yes Bank for ₹ 153.92 crore on 25.05.2015 and Union Bank of India for ₹ 9.99 crore on 07.08.1998 in addition to PFC and REC. It is noticed that there is no liability outstanding in the books of the Company during the Financial Year 2017-18, relating to Yes Bank and Union Bank of India but these charges created are continuing in MCA portal. Existence of such charges is not disclosed by in the Financial Statements and no steps have been taken to satisfy these charges created earlier; in contravention of the provisions of Section 82(1) of the Companies Act, 2013 and Rule 8(1) of Companies (Registration of Charges) Rules, 2014. The amount of penalty and other consequential liabilities is not quantified by the Company.	Charge with Union Bank of India for ₹ 9.99 crore has been satisfied. However, steps have been taken for satisfaction of charge created in favour of Yes Bank for ₹ 153.92 crore On issue of NOC by the bank the satisfaction of charge will be filed. As the charges are satisfied within 30 days of the issue of NOC by the Bank, OPGC is not liable for any penalty and consequential liabilities.

Sl.No	Observation	Management Replies
5	The Company has not disclosed Contingent liability for ₹ 977 lakh towards demand raised by OHPC Limited for compensation against water drawl from Hirakud Reservoir as per Government of Odisha Policy for utilization of water in the reservoirs by Industrial units and as reported to us, the matter is sub judice.	The basis of demand and facts are stated at below of the table in the Note. No.39 of the Financial Statements. However the same shall be reviewed during the Year 2018-19
6	We draw attention to Note No.39 (iii) to the Ind As standalone financial Guarantee provided by the Company to Axis Bank Ltd. For Odisha Coal and Power Ltd.(OCPL)- a subsidiary Company of OPGC Limited. This guarantee is in the nature of Financial Guarantee as per Appendix-A of Ind AS 109: Financial Instruments and the said Financial Guarantee has not been measured and recognised in the Financial statements as per the requirements of Ind AS 109 by the Company.	In the present case, Odisha Coal and Power Ltd (OCPL) is the subsidiary Company of the reporting Company (OPGC) and a joint venture with Odisha Hydel Power Corporation Ltd (OHPC). The shares of the Company hold by OPGC & OHPC at the ratio of 51% : 49%. Both Shareholders provided Corporate Guarantee and Margin Money for obtaining Bank Guarantee in favour Nominated Authority, Ministry of Coal, Govt. of India as performance security of Manoharpur and Dipside Manoharpur Coal Mine. OCPL has paid guarantee commission to the bank at market rate and there is no preferential rate given by the bank due to the Corporate guarantee given by both the shareholders. Besides above the fair value of the corporate guarantee given by OPGC to Axis Bank for issue of the Bank Guarantee in favour Nominated Authority, Ministry of Coal, Govt. of India is also ₹ Nil.So it is a performance guarantee for which no disclosure is required in the financial statement.
7	Terms and conditions of appointment and remuneration payable to Managing Director and Director (Operations) for services rendered to OPGC have not been furnished. The managerial remuneration earned by the above directors is not disclosed in the Annual Return as required under section 92 of the Companies Act, 2013.	Managing Director and Director (Operations) are appointed by AES as per the Shareholders' Agreement. The Managing Director and Director (Operations) are employees of AES and do not draw any remuneration from OPGC. Henc e disclosure of remuneration is not needed.
8	Attention is drawn to note 36 to the Ind AS standalone financial statements in respect of an amount of ₹ 11.82 crores paid/provided towards Resource Sharing fees to AES India Pvt. Ltd, for the purpose and a copy of an unsigned document with the title “Policy on Reciprocal Resource Sharing between OPGC and Strategic Investor” is furnished to us which in our view is not a valid and binding document between the parties. Further, the	Policy On Reciprocal Resource Sharing between OPGC and Strategic Investor was approved by the Board of Directors in the 137th Board Meeting held on 06th August 2008 and was amended in the 147th Board Meeting held on 30th June 2010. Disclosure of payment related to resource sharing shall be reviewed during 2018-19.

Sl.No	Observation	Management Replies
	Company disclosed the payment in the financial statements under note 31 “Employee Benefit Expenses” but Income Tax at source has been deducted under section 194J for rendering professional services.	
9	The Company has not implemented the provisions of Employees' Pension Scheme, 1995 and not furnished any document in support of exemption or non-applicability of the said scheme. The estimated liability for the default has not been quantified and provided by the Company.	Employees' Pension Scheme- 1995 applies to employees of factories and other establishments to which the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies. In view of the order passed by the Employees Provident Fund Appellate Tribunal, OPGC is an excluded establishment under Section 16(1) of the said Act. Hence, the Employees' Pension Scheme 1995 is not applicable to OPGC.
10	The Company has formed its Audit Committee, but terms of reference of the said committee are not furnished to us. In course of audit, it is observed that related party transactions have not been placed to the Audit Committee.	Provisions of Sec.177 of the companies Act 2013 (Act) relating to Audit Committee is not applicable to OPGC. However, OPGC has constituted the Audit Committee voluntarily under the 1956 Act as a matter of good governance. The enactment of Companies Act 2013 requires the Audit Committee to act in accordance with the terms of reference specified in writing by the Board. Subsection (4) of the above section of the Act also specifies the matters which are required to be included in the terms of reference. There is no specific requirement of placing related party transaction before the Audit Committee. As a matter of fact, disclosure of the related party transactions is a part of the financial statements which are mandatorily placed before the Audit Committee for scrutiny before recommendation of the same to the Board of Directors.

Annexure - IV

Odisha Power Generation Corporation Ltd.
Replies on observations of C & AG of India for the financial year 2017-18

POM No.	Audit Observation	Management Reply
1	**Comments on disclosure** In the Board's Report for the year 2016-17, the company has not disclosed the unspent balance of Corporate Social Responsibility Expenditure of ₹ 4.83 crore (₹ 3.09 crore for the year 2014-15 and ₹ 1.74 crore for the year 2015-16) as required under section 135(5) of the Companies Act 2013.	The details required as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been duly disclosed in the Directors Report **(Annexure –VI).** The reasons of shortfall in mandated CSR expenditure have also been disclosed. However, there is no requirement, as per the Act or Rules made thereunder for reporting the reasons for unspent amount on CSR of the years previous to the year under report. Hence there is no deficiency in the Directors' Report.
4	**Balance Sheet** **Assets** **Non-current assets** **Property, Plant and Equipment (Note-4)** **Plant & Equipment- ₹ 216.95 crore** 1.The above is understated by ₹ 42.60 crore due to non-capitalisation of the cost of Electrostatic Precipitator (ESP) at Unit-1 and Unit-2 of the company despite completion of the construction of these ESPs. This has also resulted in overstatement of Capital-Work-in-Progress by ₹ 36.66 crore, understatement of current liability by ₹ 5.94 crore as the company has not paid ₹ 5.94 crore for ESP and depreciation by ₹ 7.34 crore and overstatement of profit by the same amount i.e. by ₹ 7.34 crore	**Noted**

Annexure - V

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

FY : 2017-18

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 weblink to the CSR policy and projects or programs.

The CSR Policy of OPGC was developed modified by the CSR Committee and subsequently, the same was approved by the Board of Directors (BoD) on recommendation of CSR Committeee. The CSR Policy of OPGC provides for projects and programmes, i.e. preventive health, education, nutrition, drinking water, sanitation, vocationnal skills for employability, sustainable livelihoods and income generation for empowerment of women and youth, creation and developmet of critical community infrastructure (e.g. roads, renovation of water bodies, community centres, educational facilities, etc.) for rural development, water resorce 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 socital interests of the community thereby underlning sustainability inherent in tis 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 abrief update on CSR programmes are available at: http//www.opgc.co.in/

2. The compositing of the CSR Committee.

There were three members in the CSR Committee as approved by OPGC Board of Directors (BoD) during FY 2017-18.

a. Managing Director	:	Mr. Indranil Dutta.
b. Director (Finance)	:	Mr. Hara Prasad Nayak.
c. Director (Operations)	:	Mr. Alok Mukherjee.

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

₹ 11,110.89 lakh

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

₹ 350.09 lakh

5. Details of CSR spent during the financial year.

(a) Total amount to bespent for the financial year: ₹ 350.09 lakh
(b) Amount unspent, if any: ₹ 207.74 lakh
(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 programmes was undertaken	Amount outlay (budget) Project or programme wise	Amount spent on the projects of programmes Sub-heads: (1) Direct expenditure on projects or programmes (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	₹ 25,00,000.00	(1) Direct: ₹ 11,68,692 (2) Overhead : Nil	₹ 37,51,982.00	Direct & Implementing Agency
2	Sanitation	Schedule - VII Sl. No. (i)	Program: (1) Undertaken In Dist - Puri; State - Odisha	₹ Nil	(I) Direct ₹ Nil (2) Overhead : Nil	₹ 53,50,020.00	Implementing Agency
3	Safe Drinking Water	Schedule - VII Sl. No. (i)	Program: (1) Undertaken in local area (2) Dist. - Jharsuguda State - Odisha	₹ 38,00,000.00	(1) Direct: ₹ 22,21,103.00 (2) Overhead: Nil	₹ 82,91,729.00	Direct
4	Livelihood Enhancement	Schedule - VII sl. No.(ii)	Program : (1) undertaken in local area (2) Dist - Jharsguda State - Odisha	₹ 97,42,000.00	(1) Direct: ₹ 26,61,482.00 (2) Overhead: Nil	₹ 1,15,60,823.00	Direct and Implementing Agency
5	Vocational Skill Development	Schedule - VII Sl.No.(ii)	Program: (1) Undertaken in local area (2) Dist. - Jharsuguda State - Odisha	₹ 60,00,000.00	(1) Direct: ₹ 1,42,625.00 (2) Overhead: Nil	₹ 45,88,493.00	Direct
6	Education	Schedule - VII Sl. No. (ii)	Program: (I) Undertaken in local area (2) Dist - Jharsuguda; State - Odisha	₹ 98,20,000.00	(1) Direct: ₹ 44,81,932.00 (2) Overhead: Nil	₹ 1,68,94,886,00	Direct & through Implementing Agency
7	Ensuring Environemental Sustainability and Ecological Balance	Schedure - VII Sl. No. (iv)	Program: (1) Undertaken in local area (2) Dist - Jharsuguda; State - Odisha	₹ 20,30,000.00	(I) Direct: ₹ 20,29,000.00 (2) Overhead: Nil	₹ 1,68,94,886,00	Direct

-1	-2	-3	-4	-5	-6	-7	-8
8	Protection of National Heritage, Art and Culture	Schedule - VII Sl.No. (iv)	Program: (1) Undertaken in local area (2) Dist - Puri; State - Odisha	₹ 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	₹ 15,00,0000.00	1) Direct: ₹ 7,14,301.00 (2) Overhead: Nil	₹ 20,24,603.00	Direct
10	Rural Development	Schedule - VII Sl.No.(x)	Program; (1) Undertaken in local area (2) Dist - Jharsuguda: State - Odisha	₹ 69,00,000.00	(1) Direct: ₹ 6,41,348.00 (2) Overhead: Nil	₹ 2,63,57,110.00	Direct
11	Overheads (Monitoring, capacity Building, etc.)	N.A. (as per provisions of Section 135)	(1) Undertaken in local area (2) Dist - Jharsuguda State - Odisha	₹ 7,00,000.00	(1) Direct: Nil (2) Overhead: ₹ 4,60,567,00	₹ 8,43,902.00	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. Bharat Gyan Vigyan Samiti (BGVS), C-124, BHB Colony, Baramunda, Near Trinatha Bazar, Bhubaneswar - 751003, Odisha, (Implemented Malnutrition prevention awareness programme in peripheral villages of ITPS under preventive health category).

iii. Niyatee Foundation, Khandagiri Marg, Jagamara, Bhubaneswar, Odisha-751030 (Implemented HIV/AIDS prevention awareness programme under preventive health category).

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 Project)

1. In case the Company has failed to spend the two percent of the average net profit of the last three financial years of 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 ₹ 142.35 lakh out of mandated spend of ₹ 350.09 lakh. 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.
- Suitalbe parties are not availabe 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 the 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

Independent Auditor's Report

NAG & ASSOCIATES
Chartered Accountant

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

We have audited the accompanying standalone Ind AS financial statements of Odisha Power Generation Corporation Limited (" the Company "), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial statements").

Management's Responsibility for the Standalone Financial statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone Ind AS financial statements subject to our observations given below give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Observations

1. No provision is made for the liability of ₹ 486.24 lakh (including penalty of ₹ 187 lakh) towards demand from the Executive Engineer Main Dam, Burla Division for excess drawl of water. In this respect Company has not disputed the claim, but only requested for waiver of the demand. This has resulted in overstatement of Profit for the year by ₹ 486.24 lakh and understatement of Current Liabilities to that extent.

2. No provision for Goods and Service Tax impact over the erstwhile Service Tax/Excise Duty/VAT has been made in the accounts since 01.07.2017 for capital contracts resulting in understatement of CWIP and corresponding liability in the Financial Statements. The amount is not quantified by the Company.

Emphasis of Matter

1. We draw attention to Note No.14,21, 24,25 & 26 to the standalone Ind AS financial statements in respect of balances under Sundry Creditors, Claims Recoverable, Loans & Advances and Other Liabilities which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.

2. It is observed from the index furnished from the MCA portal, that charges have been created in favor of Yes Bank for 53.92 crores on 25.05.2015 and Union Bank of India for ₹ 9.99 crores on 07.08.1998 in addition to PFC and REC. It is noticed that there is no liability outstanding in the books of the Company during the Financial Year 2017-18, relating to Yes Bank and Union Bank of India but these charges created are continuing in MCA portal. Existence of such charges is not disclosed by in the Financial Statements and no steps have been taken to satisfy these charges created earlier; in contravention of the provisions of Section 82(1) of the Companies Act, 2013 and Rule 8(1) of Companies (Registration of Charges) Rules, 2014. The amount of penalty and other consequential liabilities is not quantified by the Company.

3. The Company has not disclosed Contingent liability for ₹ 977 lakh towards demand raised by OHPC Limited for compensation against water drawal from Hirakud Reservoir as per Government of Odisha Policy for utilization of water in the reservoirs by Industrial units and as reported to us, the matter is sub judice.

4. We draw attention to Note No.39 (iii) to the Ind AS standalone financial statements in respect of Corporate Guarantee provided by the Company to Axis Bank Ltd. for Odisha Coal and Power Ltd. (OCPL) – a subsidiary Company of OPGC Limited. This guarantee is in the nature of Financial Guarantee as per **Appendix-A** of Ind AS 109: Financial Instruments and the said Financial Guarantee has not been measured and recognised in the Financial statements as per the requirements of Ind AS 109 by the Company.

5. Terms and conditions of appointment and remuneration payable to Managing Director and Director (Operations) for services rendered to OPGC have not been furnished. The managerial remuneration earned by the above Directors is not disclosed in the Annual Return as required under section 92 of the Companies Act, 2013.

6. Attention is drawn to note 36 to the Ind AS standalone financial statements in respect of an amount of ₹ 11.82 crores paid / provided towards Resource Sharing fees to AES India Pvt. Ltd., a related party. It is explained that there is no agreement between OPGC and AES India Pvt. Ltd. for the purpose and a copy of an unsigned

document with the title "Policy On Reciprocal Resource Sharing between OPGC and Strategic Investor" is furnished to us which in our view is not a valid and binding document between the parties. Further, the Company disclosed the payment in the financial statements under note 31 “Employee Benefit Expenses” but Income Tax at source has been deducted under section 194J for rendering professional services.

7. The Company has not implemented the provisions of Employees' Pension Scheme, 1995 and not furnished any document in support of exemption or non applicability of the said scheme. The estimated liability for the default has not been quantified and provided by the Company.

8. The Company has formed its Audit Committee, but terms of reference of the said committee are not furnished to us. In course of audit, it is observed that related party transactions have not been placed to the Audit Committee.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

3. As required by Section143(3) of the Act, we report that:

   (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (ii) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

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

   (v) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as Director in terms of Section 164(2) of the Act;

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

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

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

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

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 21.09.2018

Annexure-A

To the Auditors' Report of
Odisha Power Generation Corporation Limited

Sl.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 ₹ 23 lakh of the disputed dues from GRIDCO and ₹ 0.70 lakh towards unrecoverable travelling advance written off as per approval of the Board of Directors of the Company.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Proper records are maintained for inventories lying with third parties. During the financial year under audit, no assets received as gift from Government or other authorities.

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 21.09.2018

Annexure-B

To the Auditors' Report of
Odisha Power Generation Corporation Limited

Sl.No	Direction	Reply
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	According to information and explanations given to us, there is no case of land under litigation and there is no encroachment of the company owned land.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	The land acquired by the Company is through the nodal organization of Government of Odisha, IDCO and Government of Odisha. The funds were placed with IDCO as per demand raised by them.
3	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The Company has effective system for recovery of revenue backed by payment security mechanism of Letter of Credit (L.C) & Escrow. Revenue has been accounted for as per applicable Accounting Standards.
4	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	According to information and explanations given to us, no project of the company is abandoned during the year.
5	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilization and disposal of ash and the policy of the Company in this regard, may be checked and commented upon.	According to information and explanations given to us, the Company is granted Consent to Operate by the State Pollution Control Board, Odisha which is valid up to 31.03.2019. As per available information, the ash utilization target stipulated for the company has not been achieved.
6	Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company?	Not applicable

Sl.No	Direction	Reply
7	Does the Company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	The Company is procuring coal from Mahanadi Coal Fields Ltd. (MCL) through a Fuel Supply agreement and there is a regular system of reconciliation of quantity/ quality of coal ordered and received and grade of coal, moisture and demurrage etc. are properly recorded in the books of account.
8	How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable
9	In the case of hydroelectric projects, the water discharge is as per policy / guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid / payable may be reported.	Not Applicable

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 21.09.2018

Annexure – C

To the Auditor's Report of
Odisha Power Generation Corporation Limited

The Annexure referred to in Independent Auditor's report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its major portion of Property, Plant and Equipments.

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

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

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

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

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

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

iv. The Company has not granted any loans or given any guarantee and security covered under section 185 and 186 of the Companies Act, 2013, except to its subsidiary. According to the information and explanations given to us, and as per the records verified by us, the company has complied the provisions of Section 185 and 186.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of sales tax, services

Name of the Statute	Nature of dues	Amount ₹ in lakh	Amount deposited ₹ in lakh	Forum where dispute is pending
The Orissa Sales Tax Act	Sales Tax	15.90	14.72	Sales Tax Tribunal, Odisha
The Income Tax Act,1961	Income Tax	150.26	Nil	High Court of Orissa
The Income Tax Act,1961	Income Tax	101.53	151.53	ITAT,Cuttack
The Income Tax Act,1961	Income Tax	21.11	6.93	CIT(A-I),BBSR
	TOTAL	288.80	173.18	

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

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

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

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

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

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

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

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

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

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No. 053292

Place: Bhubaneswar
Date: 21.09.2018

Annexure – D

To the Auditor's Report of
Odisha Power Generation Corporation Limited

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

We have audited the internal financial controls over financial reporting of Odisha Power Generation Corporation Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over Financial Reporting

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

Qualified Opinion

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

a) In adequate data input validation checks in the SAP system leading to erroneous data capturing;

b) The Company did not have an appropriate internal control system for procurement and estimation of costs related to procurement. There is no Board approved procurement procedure in the Company which could potentially result in the Company commit for purchases without establishing reasonable certainty of costs and transparency.

c) No agreement is executed between OPGC and AES India Pvt. Ltd. a Related Party for resource sharing involving an expenditure of ₹ 11.82 crores during the year.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 march 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nag & Associates
Chartered Accountants
FRN: 312063E

Sd/-
(S.P. Padhi)
Partner
M.No. 053292
Place: Bhubaneswar
Date: 21.09.2018

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

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
1	**Non-current assets**			
	a. Property, Plant and Equipment	4	33,770.29	23,277.48
	b. Capital work-in-progress - Tangible	5	7,53,089.09	5,94,665.59
	c. Other Intangible assets	6	765.91	804.48
	d. Intangible assets under development	7	-	-
	e. Financial Assets			
	(I) Investments	8	15,300.00	10,200.00
	(ii) Loans and Advances	9	551.32	556.06
	f. Other non-current assets	10	28,222.08	87,083.49
	Total non-current assets		**8,31,698.69**	7,16,587.10
2	**Current assets**			
	a. Inventories	11	4,413.79	4,268.55
	b. Financial Assets			
	(i) Trade receivables	12	9,850.45	12,775.74
	(ii) Cash and cash equivalents	13	6,769.14	15,533.24
	(iii) Bank Balances other than (ii) above	13	42,563.75	14,407.31
	(iv) Loans	14	182.98	609.70
	(v) Others	15	993.85	25,420.02
	c. Current Tax Assets (Net)	16	2,391.49	2,924.47
	d. Other current assets	17	1,050.31	1,305.69
	Total Current Assets		**68,215.77**	77,244.72
	TOTAL ASSETS		**8,99,914.46**	7,93,831.82
	EQUITY AND LIABILITIES			
	EQUITY			
	a. Equity Share capital	18	1,58,049.74	97,521.74
	b. Other Equity	19	1,13,294.89	1,14,765.83
	Total equity		**2,71,344.63**	2,12,287.57
	LIABILITIES			
1	**Non-current liabilities**			
	a. Financial Liabilities			
	(I) Borrowings	20	5,48,040.93	3,78,681.12
	(ii) Other financial liabilities	21	1,123.19	511.76
	b. Provisions	22	5,974.83	3,829.39
	c. Deferred tax liabilities (Net)	23	590.23	1,342.41
	Total non-current Liabilities		**5,55,729.18**	**3,84,364.68**
2	**Current liabilities**			
	a. Financial Liabilities			
	(I) Trade and other payables	24	8,418.34	6,253.08
	(ii) Other financial liabilities	25	61,888.54	1,87,841.88
	b. Other current liabilities	26	999.86	1,907.14
	c. Provisions	27	1,320.67	686.92
	d. Current Tax Liabilities (Net)	16	213.24	490.56
	Total Current Liabilities		**72,840.65**	1,97,179.57
	TOTAL EQUITY AND LIABILITIES		**8,99,914.46**	7,93,831.82
Notes forming part of the financial statements		**1- 41**		

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

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

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

(₹ in lakh)

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

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

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

Odisha Power Generation Corporation Limited

Statement of Cash Flow for the year ended March 31, 2018

(₹ in lakh)

	Particulars	As at March 31 2018	As at March 31 2017
A	**Cash flows from operating activities:**		
	Profit before taxes	**858.90**	11,236.24
	Adjustments for:		
	Depreciation and amortization expense	**3,207.25**	1,452.95
	Provision for impairment	**-**	1,106.57
	(Profit)/loss on sale of Fixed Assets	**14.87**	15.15
	Trade Receivable written off	**23.00**	-
	Foreign currency fluctuation gain/(loss)	**-**	(0.20)
	Interest and finance charges	**19.99**	977.19
	Interest Income from investment & deposits	**(1,521.08)**	(3,291.05)
	CSR expenditure	**142.35**	324.33
	Operating profit before working capital changes	**2,745.28**	11,821.18
	Adjustments for:		
	Trade receivable	**2,902.29**	(3,785.20)
	Inventory	**(145.94)**	637.47
	Other financial and non financial assets	**24,594.66**	9,981.05
	Trade and other payables	**3,622.25**	(2,560.23)
	Other financial and non financial liabilities	**(1,25,878.52)**	5,214.87
	Cash generated from operations	**(92,159.98)**	21,309.14
	Taxes Paid	(926.56)	(3,730.34)
	CSR expenditure	(142.35)	(324.33)
	Net cash flow from operating activities	**(93,228.89)**	17,254.47
B	**Cash flows from investing activities:**		
	Payments for purchase of fixed assets	(62,882.67)	(2,41,485.61)
	Sale of property, plant and equipment	0.05	89.61
	Interest received	1,524.10	3,517.60
	Payment for Investment	(5,100.00)	1,109.27
	Repayment of loan and other receivable*	-	(168.22)
	Payment for FD (28,156.44)		
	Dividend including Dividend Distribution Tax		
	Payment towards capital and other advances	-	(25,785.77)
	Advance payments against leasehold land	-	(1,101.27)
	Net cash used in Investing Activities	**(94,614.96)**	(2,63,824.40)
C	**Cash flows from financing activities:**		
	Issue of shares	60,528.00	48,500.00
	Dividends paid on redeemable cumulative preference shares		
	Dividends paid to owners of the Company	(2,043.49)	(3,540.08)
	Interest paid		
	Proceeds from borrowings	1,69,359.81	2,16,515.69
	Interest paid	(48,764.56)	(24,982.12)
	Repayment of other financial liabilities		(214.11)
	Net cash flow from financing activities	**1,79,079.76**	2,36,279.38
	Net Increase/(decrease) in cash or cash equivalents	**(8,764.10)**	(10,290.55)
	Cash and cash equivalents at the beginning of the year	**15,533.24**	25,823.79
	Cash and cash equivalents at the end of the year	**6,769.14**	15,533.24
Notes forming part of the financial statement		**Note No. 1- 41**	

(i) Repayment of loan includes conversion of loan to equity during the year ₹ Nil (Previous Year : ₹ 10,197.45 lakh)

(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 ₹ 2,14,346.07 lakh (Previous year: ₹ 3,83,705.88 lakh) 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/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

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

A. Equity Share Capital

(₹ in lakh)

	Balance as at April 1, 2017	Changes in equity share capital during the year	**Balance as at March 31, 2018**
	97,521.74	60,528.00	**158,049.74**

B. Other Equity

(₹ in lakh)

Particulars	Reserves and Surplus		
	Security Premium Reserve	**General Reserve**	**Retained earnings**
Balance as at April 1, 2017	5,888.43	8,960.23	99,917.17
Profit for the year			479.06
Other Comprehensive Income			93.48
Total Comprehensive Income			**572.55**
Dividend (including tax on dividend)			(2,043.49)
Transfer of profits of the year to General Reserve		-	-
Balance as at March 31, 2018	**5,888.43**	**8,960.23**	**98,446.22**
Notes forming part of the financial statement	**Note No. 1- 42**		

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

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

Notes to Financial Statements

Note 1. General Corporate Information:

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

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

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

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

Note 2. First time adoption consideration

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

Note 3. Significant Accounting Policies

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

3.1 Basis of preparation

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

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

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

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

3.2 Recent Accounting Pronouncements

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

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

Ind AS 115 – "Revenue from Contracts with Customers"

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

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

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

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

3.3 Use of estimates and critical accounting judgments.

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

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

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

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

3.4 Cash and cash equivalent.

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

3.5 Cash Flow Statement

Cash flow is reported using the indirect method, where by profit / (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purposes of the Cash Flow Statement, cash and cash equivalents as defined above is the net of outstanding bank overdrafts. In the balance sheet, the bank overdrafts are shown underborrowings 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. Whereas significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

Tangible Assets:

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

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

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

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

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

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

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

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

Intangible Assets:

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

Subsequent expenditure:

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

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

The costs of the day-to-day servicing of Property, Plant and Equipment is recognized in the statement of profit and loss as incurred.

Capital work-in-progress

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

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

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

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

Depreciation & Amortization:

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

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

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

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

Tangible Assets:

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

Intangible Assets

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

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

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

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

Disposal and derecognition of assets

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

3.8 Impairment of tangible and intangible assets

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

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

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

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

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

3.9 Foreign Currency Transactions

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

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

3.10 Provisions and Contingent Liabilities and Contingent Assets

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

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

Onerous contracts

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

Restoration, rehabilitation and decommissioning

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

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

Environmental liabilities

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

Litigation

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

Contingent Liabilities and Assets:

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

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

3.11 Leases

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

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

The Company as lessee.

Operating lease:

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

Finance lease:

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

The Company as lessor

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

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

3.12 Inventories

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

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

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

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

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

3.13 Trade receivable

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

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

3.14 Financial Instruments

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

Financial assets at amortized cost

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

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

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

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

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

Financial liabilities and equity instruments issued by the Company

Financial Liabilities

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

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

Equity instruments

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

Compound instruments

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

Financial guarantee contract liabilities

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial liability

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

Offsetting financial instruments

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

3.15 Borrowing cost

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

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

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

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

3.16 Accounting for Government grants / Grants in Aid

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

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

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

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

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

3.17 Employee Benefits

Short-term employee benefits

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

Post-employment benefits

i. Defined contribution plans

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

ii. Defined benefit plans

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

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

long-term employee benefits (unfunded)

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

As per the Company's policy, permanent Company carder eligible employees are paid six months last drawn salary as one-time financial benefit toward pension on retirement. The present value of obligation against long term employee benefits is ascertained on each balance sheet date by an independent actuary using Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. All actuarial gains and losses and past service cost are recognized in the statement of profit and loss in the period in which they arise.

Expenses on leave travel concession, leave salary including pension contribution (employees on deputation) are accounted for on cash basis following materiality concept.

3.18 Tax Expenses

Tax expense for the year comprises current and deferred tax.

Current tax :

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

Deferred tax

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

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

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

3.19 Revenue Recognition

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

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

Sales of Electrical Energy

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

Revenue from sale of electrical energy is accounted for based on tariff rates approved by the OERC.

Delayed payment surcharge for late payment/ overdue trade receivables against sale of electrical energy and differential revenue due to redetermination of tariff by OERC based upon Appellate/ Judiciary Authority is recognized when there is no significant uncertainty as to measurability or collectability exists.

Other Incomes:

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

Income from dividend

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

Interest Income

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

3.20 Exceptional items

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

3.21 **Restatement of material error / omissions**

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

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

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

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

Critical judgments in applying accounting policies:

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

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹ 60, 911.49 lakh (March 31, 2017:₹ 69, 302.07 lakh). 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).

4. Property, plant and Equipment.

(₹ in lakh)

	As at March 31.2018	As at March 31.2017
Carrying amounts of:		
Freehold Land	17.00	15.75
Building	7,902.47	4,452.54
Plant & Equipment	21,694.54	15,239.74
Furniture & Fixture	652.76	566.59
Vehicles	89.07	95.76
Office Equipment	1,109.24	1,129.48
Road Bridge & Culvert	977.01	1,045.64
Water Supply Drainage & Sewerage	616.59	266.25
Power Supply Distribution & Lighting	692.06	443.92
Heavy Mobile Equipment	19.55	21.82
	33,770.29	23,277.48
Total	**33,770.29**	23,277.48

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

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

Description	Gross block				Depreciation, Amortization and Impalement				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land	15.75	1.25	-	17.00	-	-	-	-	17.00	15.75
Buildings	10,081.73	3,686.09		13,762.82	5,629.19	236.16	-	5,865.35	7,902.47	4,452.53
Plant & Equipment	1,13,412.47	8,700.36	(96.80)	1,22,016.03	98,172.72	2,230.69	(81.91)	1,00,321.49	21,694.54	15,239.75
Furniture & Fixtures	945.71	171.89	-	1,117.60	379.12	85.73	-	464.85	652.76	566.59
Vehicles	241.74	10.69	-	252.44	145.99	17.38	-	163.37	89.07	95.75
Office Equipment	3,797.47	298.48	(0.51)	4,095.43	2,668.00	318.68	(0.49)	2,986.19	1,109.24	1,129.47
Road Bridge & Culvert	2,093.90	23.62	-	2,117.52	1,048.27	92.24	-	1,140.51	977.01	1.045.64
Water Supply Drainage & Sewerage	646.02	391.17	-	1,037.19	379.77	40.84	-	420.60	616.59	266.25
Power Supply Distribution & Lighting	929.30	308.44	-	1,237.74	485.38	60.30	-	545.68	692.06	443.92
Heavy Mobile Equipment	305.94		-	305.94	284.12	2.28	-	286.39	19.55	21.83
Total	**1,32,470.03**	**13.591.99**	**(97.31)**	**1,45,964.71**	**1,09,192.55**	**3,084.27**	**(82.40)**	**1,12,194.43**	**33,770.28**	**23,277.48**
Previous Year	1,27,240.10	5,319.53	(89.61)	1,32,470.02	1,07,508.01	1,758.64	(74.10)	1,09,192.55	23,277.47	

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

Description	Gross block				Depreciation, Amortization and Impalement				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Operational (Units (Unit 1& 2, HO, MMHP)	1,27,367.02	4,909.66	(97.31)	1,32,179.37	1,08,415.68	2,460.06	(82.40)	1,10,793.34	21,386.04	18,951.34
Expansion Project (Unit - 3& 4)	5,103.01	8,682.33	-	13,785.34	776.87	624.22		1,401.09	12,384.25	4,326.13
Total	1,32,470.03	13,591.99	(97.31)	1,45,964.71	1,09,192.55	3,084.27	(82.40)	1,12,194.43	33,770.28	23,277.48

*Property, Plant and Equipment (MMHP) were impaired during the year 2011-12 amounting to Rs 173.36 lakh as follows:

MMHP, Andharibhangi	104.76	₹ lakh
MMHP, Kendupatna	32.12	₹ lakh
MMHP, Birbati	36.48	₹ lakh
Total	**173.36**	**₹ lakh**

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

5 Capital work-in-Progress - Tangible

A. (₹ in lakh)

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

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

(₹ in lakh)

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

(I) Loan from Power Finance Corporation Ltd (PFC) & Rural Electrification Corporation Ltd (REC) is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (2X660MW). For details, Refer Note 20.

(ii) Expenses during construction period included an amount of ₹ 50,282.69 lakh (Previous Year : ₹ 26,321.65 lakh) towards borrowing costs pending capitalisation of qualifying assets (Property, Plant and Equipments etc.)

(iii) Interest during construction attributable to qualifying assets capitalised during the year will be allocated on a systematic basis on completion of the expansion project.

(iv) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year and there is no indication of impairment is present. Previous year an amount of ₹ 1,106.57 lakh has been charged to statement of profit and loss as an impairment against ₹ 1,314.76 lakh was incurred for four Mini Hydel Projects (Harabhangi, Badanala, Banpur and Barboria)

6 Intangible Assets

	Particulars	As at March 31.2018	As at March 31.2017
(i)	**Carrying amount of:** Software & SAP licence	765.91	804.48
	Total	**765.91**	804.48

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

Description	Gross block				Depreciation				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software	990.90	84.41	-	1,075.31	186.42	122.98	-	309.40	765.91	804.48
Total	990.90	**84.41**	-	**1,075.31**	186.42	**122.98**	-	**309.40**	**765.91**	804.48

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

Description	Gross block				Depreciation				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Operational Units (Unit 1 & 2, HO, MMHP)	907.72	75.46	-	983.18	122.44	104.17	-	226.61	756.57	785.28
Expansion Project (Unit - 3 & 4)	83.18	8.95	-	92.13	63.98	18.81	-	82.79	9.34	19.20
Total	990.90	**84.41**	**-**	**1,075.31**	186.42	**122.98**	**-**	**309.40**	**765.91**	804.48

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

7 Intangible assets under development

Particulars	As at March 31.2018	As at March 31.2017
Carrying amounts of:	-	-
Intangible assets under development	-	-
Total		

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

8 Non-current Investments (₹ in lakh)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amounts	No. of shares	Amounts Equity
UNQUOTED INVESTMENTS CARRIED AT COST	-	-	-	-
Equity investment in joint ventures (jointly controlled entities)				
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	15,30,00,000	15,300	10,20,00,000	10,200
Total		**15,300**		10,200

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

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unquoted		
Aggregate carrying amount of unquoted investments #	15,300	10,200
Total carrying amount	**15,300**	10,200

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

(iii) Odisha Coal and Power Ltd. (OCPL) is incorporated under the Companies Act, 2013 as wholly owned subsidiary Company of OPGC on 20th January 2015. Subsequently Govt. of Odisha vide notification No.1578 dated 21st February 2015 has approved OCPL as joint venture Company between the reporting Company and Odisha Hydro Power Corporation Ltd (OHPC) by acquisition of 49% equity shares in OCPL from the reporting company. Shareholder's Agreement among reporting company, OHPC and OCPL is signed on **21st April 2016**.

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

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

9 Non Current-Loans & Advances

(₹ in lakh)

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

(i) Loan to employees includes ₹ 423.00 lakh (Previous Year : ₹ 436.57 lakh) on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum Secured loan represents vehicle loan of ₹ 202.29 lakh (Previous Year : ₹ 210.38 lakh), which has been hypothecated in the favour of the Company.

(ii) There is no outstanding loans from directors or other officers of the Company.

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

10 Other non-current assets

(₹ in lakh)

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

Notes:

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

(ii) Other Capital advance incudes advances given to contractors and service providers for execution of power Project Unit 3 & 4 (2x 660 MW).

(iii) Prepayments (Lease hold land) and the amount shown in Note-17 includes payment for AC.452.00 of Hirakud Reservoir land and AC.226.46 Village Forest land for which the company has received permissible possession.

(iv) Prepayments (Lease hold land) and the amount shown in Note No-17 includes AC.69.38 of Govt. land and AC.104.47 of private land valuing ₹ 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 lakh)

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

(vi) Total operating lease rental recognised in the statement of profit and loss is ₹ 100.97 Lakh (Previous Year : ₹ 100.97 Lakh).

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

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

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

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

(₹ in lakh)

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

12 Trade receivables

(₹ in lakh)

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

(I) Trade receivables are dues in respect of sale of energy. This included an amount of ₹ Nil (Previous year : ₹ 978.60 Lakh) has not been confirmed by the customer.

(ii) Trade receivable realisable within 12 months from the balance sheet date is classified as current and where, such receivable is expected to be realised beyond twelve months, the same is classified as non-current along with the provision made for the same.

(iii) Trade receivables are further analysed as :

(₹ in lakh)

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

(₹ in lakh)

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**

(iv) Trade receivable for ₹ 22.81 lakh (Previous year ₹ 30.10 lakh) is written off due to non admissibility of claim and recoverable from GRIDCO.

(v) There is no outstanding loans due from Directors or other Officers of the Company.

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

13 Cash and Cash Equivalents (₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
a.	Balances with banks		
	Unrestricted Balance with banks		
	(i) In Current Account	348.72	609.98
	(ii) In Cash Credit Account	-	-
b.	Cash in hand	1.87	1.71
c.	Term Deposit with original maturity up to three months	6,418.55	14,921.55
	Total	**6,769.14**	15,533.24
d.	Deposits with original maturity of more than three months but not more than twelve months	36,840.00	9,060.00
e.	Earmarked Balances with Bank towards		
	Deposits with banks held as security against guarantee	5,193.32	5,163.34
	Fixed Deposits with bank pledged as security or margin money	530.43	183.97
	Total	**42,563.75**	14,407.31
	Total Cash and Bank Balances	**49,332.89**	29,940.55

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

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

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

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

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

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

14 Current Loans

(₹ in lakh)

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

(i) Loan to employees amounting to ₹ 182.73 lakh (Previous Year : ₹ 147.64 lakh) is on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum..

Secured loan represents vehicle loan of ₹ 93.34 lakh (Previous Year : ₹ 49.79 lakh), which has been hypothecated in the favour of the Company.

(ii) There is no outstanding loans due from Directors or other Officers of the Company.

(iii) Inter Company loan was given to Odisha Coal and Power Ltd. (OCPL), a joint venture Company through loan agreement dated 25th April 2015 for ₹ 5,600 lakh and 13th July 2015 for ₹ 4,000 lakh. The loan was given to meet fund requirement of OCPL for required payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses. Board of Directors approved the above loan of ₹ 5,600 lakh and ₹ 4,000 lakh to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively. The loan carries interest at the rate charged by Power Finance Corporation Ltd (PFC) to the state sector borrower(category A+) applicable on the date of disbursal.

The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit.

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

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

15 Other Current Financial Asset

(₹ in lakh)

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

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

(ii) Details of amount receivable as prior allottee and other receivable from OCPL as shown above on the reporting date are given below;

(₹ in lakh)

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

(₹ in lakh)

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

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

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

16 Current tax assets and liabilities

(₹ in lakh)

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

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

17 Other current assets

(₹ in lakh)

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

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

(ii) Advance to suppliers are unsecured and considered good.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

18 Equity Share Capital

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	158,049.74	97,521.74
Total	158,049.74	97,521.74
Authorised Share Capital		
300,00,000 nos. of equity shares of ₹ 1000/- each (Previous year 100,00,000 nos. of equity shares of ₹ 1000/- each)	300,000.00	100,000.00
Issued and Subscribed capital comprises :		
1,58,04,974 nos. of equity shares of ₹ 1000/- each	158,049.74	97,521.74
Total	**158,049.74**	97,521.74

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

(₹ in lakh)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**₹ lakh**	No. of shares	₹ lakh
Ordinary shares of ₹ 1000 each				
At beginning of the year	9,752,174	97,521.74	4,902,174	49,021.74
Shares allotted during the year	6,052,800	60,528.00	4,850,000	48,500.00
	15,804,974	**158,049.74**	9,752,174	97,521.74

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

(₹ in lakh)

	As at March 31, 2018		As at March 31, 2017	
Name of Shareholder	**No. of Shares Held** (Face value of ₹ 1000 each)	**% of Total Shares**	**No. of Shares Held** (Face value of ₹ 1000 each)	**% of Total Shares**
Governor of Odisha	8,060,537	51.00%	4,973,609	51.00%
AES India Pvt Ltd	796,178	5.04%	796,178	8.16%
AES OPGC Holding (Incorporated in Mauritius)	6,948,259	43.96%	3,982,387	40.84%
	15,804,974	**100%**	9,752,174	100%

(ii) The authorised share capital of the company has been increased from existing ₹ 100,000 lakh to ₹ 300,000 lakh consisting of 30,000,000 no. of equity shares of ₹ 1000/- each w.e.f August 18, 2017. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

19 Other Equity

(₹ in lakh)

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

(i) General Reserve

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
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 lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	99,917.17	96,665.25
Profit attributable to owners of the Company	479.06	6,792.91
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	93.48	(0.91)
Payment of dividends on equity shares	1,697.85	2,941.30
Related income tax on dividend	345.64	598.78
Balance at the end of the year/period	**98,446.23**	99,917.17

(iii) Security Premium Reserve

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year/period	5,888.43	5,888.43
Movement during the year	-	-
Balance at the end of the year/period	**5,888.43**	5,888.43

The nature of reserves are follows:

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

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

(iv) **Proposed Dividend:**

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

20 Non Current- Borrowings

(₹ in lakh)

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

(i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the Company as prior allottee amounting to ₹ Nil (Previous Year ₹ 10,145.19 lakh). In line with clause 5.7 of Shareholders Agreement signed by the Company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the Company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the Company and approval by Govt. of Odisha. On request of the Company and OCPL, PFC sanctioned Loan in favour of OCPL by off loading from sanctioned limit of the Company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment /transfer of the loan outstanding up to date of offloading (already drawn by the company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of offload), against sanctioned loan made by PFC. Further, on request of OCPL, OPGC has repaid ₹ 10,881.08 lakh on 16.10.2017 to PFC against term loan outstanding related to development of coal mine out of the fund provided by OCPL.

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

(iii) Security :-

(a) The term loan including interest, additional interest and other charges have been secured by way of first charge on pari- passu basis through equitable mortgage / simple mortgage / english mortgage in favour of PFC and REC of all immovable assets of project (2 X 660 MW Power Plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts. Equitable mortgage of land admeasuring Ac.83.66 dec. related to Power Plant unit 3 & 4 has been created during the year in favour of PFC & REC by deposit of title document with PFC (Trustee for both PFC & REC).

(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 lenders.

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

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

(iv) Repayment:-

(a) Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2019 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.

(b) The term loan from REC shall be repaid in 60 equal quarterly instalment commencing from 31st March 2020 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full.

(v) Interest:-

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

(b) PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.2015) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.30% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.2016) on applicable rate subject to interest rate not falling below 10.30% per annum. In case notified/ circular interest rate falls below 10.30% per annum, the same shall be applicable.

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

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

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

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

(₹ in lakh)

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

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

21 Non Current-Other Financial Liabilities

(₹ in lakh)

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

*Payable to Government : Grant of ₹ 185.58 lakh were received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects. The Company has impaired four Hydel projects in the Previous year and accordingly grant was reclassified as payable to government. Any unfulfilled conditions and other contingencies attaching to government assistance has not been reviewed and recognized.

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

22 Non Current-Provisions

(₹ in lakh)

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

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

(ii) Movement in provision balances are analysed below

As at March 31, 2018 (₹ in lakh)

Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	Pension benefits	Terminal TA
Present value of the obligation at end	4,352.10	916.32	2,827.87	1,454.58	566.94
Fair value of plan assets	4,168.69	-	-	-	-
Unfunded Liability/Provision in Balance Sheet	**183.41**	**916.32**	**2,827.87**	**1,454.58**	**566.974**

As at March 31, 2017 (₹ in lakh)

Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	Pension benefits	Terminal TA
Present value of the obligation at end	3,990.99	864.19	2,573.64	-	-
Fair value of plan assets	3,469.52	-	-	-	-
Unfunded Liability/Provision in Balance Sheet	**521.47**	**864.19**	**2,573.64**	**-**	**-**

1. Defined Contribution Plan

The Company participaters in a number of defined contrubuton plans on behalf of relevant personnel. Any expense recongnised in relation to these schemes represents the value of contribution payable during the period by them at rates specifed by the rules of those plans. the only amount included in the balance sheet are those relating to the prior months contributions that were not due to be paid untill 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 ₹ 533.89 lakh (previous year ₹ 495.70 lakh). The major defined contribution plans operated by the Company are as below:

a. Provident fund

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

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

2. Defined benefit plans

a. Pension Benefit

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

b. Terminal TA

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

c. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plancovering eligible employees. The play provides for a lump-sum payment to vested employees at retirement, death while in employment or on terination of employment in OPGC Ltd as per Rules of the Group Gratuity Scheme of the Company contribution. The Company accounted for the liability for gratuity benefits based on an acural valuaiton.

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

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

(₹ in lakh)

Change in defined benefit obligations:	Year ended March 31,2018	Year ended March 31,2017
(a) Obligation as at the beginning of the year	**3,990.99**	3,566.73
(b) Current service cost	195.97	183.18
(c) Interest cost	296.93	279.99
(d) Remeasurement (gains)/losses	(149.81)	2.60
(e) Benefits paid	(74.33)	(41.51)
Obligation as at the end of the year	**4,259.75**	3,990.99

(₹ in lakh)

Change in plan assets:	Year ended March 31,2018	Year ended March 31,2017
(a) Fair value of plan assets as at beginning of the year	**3,469.52**	2,717.81
(b) Interest income	252.02	214.56
(c) Remeasurement gains/(losses)	-	
(d) Employers' Contributions	521.47	578.66
(e) Benefits paid	(74.33)	(41.51)
Fair value of plan assets as at end of the year	**4,168.68**	3,469.52

(₹ in lakh)

Amount recognised in the balance sheet consists of:	Year ended March 31,2018	Year ended March 31,2017
(a) Fair value of plan assets as at end of the year	4,168.68	3,469.52
(b) Present value of obligation as at the end of the year	4,352.10	3,990.99
© Amount recognised in the balance sheet	**183.42**	521.47

(₹ in lakh)

	Year ended March 31,2018	Year ended March 31,2017
Costs recognised in the statement of profit and loss consist of:		
(a) Current service cost	195.97	183.18
(b) Net interest expense/(income)	38.80	66.64
Costs recognised in the statement of profit and loss:	**234.76**	249.82
Costs recognised in the statement of other comprehensive income consist of:		
(c) The Return on plan assets (excluding amounts included in net interest expense)	(6.11)	1.21
(d) Actuarial gains and (losses) arising from changes in demographic assumption	8.24	17.35
(d) Actuarial gains and (losses) arising from changes in financial assumption	51.42	(3.78)
(e) Actuarial gains and (losses) arising from changes in experience adjustments	90.16	(16.17)
Costs recognised in the statement of other comprehensive income	**143.70**	(1.39)

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, 2018 and March 31, 2017 by category are as follows:

	Year ended March 31,2018	Year ended March 31,2017
Assets category (%)		
(a) Equity instruments	-	-
(b) Debt instruments	-	-
(c) Funds Managed by Insurer	100%	100%

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

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

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

(vii) The table below outlines the effect on defined benefit obligation in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.

As at March 31, 2018

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

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

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

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

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

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

23 Deferred tax balances

(₹ in lakh)

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

Income Tax

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

(₹ in lakh)

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

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

(₹ in lakh)

Particulars	Opening balance as at April 1, 2017	**Deferred tax expense/(income) recognised in profit and loss**	**Deferred tax expense/ (income) recognised in OCI)**	**Closing balance as at March 31, 2018**
Deferred tax assets				
Provisions	**1,416.98**	**865.61**	(50.21)	2,232.38
Others	39.03	(17.72)	-	21.31
Total	**1,456.01**	**847.89**	**(50.21)**	**2,253.68**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	2,798.42	45.50	-	2,843.92
Total	**2,798.42**	**45.50**	**-**	**2,843.92**
Net Deferred tax (assets)/liabilities	**1,342.41**	**(802.39)**	**50.21**	**590.23**

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

24 Current- Trade and other Payables

(₹ in lakh)

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

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

(₹ in lakh)

Description	As at March 31, 2018	As at March 31, 2017
a. The principal amount remaining unpaid to supplier as at the end of the year	4.38	3.66
b. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

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

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

25 Other Financial Liabilities

(₹ in lakh)

Particulars		As at March 31, 2018	As at March 31, 2017
a.	Interest accrued on borrowings	**5,908.74**	4,370.86
b.	Others:		
	Deposits & Retention Money	2,939.90	2,473.23
	Capital Creditors	53,039.90	180,997.79
	Total	**61,888.54**	1,87,841.88

26 Other Current Liabilities

(₹ in lakh)

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

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

27 Current-Provisions

(₹ in lakh)

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

Details in terms of Note-22

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

28 Revenue from Operations

(₹ in lakh)

Particulars	**Year ended March 31,2018**	Year ended March 31,2017
Sale of Power	60,719.50	72,178.28
Total	**60,719.50**	72,178.28

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

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

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

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

(v) Particulars of Generation, Auxiliary Consumption and Sale of power.

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

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

29 Other Income

(₹ in lakh)

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

(I) Miscellaneous income includes

(a) Township recoveries of ₹ 40.91 lakh (previous year ₹ 20.73 lakh).

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

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

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

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

30 Cost of raw material consumed

(₹ in lakh)

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

Particulars of raw materials consumed

(₹ in lakh)

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

(i) Excess of coal of 1559.96 MT amounting to ₹ 36.63 lakh (Previous year shortage of 1,287.35 MT amounting to ₹ 24.10 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 lakh)

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

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

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

(ii) It includes ₹ 1182.13 lakh (previous year ₹ 976.35 lakh) towards resource sharing fees of AES India Pvt. Ltd for deployment of resources in the company.

(iii) It includes an amount of ₹ 915.22 lakh (previous year ₹ 513.75 lakh) towards provision for 7th Pay revision of employees as per Govt. Notification No 26342 dated 07.09.2017.

(iii) It includes an amount of ₹ 847.22 lakh (previous year ₹ 729.36 lakh) towards provision for Variable Pay of the employees under approved performance management system of the Company.

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

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

B. **Gratuity:** The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance as applicable) for each completed year of service or part thereof in excess of six months subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme.

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

Odisha Power Generation Corporation Limited
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days in case of MBS employees. Commutation of half-pay leave shall be permissible. These schemes are unfunded and the liability for the same is recognised on the basis of actuarial valuation.

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

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

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

32 Finance Costs

(₹ in lakh)

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

(I) Interest on Decommissioning and Construction liability represents future decommissioning liability of Ash Pond 'A' amounting to ₹ 19.95 lakh and Ash Pond 'C' amounting to ₹ 0.04 lakh (Previous year: Nil).

(ii) Other borrowing cost represents ₹ Nil (Previous year ₹ 977.19 lakh) paid to Govt of Odisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.

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

33 Depreciation & amortisation expenses

(₹ in lakh)

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

34 Impairment losses

(₹ in lakh)

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

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

35 Other Expenses

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Generation Expenses:		
Consumption of stores, spares & Chemicals	1,668.66	1,240.23
Electric Power, Electricity Duty and water	4,211.43	2,403.64
Contract Job Outsourching expenses	2,106.38	1,154.20
Insurance	1,088.30	1,053.05
Other generation expenses	423.58	360.15
Repairs to buildings	294.06	284.29
Repairs to Machinery	58.82	46.74
	9,851.22	6,542.31
Selling and Distrubution Expenses:		
Rebate in the nature of cash discount to customer	**976.04**	1096.77
Administrative Expenses:		
Rent	304.07	269.06
Lease Premium	100.97	100.97
Professional Fees and expenses	23.52	48.70
General Expenses	1,955.12	1,702.88
Management Service Charges	31.72	29.84
Rate, Taxes & Cess	43.56	48.84
Other Repairs	60.79	61.73
Travelling expenses	304.41	271.33
Watch and Ward expenses	585.17	494.08
Township development expenses	380.90	353.66
	3,790.90	3,381.09
Other Expenses		
Payment to Auditors	12.93	11.59
Peripheral development expenses	12.34	2.51
Donation	-	93.60
Trade Receivables Written Off (Net)	23.00	30.10
Loss on Sale of Fixed Assets	14.87	15.15
Advances written off	0.70	1.30
	63.84	154.25
Corporate Social Responsiblility	142.35	324.33
Less : Allocated to Fuel Cost	887.47	695.61
Amount included in the cost of Qualifying assets	4,305.98	2,568.50
	5,193.24	3,264.11
Total	**9,630.24**	**8,234.64**

			2017-18	2016-17
(I)	**Payment to Auditors:**		**2017-18**	2016-17
	a.	Statutory Audit		
		Statutory Audit Fees	9.02	6.33
		Statutory udit Expenses	0.78	1.13
	b.	Tax Audit fees	1.19	1.06
	c.	Certification fee	0.18	1.52
	d.	Cost Audit		
		Cost Audit Fees	1.42	1.21
		Cost Audit expenses	0.35	0.35
		TOTAL	12.93	11.59

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

(iii) Out of ₹ 350.09 lakh, the company spent as follows during the year

(₹ in lakh)

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

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(₹ in lakh)

Cost of Qualifying Assets(Unit 3 & 4)		2017-2018		2016-2017	
A.	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries & Wages	**3,998.36**		3,077.96	
	Contribution to	-		-	
	Provident fund	112.60		87.15	
	Gratuity fund	34.17		-	
	Staff Welfare Expenses	84.40	**4,229.53**	55.27	3,220.38
B	**FINANCE COST**				
	Interest Expenses	50,282.69		26,321.35	
	Other borrowing Cost	19.75	**50,302.44**	24.18	26,345.53
C	**DEPRECIATION AND AMORTISATION EXPENSES**				
	Depreciation	643.35	**643.35**	509.31	509.31
D	Water Charges	1,854.40	**1,854.40**	642.27	642.27
E	Insurance	1,021.09	**1,021.09**	979.81	979.81
F	**ADMINSTRATIVE AND OTHER EXPENSES**				
	Rent	111.47		109.88	
	General expenses	1,056.40		639.23	
	Rate, Taxes & Cess	10.42		17.04	
	Travelling expenses	88.72		77.86	
	Watch and Ward expenses	147.87		89.65	
	Township development expenses	23.02		10.24	
	Peripheral development expenses	12.34		2.50	
	Donation	-	**1,430.49**	-	946.41
	CSR expenditure in compliance to Environmental Clearance	443.25	**443.25**	327.53	327.53
	Total	**-**	**59,924.55**		32,971.26

(₹ in lakh)

OTHER INCOME				
Interest Income	229.91		-	
Other non-operating income (net of expenses directly attributable to such income)	105.17		46.22	
Other gains and losses	1.39		0.20	
		336.47		46.42

Odisha Power Generation Corporation Limited
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36 Related party transactions

Odisha Power Generation Corporation Ltd (the Company) controlled by the Government of Odisha (GoO). GoO holds 51% ownership interest in the Company and balance 49% ownership interest is jointly held by AES India Pvt Ltd (5.04%) and AES OPGC Holding (incorporated in Mauritius) (43.96%) as on March 31, 2018. The Company's related parties principally consist of GoO, OPGC Ltd Provident Fund Trust, AES India Pvt Ltd , AES OPGC Holding and Odisha Coal and Power Ltd (OCPL) as its Joint venture. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(₹ in lakh)

Transactions	OCPL	AES India Pvt. Ltd	AES OPGC holding	Key Management Personnel	Relatives of Key Management Personnel	PF Trust	Government of Odisha
Finance provided							
FY 2017-18	5,100.00						
FY 2016-17	10,659.41						
Interest on loan given							
FY 2017-18	8.27						
FY 2016-17	711.28						
PF Contribution							
FY 2017-18						951.74	
FY 2016-17						921.86	
Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources							
FY 2017-18		1,182.13					
FY 2016-17		946.52					
Management Services Charges							
FY 2017-18		31.72					
FY 2016-17		29.84					
Remuneration							
FY 2017-18				53.80			
FY 2016-17				44.66			
Dividend paid							
FY 2017-18		138.61	693.33				865.91
FY 2016-17		963.53	477.71				1,500.07
Guarantee commission paid							
FY 2017-18							-
FY 2016-17							977.19
Equity share capital received							
FY 2017-18			29,658.72				30,869.28
FY 2016-17			23,765.00				24,735.00
Guarantee outstanding							
FY 2017-18	6,279.94						
FY 2016-17	6,281.00						
Outstanding receivable							
FY 2017-18	296.77						
FY 2016-17	24,732.98						
Outstanding payables							
FY 2017-18						10.15	
FY 2016-17						93.34	

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

37 Earning per share (EPS)

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

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Profit after tax	**479.06**	6,792.90
Less: Amount to be paid for diluted portion (net of tax)	**-**	-
Profit attributable to ordinary shareholders - for Basic & Diluted EPS	**479.06**	6,792.90
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	**1,10,00,053**	5,207,790
Nominal value of Ordinary Shares (₹)	**1,000.00**	1,000.00
Basic & Diluted Earnings per Ordinary Share (₹)	**4.36**	130.44

38 Segment Reporting

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

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

(I) Commitments

Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) ₹ 1,55,862.68 lakh (Previous Year : ₹ 3,25,000.16 lakh).

(II) Contingencies

a. Contingent Liabilities:

(₹ in lakh)

Particulars	Opening balance as on April 01, 2017	During the year 2017-18		Balance as on March 31, 2018
		Additions	Reversal	
a. Claims against the Company not acknowledged as debt				
(i) Income tax demands	1,081.21	20.50	(828.81)	272.90
(ii) Indirect tax demands	15.90	-	-	15.90
(ii) Claims of contractors & others	1,036.21	11.67	-	1,047.88
b. Outstanding letter of credit and guarantees	5,340.32	383.43	-	5,723.75
c. Other money for which the Company is contingently liable	6,281.00		(1.06)	6,279.94
Total	13,754.63	**415.60**	**(829.87)**	**13,340.36**

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

(ii) A demand of ₹ 977 lakh was raised by OHPC Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.3849 dtd July 06, 2018 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.

(iii) Other money for which the company is contingently liability includes corporate guarantee of ₹ 6,279.94 lakh and outstanding letter of credit and guarantees includes pledge of fixed deposit of ₹ 1,569.98 lakh given to Axis Bank as security for issue of performance bank guarantee for ₹ 15,392.00 lakh in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary Company i.e. Odisha Coal and Power Ltd.

b. Contingent Assets:

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

40 Capital Management :-

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

The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity and other long term and short term borrowings. The Company's policy is aimed at combination of short term and long term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

41 Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 17 to the financial statements.

(a) Financial assets and liabilities

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

(₹ in lakh)

As at March 31, 2018	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					49,332.89	49,332.89	49,332.89
Trade receivables					9,850.45	9,850.45	9,850.45
Loans					734.30	734.30	734.30
Other financial assets					993.85	993.85	993.85
Total	**-**	**-**	**-**	**-**	**60,911.49**	**60,911.49**	**60,911.49**
Financial liabilities							
Trade and other payables					8,418.34	8,418.34	8,418.34
Borrowings					548,040.93	548,040.93	548,040.93
Other financial liabilities					63,011.71	63,011.71	63,011.71
Total	**-**	**-**	**-**	**-**	**619,470.98**	**619,470.98**	**619,470.98**

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					6,253.08	6,253.08	6,253.08
Borrowings					378,681.12	378,681.12	378,681.12
Other financial liabilities					188,353.64	188,353.64	188,353.64
Total	-	-	-	-	573,287.84	573,287.84	573,287.84

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

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

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

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

(i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.

(iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

(iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and March 31 2017

(c) Financial risk management

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

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit 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 counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

(iii) **Liquidity Risk:** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

(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.

(₹ in lakh)

	As at March 31, 2018				
	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	553,949.67	553,949.67	5,523.58	114,358.29	434,067.79
Trade payables	8,418.34	8,418.34	8,418.34	-	-
Other financial liabilities	63,011.71	63,011.71	61,888.54	1,123.18	-
Total non- derivative financial liabilities	**625,379.72**	**625,379.72**	**75,830.46**	**115,481.47**	**434,067.79**

(₹ in lakh)

	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	383,051.98	383,051.98	3,965.96	92,388.88	286,697.15
Trade payables	6,253.08	6,253.08	6,253.08	-	-
Other financial liabilities	188,353.64	188,353.64	187,841.88	511.76	-
Total non- derivative financial liabilities	**577,658.70**	**577,658.70**	**198,060.92**	**92,900.64**	**286,697.15**

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

Previous year figure have been reclassified / regrouped wherever necessary.

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Standalone Financial Statement of Odisha Power Generation Corporation Limited for the Year ended 31 March 2018.

The preparation of financial statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2018 in accordance with financial reporting framework prescribed under the companies Act, 2013 is the responsibility of the Mangement of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 21 September 2018.

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 2018. 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 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 understandning of the financial statements and the related Audit Report.

A Comments on financial Position
Balance Sheet
Assets
Non-current Assets
Property Plant and Equipment (Note-4)
Plant & Equipment- ₹ 216.95 crore

1. The above is understated by ₹ 42.60 crore due to non-capitalisation of the cost of Electrostatic Precipitator (ESP) at Unit-1 and Unit-2 of the Company despite completion of the construction of these ESPs. This has also resulted in overstatement of Capital - Work - in- Progress by ₹ 36.66 crore, understatement of current Liability by ₹ 5.94 crore as the company has not paid ₹ 5.94 crore for ESP and deprecation by ₹ 7.34 crore and overstatement of profit by the same amount i.e. by ₹ 7.34 crore.

B. Other comments

2. In the Board of Director's Report for the year 2016-17, the Company has not disclosed the unspent balance of Corporate Social Responsibility Expenditure of ₹ 4.83 crore (₹ 3.09 crore for the Year 2014-15 and ₹ 1.74 crore for the year 2015-16) as required under Section 135 (5) of the Companies Act, 2013.

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

Place : Bhubaneswar
Date : 06.12.2018

Sd/-
YASHODHARA RAY CHAUDHURI
PRINCIPAL ACCOUNTANT GENERAL

Corporate Information

Senior Management Team:

Ron Mc Parland - Executive Director (Construction)

Paritosh Mishra - Sr. GM (HR)

Kshirod Brahma - Sr. GM (Mines)

Dr. Bijay Lal Biswal - Chief Medical Officer

Bijay kumar Mishra - Sr. GM (Civil)

Anupam Mohapatra - GM (Civil)

Ritwik Mishra - GM (CMG/R&C)

Sukanta Mahapatra - GM I/C (O&M)

Sanjay Garhwal - GM (O&M)

Santosh Kumar Sathpathy - GM (Civil)

Umakanta Pahi - GM (EHS)

Ajit Panda - Head (Finance)

Manoj Kumar Dash - Head (CSR & Sustainability)

Balkrushna Mishra - AGM (SCM)

Company Secretary:

Mr. Manoranjan Mishra

Power Off Taker:
GRIDCO Limited
Janpath, Bhubaneswar

Project Financier':
Power Finance Corporation
Rural Electricity Corporation

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,
Chandrasekharpur, Bhubaneswar - 751023

Site Office:
IB Thermal Power Station
Banaharpalli, Jharsuguda, Odisha

OPGC
Power for Progress

ODISHA POWER GENERATION CORPORATION LTD.

CIN-U40104OR1984SGC001429
(A Government Company of the State of Odisha)
Zone - A, 7th Floor, Fortune Towers, Chandrasekharpur,
Bhubaneswar-751 023

Independent Auditor's Report

NAG & ASSOCIATES
Chartered Accountant

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, 2018, 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.

Observations

1. As per 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. Company has allotted following equity shares against conversion of inter corporate loans

Date of issue	No. of shares issued	Total value of shares (Rs)	Issued to	Remarks
26.07.2017	4,90,00,000 of Rs 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.

ii. Land is capitalized on the basis of possession from IDCO however few existing occupants are yet to vacate their possession.

iii. Input credit of service tax paid by the company up to 30th June 2017 has not been carried forward for setting off against future GST liability. The service tax/VAT incurred on capital goods prior to 1st July 2017 should have been quantified and carried forward for future set off by filing TRANS 1 within due date.

2. No provision is made by the Holding Company for the liability of ₹ 486.24 lakh (including penalty of ₹ 187 lakh) towards demand from the Executive Engineer Main Dam, Burla Division for excess drawl of water. The Holding Company has not disputed the claim, but only requested for waiver of the demand. This has resulted in overstatement of Profit for the year by ₹ 486.24 lakh and understatement of Current Liabilities to that extent.

3. No provision for Goods and Service Tax impact over the erstwhile Service Tax/Excise Duty/VAT has been made in the accounts of the Holding company since 01.07.2017 for capital contracts resulting in understatement of CWIP and corresponding liability in the Financial Statements. The amount is not quantified by the Holding Company.

Emphasis of Matter

1. We draw attention to Note No.14,21, 24, 25 & 26 to the stand alone Ind AS financial statements of the Holding Company in respect of balances under Sundry Creditors, Claims Recoverable, Loans & Advances and Other Liabilities which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.

2. It is observed from the index furnished from the MCA portal, that charges have been created in favour of Yes Bank for ₹ 153.92 crore on 25.05.2015 and Union Bank of India for ₹ 9.99 crore on 07.08.1998 by the Holding Company in addition to PFC and REC. It is noticed that there is no loan liability outstanding in the books of the Holding Company during the Financial Year 2017-18, relating to Yes Bank and Union Bank of India and these charges created are continuing in MCA portal. Existence of such charges is not disclosed by the company in the Financial Statements and no steps have been taken to satisfy these charges created earlier in contravention of the provisions of Section 82(1) of the Companies Act, 2013 and Rule 8(1) of Companies (Registration of Charges) Rules, 2014. The amount of penalty and other consequential liabilities is not quantified by the Holding company.

3. The Holding Company has not disclosed Contingent liability for ₹ 977 lakh towards demand raised by OHPC Limited for compensation against water drawal from Hirakud Reservoir as per Government of Odisha Policy for utilization of water in the reservoirs by Industrial units and as reported to us, the matter is sub judice.

4. Attention is drawn to Note No.39 (iii) to the Ind AS standalone financial statements of the Holding Company in respect of Corporate Guarantee provided by the Holding Company to Axis Bank Ltd. for Odisha Coal and Power Ltd. (OCPL) – a subsidiary Company of OPGC Limited .This guarantee is in the nature of Financial Guarantee as per Appendix-A of Ind AS 109: Financial Instruments and the said guarantee has not been measured and recognised as per the requirement of Ind AS 109 by the Holding Company.

5. Terms and conditions of appointment and remuneration payable to Managing Director and Director (Operations) of the Holding Company for services rendered to the Holding Company have not been furnished. The managerial remuneration earned by the above directors is not disclosed in the Annual Return as required under section 92 of the Companies Act, 2013.

6. Attention is drawn to note 36 to the Ind AS standalone financial statements of the Holding Company in respect of an amount of ₹ 11.82 crore paid / provided towards Resource Sharing fees to AES India Pvt. Ltd., a related party. It is explained that there is no agreement between the Holding Company and AES India Pvt. Ltd. for the purpose and a copy of an unsigned document with the title "Policy On Reciprocal Resource Sharing between OPGC and Strategic Investor" is furnished to us which in our view is not a valid and binding document between the parties. Further, the Holding Company disclosed the payment in the financial statements under note 31 “Employee Benefit Expenses” but Income Tax at source has been deducted under section 194J for rendering professional services.

7. The Holding Company has not implemented the provisions of Employees' Pension Scheme, 1995 and not furnished any document in support of exemption or non applicability of the said scheme. The estimated liability for the default has not been quantified and provided by the Holding Company.

8. The Holding Company has formed its Audit Committee, but terms of reference of the said committee are not furnished to us. In course of audit it is observed that related party transactions have not been placed to the Audit Committee.

Our opinion is not modified in respect of this matter

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 Observations and Emphasis of Matters 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, 2018, 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 ₹ 73,239.10 lakh as at 31st March, 2018, total revenues of ₹ 4.31 lakh, net cash outflows amounting to ₹ 402.99 lakh 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 Emphasis of Matter, Observations 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 Emphasis of Matter and Observations paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

vi. 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 Holding Company.

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. As per Para 3(g)(I) of the Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of the other auditor who audited the financial statements of the Subsidiary Company, reported that as explained to them, right to use the forest land has been diverted to the Subsidiary Company by the MoEF after cancelling the “right to use” RoR of existing allottees, 34 no. of such existing allottees where ROR has been cancelled have filed cases before Hon'ble High Court of Odisha. The final outcome and/or quantification of compensation if any have not been known as on date.

b. 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

c. 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; and

d. 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.

For Nag & Associates
Chartered Accountants
FRN: 312063E
Sd/-
(S.P. Padhi)
Partner
M.No. 053292
Place: Bhubaneswar
Date 21.09.2018

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 2018, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

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

a) In adequate data input validation checks in the SAP system leading to erroneous data capturing in the Holding Company;

b) The Holding Company did not have an appropriate internal control system for procurement and estimation of costs related to procurement. There is no Board approved procurement procedure in the company which could potentially result in the company commit for purchases without establishing reasonable certainty of costs and transparency.

c) No agreement is executed between the Holding Company and AES India Pvt. Ltd. a Related Party for resource sharing involving an expenditure of ₹ 11.82 crore during the year.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit 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/-
(S.P. Padhi)
Partner
M.No. 053292
Place: Bhubaneswar
Date: 21.09.2018

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

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
1	**Non-current assets**			
	a. Property, Plant and Equipment	4	33,770.29	23,277.48
	b. Capital work-in-progress - Tangible	5	753,089.09	594,665.59
	c. Other Intangible assets	6	765.91	804.48
	d. Intangible assets under development	7	-	-
	e. Financial Assets			
	(I) Investments	8	14,985.97	10,041.88
	(ii) Loans and Advances	9	551.32	556.0
	f. Other non-current assets	10	28,222.08	87,083.49
	Total non-current assets		**8,31,384.66**	7,16,428.98
2	**Current assets**			
	a. Inventories	11	4,413.79	4,268.55
	b. Financial Assets			
	(i) Trade receivables	12	9,850.45	12,775.74
	(ii) Cash and cash equivalents	13	6,769.14	15,533.24
	(iii) Bank Balances other than (ii) above	13	42,563.75	14,407.31
	(iv) Loans	14	182.98	609.70
	(v) Others	15	993.85	25,420.02
	c. Current Tax Assets (Net)	16	2,391.49	2,924.47
	d. Other current assets	17	1,050.31	1,305.69
	Total Current Assets		**68,215.76**	77,244.72
	TOTAL ASSETS		**8,99,600.42**	7,93,673.70
	EQUITY AND LIABILITIES			
	EQUITY			
	a. Equity Share capital	18	1,58,049.74	97,521.74
	b. Other Equity	19	1,12,980.85	1,14,607.70
	Total equity		**2,71,030.59**	2,12,129.44
	LIABILITIES			
1	**Non-current liabilities**			
	a. Financial Liabilities			
	(I) Borrowings	20	5,48,040.93	3,78,681.12
	(ii) Other financial liabilities	21	1,123.18	511.76
	b. Provisions	22	5,974.83	3,829.39
	c. Deferred tax liabilities (Net)	23	590.23	1,342.41
	Total non-current Liabilities		**5,55,729.17**	3,84,364.68
2	**Current liabilities**			
	a. Financial Liabilities			
	(i) Trade and other payables	24	8,418.34	6,253.08
	(ii) Other financial liabilities	25	61,888.54	187,841.88
	b. Other current liabilities	26	999.86	1,907.14
	c. Provisions	27	1,320.67	686.93
	d. Current Tax Liabilities (Net)	16	213.24	490.56
	Total Current Liabilities		**72,840.65**	1,97,179.58
	TOTAL EQUITY AND LIABILITIES		**8,99,600.42**	7,93,673.70
	Notes forming part of the financial statements	**1-42**		

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

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date :

Odisha Power Generation Corporation Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	**As at March 31, 2018**	As at March 31, 2017
I	Revenue from Operations	28	60,719.50	72,178.28
II	Other Income	29	1,592.10	3,630.73
III	**Total Income (I + II)**		**62,311.60**	75,809.01
IV	**Expenses**			
	a. Cost of materials consumed	30	41,249.71	47,103.35
	b. Employee benefit expenses	31	8,024.41	5,799.02
	c. Finance costs	32	19.99	977.19
	d. Depreciation and amortization expenses	33	2,528.35	1,351.99
	e. Impairment losses	34	-	1,106.57
	f. Other expenses	35	9,630.24	8,234.64
	Total expenses (IV)		**61,452.70**	64,572.75
V	**Profit before exceptional items and tax (III - IV)**		**858.90**	11,236.26
VI	Exceptional Items		**-**	-
VII	**Profit after exceptional items (V - VI)**		**858.90**	11,236.26
VIII	Share of profit / (loss) of Associates		-	-
IX	Share of profit / (loss) of Joint Ventures		(155.90)	(155.57)
X	**Profit before tax (VII + VIII + IX)**		703.00	11,080.68
XI	**Tax Expenses:**			
	(i) Current tax		1,110.85	4,220.89
	(ii) Tax of earlier years		**71.37**	10.85
	(iii) Deferred tax		**(802.38)**	211.61
	Total tax expenses		**379.84**	4,443.34
XII	**Profit for the year (X -XI)**		323.16	6,637.34
XIII	**Other Comprehensive Income / (Losses)**			
	(i) Items that will not be reclassified to profit and loss Remeasurements of the defined benefit plans		143.70	(1.39)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(50.21)	0.48
	(I) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses)		**93.48**	(0.91)
XIV	**Total Comprehensive Income / (Losses) for the year (XII+XIII) (Comprising Loss and Other** Comprehensive Income for the year)		**416.64**	6,636.43
XV	Earnings per equity share:- Basic and diluted (Rs)	37	2.94	127.45
XVI	**Notes forming part of the financial statements**	**1-42**		

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

For and on behalf of the Board

Sd/-
(S. P. Padhi)
Partner
FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date :

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

Sd/-
(Pravakar Mohanty)
Director (Finance)

Sd/-
(Indranil Dutta)
Managing Director

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

(₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
(A)	**Cash flows from operating activities:**		
	Profit before taxes	703.00	11,080.68
	Adjustments for:		
	Depreciation and amortization expense	3,207.25	1,452.95
	Provision for impairment	-	1,106.57
	Share of loss in joint venture	155.90	155.57
	(Profit)/loss on sale of Fixed Assets	14.87	15.15
	Trade Receivable written off	23.00	
	Foreign currency fluctuation gain/(loss) -	(0.20)	
	Interest and finance charges	19.99	977.19
	Interest Income from investment & deposits	(1,521.08)	(3,291.05)
	CSR expenditure	142.35	324.33
	Operating profit before working capital changes	2,745.28	11,821.19
	Adjustments for:		
	Trade receivable	2,902.29	(3,785.20)
	Inventory	(145.94)	637.47
	Other financial and non financial assets	24,594.66	9,981.05
	Trade and other payables	3,622.25	(2,560.23)
	Other financial and non financial liabilities	(1,25,878.54)	5,214.87
	Cash generated from operations	**(92,160.00)**	21,309.15
	Taxes Paid	(926.56)	(3,730.34)
	CSR expenditure	(142.35)	(324.33)
	Net cash flow from operating activities	**(93,228.91)**	17,254.48
(B)	**Cash flows from investing activities:**		
	Payments for purchase of fixed assets	(62,882.67)	(2,41,485.61)
	Sale of property, plant and equipment	0.05	89.61
	Interest received	1,524.10	3,517.60
	Payment for Investment	(5,100.00)	1,109.27
	Repayment of loan and other receivable*	-	(168.22)
	Payment for FD	(28,156.44)	
	Dividend including Dividend Distribution Tax		
	Payment towards capital and other advances -	(25,785.77)	
	Advance payments against leasehold land	-	(1,101.28)
	Net cash used in Investing Activities	**(94,614.96)**	(2,63,824.39)
(C)	**Cash flows from financing activities:**		
	Issue of shares	60,528.00	48,500.00
	Dividends paid on redeemable cumulative preference shares		
	Dividends paid to owners of the Company	(2,043.49)	(3,540.08)
	Interest paid		
	Proceeds from borrowings	1,69,359.82	2,16,515.69
	Interest paid	(48,764.56)	(24,982.12)
	Repayment of other financial liabilities	(214.11)	
	Net cash flow from financing activities	**1,79,079.76**	2,36,279.37
	Net Increase/(decrease) in cash or cash equivalents	**(8,764.10)**	(10,290.55)
	Cash and cash equivalents at the beginning of the year	**15,533.24**	25,823.79
	Cash and cash equivalents at the end of the year	**6,769.14**	15,533.24
	Notes forming part of the financial statement	**Note No. 1-42**	

(I) Repayment of loan includes conversion of loan to equity during the year ₹ Nil (Previous Year : ₹ 10,197.45 lakh)
(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 ₹ 2,14,346.07 lakh (Previous year: ₹ 3,83,705.88 lakh) 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/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date :

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

A. Equity Share Capital

(₹ in lakh)

	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
	97,521.74	60,528.00	158,049.74

B. Other Equity

(₹ in lakh)

Particulars	Reserves and Surplus		
	Security Premium Reserve	General Reserve	Retained earnings
Balance as at April 1, 2017	5,888.43	8,960.23	99,759.04
Profit for the year			323.16
Other Comprehensive Income			93.48
Total Comprehensive Income			416.64
Dividend (including tax on dividend)			(2,043.49)
Transfer of profits of the year to General Reserve	-	-	
Balance as at March 31, 2018	5,888.43	8,960.23	98,132.19
Notes forming part of the financial statement Note No. 1-42			

In terms of our report attached.
For Nag & Associates
Chartered Accountants
Sd/-
(S. P. Padhi)
Partner
FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

For and on behalf of the Board

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

Sd/-
(Pravakar Mohanty)
Director (Finance)

Sd/-
(Indranil Dutta)
Managing Director

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, 2018 are approved by the Board of Directors and authorised for issue on 12.09.2018

Note 2. First time adoption consideration

In accordance with the notification issued by the Ministry of Corporate Affairs, the 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

Note 3. Significant Accounting Policies

The significant accounting policies applied by the Group in preparation of itsconsolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements

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 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.

3.2 Recent Accounting Pronouncements

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

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

Ind AS 115 – "Revenue from Contracts with Customers"

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

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

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

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

3.3 Use of estimates and critical accounting judgments.

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

3.4 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 associatesthat 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 arerecognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly inrespect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of theGroup's share of the output of jointly controlled assets, and itsshare of joint arrangements expenses, are recognised whenit 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 aseparate entity in which each venture has an interest arereferred to as joint ventures. The Group reports its interestsin joint ventures using the equity method of accountingwhereby an interest in joint venture is initially recorded atcost and adjusted thereafter for post-acquisition changesin the Group's share of net assets of the joint venture. Theconsolidated statement of profit and loss reflects the Group'sshare of the results of operations of the joint venture.

3.6 Cash and cash equivalent.

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

3.7 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 as defined above is the, net of outstanding bank overdrafts. In the balance sheet, the bank overdrafts are shown under borrowings in current liabilities.

3.8 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.

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

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

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

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

Intangible Assets:

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite useful lives are amortized over their estimated useful lives, whereas 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 non refundable 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 over30 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 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 derecognisation of assets

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

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

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

3.12 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, non refundable 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.

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

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

3.17 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 within future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

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

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

3.18 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)

Thesebenefits include liabilities towards leave benefits (including compensated absence which are not expected to occur within twelve months after the end of the period in which the employee renders the related service) and two months last drawn salary payable on retirement on superannuation and death. 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.

As per the Company's policy, permanent company carder eligible employees are paid six months last drawn salary as one-time financial benefit toward pension on retirement. The present value of obligation against long term employee benefits is ascertained on each balance sheet date by an independent actuary using Projected Unit Credit Method as per requirement of Ind AS 19 – Employee Benefits. All actuarial gains and losses and past service cost are recognized in the statement of profit and loss in the period in which they arise.

Expenses on leave travel concession, leave salary including pension contribution (employees on deputation) are accounted for on cash basis following materiality concept.

3.19 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 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.

Delayed payment surcharge for late payment/ overdue trade receivables against sale of electrical energy and differential revenue due to redetermination of tariff by OERC based upon Appellate/ Judiciary Authority is recognized when there is no significant uncertainty as to measurability or collectability exists.

Other Incomes:

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

Income from dividend

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

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the 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 ₹ 60, 911.49 lakhs (March 31, 2017: Rs. .69, 302.07lakhs). Details of these assets are set out innote – 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 obligation but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote

d.Fair value measurements and valuation processes:

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the 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

4. Property, plant and Equipment.

(₹ in lakh)

	As at March 31.2018	As at March 31.2017
Carrying amounts of:		
Freehold Land	17.00	15.75
Building	7,902.47	4,452.54
Plant & Equipment	21,694.54	15,239.74
Furniture & Fixture	652.76	566.59
Vehicles	89.07	95.76
Office Equipment	1,109.24	1,129.48
Road Bridge & Culvert	977.01	1,045.64
Water Supply Drainage & Sewerage	616.59	266.25
Power Supply Distribution & Lighting	692.06	443.92
Heavy Mobile Equipment	19.55	21.82
	33,770.29	23,277.48
Total	**33,770.29**	23,277.48

(I) Gross Block of Road, Bridge and Culvert includes assets laid on land not belonging to the Company of Rs 642.25 lakhs.
(ii) Gross Block, Accumulated depreciation and Net block as on March 31, 2018 are as follows:

(₹ in lakh)

Description	Gross block				Depreciation, Amortization and Impalement				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land	15.75	1.25	-	17.00	-	-	-	-	17.00	15.75
Buildings	10,081.73	3,686.09		13,762.82	5,629.19	236.16	-	5,865.35	7,902.47	4,452.53
Plant & Equipment	1,13,412.47	8,700.36	(96.80)	1,22,016.03	98,172.72	2,230.69	(81.91)	1,00,321.49	21,694.54	15,239.75
Furniture & Fixtures	945.71	171.89	-	1,117.60	379.12	85.73	-	464.85	652.76	566.59
Vehicles	241.74	10.69	-	252.44	145.99	17.38	-	163.37	89.07	95.75
Office Equipment	3,797.47	298.48	(0.51)	4,095.43	2,668.00	318.68	(0.49)	2,986.19	1,109.24	1,129.47
Road Bridge & Culvert	2,093.90	23.62	-	2,117.52	1,048.27	92.24	-	1,140.51	977.01	1.045.64
Water Supply Drainage & Sewerage	646.02	391.17	-	1,037.19	379.77	40.84	-	420.60	616.59	266.25
Power Supply Distribution & Lighting	929.30	308.44	-	1,237.74	485.38	60.30	-	545.68	692.06	443.92
Heavy Mobile Equipment	305.94		-	305.94	284.12	2.28	-	286.39	19.55	21.83
Total	**1,32,470.03**	**13.591.99**	**(97.31)**	**1,45,964.71**	**1,09,192.55**	**3,084.27**	**(82.40)**	**1,12,194.43**	**33,770.28**	**23,277.48**
Previous Year	1,27,240.10	5,319.53	(89.61)	1,32,470.02	1,07,508.01	1,758.64	(74.10)	1,09,192.55	23,277.47	

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

(₹ in lakh)

Description	Gross block				Depreciation, Amortization and Impalement				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Operational (Units (Unit 1& 2, HO, MMHP)	1,27,367.02	4,909.66	(97.31)	1,32,179.37	1,08,415.68	2,460.06	(82.40)	1,10,793.34	21,386.04	18,951.34
Expansion Project (Unit - 3& 4)	5,103.01	8,682.33	-	13,785.34	776.87	624.22		1,401.09	12,384.25	4,326.13
Total	1,32,470.03	13,591.99	(97.31)	1,45,964.71	1,09,192.55	3,084.27	(82.40)	1,12,194.43	33,770.28	23,277.48

*Property, Plant and Equipment (MMHP) were impaired during the year 2011-12 amounting to Rs 173.36 lakh as follows:

MMHP, Andharibhangi	104.76	₹ lakh
MMHP, Kendupatna	32.12	₹ lakh
MMHP, Birbati	36.48	₹ lakh
Total	**173.36**	**₹ lakh**

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

5 Capital work-in-progress - Tangible

A.

(₹ in lakh)

Particulars	As at 31st March , 2018		As at 31st March, 2017	
(I) Tangible Assets				
For Operational Power Plants	4,094.38		7,257.48	
For Mini Micro Hydel Projects	1,314.76		1,314.76	
Less: Accumulated Impairment losses	(1,106.57)		(1,106.57)	
For Expansion Power Plants	748,786.52		587,199.92	
TOTAL		**753,089.09**		594,665.59
(ii) Intangible Assets under Development				
Software	-		-	
TOTAL		-		-

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

(₹ in lakh)

Particulars	As at 01.04.2017	Additions	Deductions / Adjustments	Capitalized	As at 31.03.2018
Ash Pond	45.23	1,127.85		-	1,173.08
Building	7,415.92	3,177.23		(2,720.72)	7,872.43
Consultancy Charges- Power plant	3,149.16	1,390.96		-	4,540.12
Inspection Charges - Others	2.58	-		-	2.58
MGR	29,270.95	37,950.99		-	67,221.95
Plant & Machinery	429,881.42	104,735.62		-	534,617.04
Power Supply Distribution lighting	99.71	45.22		-	144.93
Road Bridge & Culvert	49.18	50.25		-	99.43
Statutory Clearance Fees & Expenses	133.99	9.97			-
143.97					
Survey and Soil Investigation	5.47		-	-	5.47
Water Supply & Arrangements	15.31		-	-	15.31
Stock in Transit & Pending Inspection	53,692.18	-	(43,768.86)	-	9,923.32
Expenses During Construction Period	63,438.81	59,588.08	-	-	123,026.89
Total	**587,199.92**	**208,076.18**	**(43,768.86)**	**(2,720.72)**	**748,786.52**

(I) Loan from Power Finance Corporation Ltd (PFC) & Rural Electrification Corporation Ltd (REC) is secured by mortgages on, all present and future immovable properties of Unit 3 & 4 (2X660MW). For details, Refer Note 20.

(ii) Expenses during construction period included an amount of 50,282.69 Lakh (Previous Year : 26,321.65 lakh) towards borrowing costs pending capitalisation of qualifying assets (property, plant and equipments etc.)

(iii) Interest during construction attributable to qualifying assets capitalised during the year will be allocated on a systematic basis on completion of the expansion project.

(iv) Property, plant and equipment (including Capital work-in-Progress) were tested for impairment during the year and there is no indication of impairment is present. Previous year an amount of 1,106.57 lakh has been charged to statement of profit and loss as an impairment against 1,314.76 lakh was incurred for four Mini Hydel Projects **(Harabhangi, Badanala, Banpur and Barboria)**

6 Intangible Assets

	Particulars	As at March 31.2018	As at March 31.2017
(i)	**Carrying amount of:** Software & SAP licence	765.91	804.48
	Total	**765.91**	804.48

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

Description	Gross block				Depreciation				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Software	990.90	84.41	-	1,075.31	186.42	122.98	-	309.40	765.91	804.48
Total	990.90	**84.41**	-	**1,075.31**	186.42	**122.98**	**-**	**309.40**	**765.91**	804.48

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

Description	Gross block				Depreciation				Net Block	
	As at 01.04.2017	Addition	Deduction / Adjustment	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Written Back	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Operational Units (Unit 1 & 2, HO, MMHP)	907.72	75.46	-	983.18	122.44	104.17	-	226.61	756.57	785.28
Expansion Project (Unit - 3 & 4)	83.18	8.95	-	92.13	63.98	18.81	-	82.79	9.34	19.20
Total	990.90	**84.41**	**-**	**1,075.31**	186.42	**122.98**	**-**	**309.40**	**765.91**	804.48

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

7 Intangible assets under development

Particulars	As at March 31.2018	As at March 31.2017
Carrying amounts of:	-	-
Intangible assets under development	-	-
Total		

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

8 Non-current Investments

(₹ in lakh)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amounts	No. of shares	Amounts
Equity Accounted Investment	-	-	-	-
Equity investment in joint ventures (jointly controlled entities)				
Odisha Coal and Power Ltd (Fully paid equity shares of Rs 10/- each)	15,30,00,000	14,985.97	10,20,00,000	10,041.88
Total		**14,985.97**		10,041.88

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

(₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Unquoted		
	Aggregate carrying amount of unquoted investments #	14,985.97	10,041.88
	Total carrying amount	**14,985.97**	10,041.88

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

(iii) Odisha Coal and Power Ltd. (OCPL) is incorporated under the Companies Act, 2013 as wholly owned subsidiary Company of OPGC on 20th January 2015. Subsequently Govt. of Odisha vide notification No.1578 dated 21st February 2015 has approved OCPL as joint venture company between the reporting company and Odisha Hydro Power Corporation Ltd (OHPC) by acquisition of 49% equity shares in OCPL from the reporting Company. **Shareholder's Agreement among reporting company, OHPC and OCPL is signed on 21st April 2016.**

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

9 Non Current-Loans & Advances

(₹ in lakh)

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

(I) Loan to employees includes ₹ 423.00 lakh (Previous Year : ₹ 436.57 lakh) on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum Secured loan represents vehicle loan of ₹ 202.29 lakh (Previous Year : ₹ 210.38 lakh), which has been hypothecated in the favour of the Company.

(ii) There is no outstanding loans from directors or other officers of the Company.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

10 Other non-current assets

(₹ in lakh)

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

Notes:

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

(ii) Other Capital advance incudes advances given to contractors and service providers for execution of power Project Unit 3 & 4 (2x 660 MW).

(iii) Prepayments (Lease hold land) and the amount shown in Note-17 includes payment for AC.452.00 of Hirakud Reservoir land and AC.226.46 Village Forest land for which the company has received permissible possession.

(iv) Prepayments (Lease hold land) and the amount shown in Note No-17 includes AC.69.38 of Govt. land and AC.104.47 of private land valuing ₹ 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 lakh)

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

(vi) Total operating lease rental recognised in the statement of profit and loss is ₹ 100.97 lakh (Previous Year : ₹ 100.97 lakh).

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

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

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

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

(₹ in lakh)

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

12 Trade receivables

(₹ in lakh)

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

(I) Trade receivables are dues in respect of sale of energy. This included an amount of ₹ Nil (Previous year : ₹ 978.60 lakh) has not been confirmed by the customer.

(ii) Trade receivable realisable within 12 months from the balance sheet date is classified as current and where, such receivable is expected to be realised beyond twelve months, the same is classified as non-current along with the provision made for the same.

(iii) Trade receivables are further analysed as :

(₹ in lakh)

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

(₹ in lakh)

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**

(iv) Trade receivable has been written off for ₹ 22.81 lakh (Previous year ₹ 30.10 lakh) due to non admissibility of claim and recoverable from GRIDCO.

(v) There is no outstanding loans due from Directors or other Officers of the Company.

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

13 Cash and Cash Equivalents

(₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
a.	**Balances with banks**		
	Unrestricted Balance with banks		
	(I) In Current Account	348.72	609.98
	(ii) In Cash Credit Account	-	-
b.	Cash in hand	1.87	1.71
c.	Term Deposit with original maturity up to three months	6,418.55	14,921.55
	Total	6,769.14	15,533.24
d.	Deposits with original maturity of more than three months but not more than twelve months	36,840.00	9,060.00
e.	Earmarked Balances with Bank towards		
	Deposits with banks held as security against guarantee	5,193.32	5,163.34
	Fixed Deposits with bank pledged as security or margin money	530.43	183.97
	Total	**42,563.75**	14,407.31
	Total Cash and Bank Balances	**49,332.89**	29,940.55

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

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

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

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

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

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

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

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

14 Current Loans

(₹ in lakh)

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

(i) Loan to employees amounting to ₹ 182.73 lakh (Previous Year : ₹ 147.64 lakh) is on account of Vehicle loan, Computer Loan and Educational Loan which carries simple rate of interest varying between 6% to 8% per annum..
Secured loan represents vehicle loan of ₹ 93.34 lakh (Previous Year : ₹ 49.79 lakh), which has been hypothecated in the favour of the Company.

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

(iii) Inter Company loan was given to Odisha Coal and Power Ltd. (OCPL), a joint venture Company through loan agreement dated 25th April 2015 for ₹ 5,600 lakh and 13th July 2015 for ₹ 4,000 lakh. The loan was given to meet fund requirement of OCPL for required payment to Nominating Authority, Ministry of Coal, Govt. of India to meet the conditions of allotment agreement dated 30.03.2015 and other expenses. Board of Directors approved the above loan of ₹ 5,600 lakh and ₹ 4,000 lakh to OCPL in its 180th meeting held on 20th April 2015 and 182nd meeting held on 8th July 2015 respectively. The loan carries interest at the rate charged by Power Finance Corporation Ltd (PFC) to the state sector borrower(category A+) applicable on the date of disbursal.

The approved loan limit does not include accrued interest during the term of the loan which shall be considered part of the loan beyond the limit.

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

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

15 Other Current Financial Asset

(₹ in lakh)

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

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

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

(₹ in lakh)

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

(₹ in lakh)

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

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

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

16 Current tax assets and liabilities

(₹ in lakh)

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

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

17 Other current assets

(₹ in lakh)

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

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

(ii) Advance to suppliers are unsecured and considered good.

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

18 Equity Share Capital

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	158,049.74	97,521.74
Total	158,049.74	97,521.74
Authorised Share Capital		
300,00,000 nos. of equity shares of ₹ 1000/- each (Previous year 100,00,000 nos. of equity shares of ₹ 1000/- each)	300,000.00	100,000.00
Issued and Subscribed capital comprises :		
1,58,04,974 nos. of equity shares of ₹ 1000/- each	158,049.74	97,521.74
Total	**158,049.74**	**97,521.74**

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**₹ lakh**	No. of shares	₹ lakh
Ordinary shares of ₹ 1000 each				
At beginning of the year	9,752,174	97,521.74	4,902,174	49,021.74
Shares allotted during the year	6,052,800	60,528.00	4,850,000	48,500.00
	15,804,974	**158,049.74**	9,752,174	97,521.74

Shares in the company held by each shareholder holding more than 5% shares (₹ in lakh)

	As at March 31, 2018		As at March 31, 2017	
Name of Shareholder	**No. of Shares Held** (Face value of ₹ 1000 each)	**% of Total Shares**	**No. of Shares Held** (Face value of ₹ 1000 each)	**% of Total Shares**
Governor of Odisha	8,060,537	51.00%	4,973,609	51.00%
AES India Pvt Ltd	796,178	5.04%	796,178	8.16%
AES OPGC Holding (Incorporated in Mauritius)	6,948,259	43.96%	3,982,387	40.84%
	15,804,974	**100%**	9,752,174	100%

(ii) The authorised share capital of the company has been increased from existing ₹ 100,000 lakh to ₹ 300,000 lakh consisting of 30,000,000 no. of equity shares of ₹ 1000/- each w.e.f August 18, 2017. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding.

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

19 Other Equity

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Share application money pending allotment	-	-
General Reserve	8,960.23	8,960.23
Retained earnings	98,132.19	99,759.04
Security Premium reserve	5,888.43	5,888.43
Total	**112,980.85**	114,607.70

(i) General Reserve

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
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 lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	99,759.04	96,662.70
Profit attributable to owners of the Company	323.16	6,637.34
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	93.48	(0.91)
Payment of dividends on equity shares	1,697.85	2,941.30
Related income tax on dividend	345.64	598.78
Balance at the end of the year/period	**98,132.19**	99,759.04

(iii) Security Premium Reserve

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year/period	5,888.43	5,888.43
Movement during the year	-	-
Balance at the end of the year/period	**5,888.43**	5,888.43

The nature of reserves are follows:

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

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

(iv) Proposed Dividend: In respect of the year ended 31st March 2018, no dividend is proposed by the Company.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

20 Non Current- Borrowings

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured - at amortised cost		
From Power Finance Corporation Ltd (PFC)	267,758.90	209,752.24
From Rural Electrification Corporation Ltd (REC)	280,282.03	168,928.88
Total	**548,040.93**	378,681.12

(i) Loan from Power Finance Corporation Ltd (PFC) includes loan availed and utilised for development of coal mine by the Company as prior allottee amounting to ₹ Nil (Previous Year ₹ 10,145.19 lakh). In line with clause 5.7 of Shareholders Agreement signed by the company, Odisha Coal and Power Ltd (OCPL) and Odisha Hydro Power Corporation Ltd (OHPC) on dated 21st April 2016, the expenditure incurred by the company for development of Manoharpur and Dipside Manoharpur Coal Blocks has been transferred to OCPL after certification by Statutory Auditors of the Company and approval by Govt. of Odisha. On request of the company and OCPL, PFC sanctioned Loan in favour of OCPL by off loading from sanctioned limit of the Company. OCPL Board in their 18th meeting held on dated 2nd June 2016 has approved for adjustment /transfer of the loan outstanding up to date of offloading (already drawn by the Company and utilised in development of Coal Mines and subsequent interest paid / accrued to the date of offload), against sanctioned loan made by PFC. Further, on request of OCPL, OPGC has repaid ₹ 10,881.08 lakh on 16.10.2017 to PFC against term loan outstanding related to development of coal mine out of the fund provided by OCPL.

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

(iii) Security :-

(a) The term loan including interest, additional interest and other charges have been secured by way of first charge on pari- passu basis through equitable mortgage / simple mortgage / english mortgage in favour of PFC and REC of all immovable assets of project (2 X 660 MW Power Plant) including land and building attached thereto and first charge on pari passu basis by way of hypothecation in favour of PFC and REC on all movable assets of the project except book debts. Equitable mortgage of land admeasuring Ac.83.66 dec. related to Power Plant unit 3 & 4 has been created during the year in favour of PFC & REC by deposit of title document with PFC (Trustee for both PFC & REC).

(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 lenders.

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

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

(iv) Repayment:-

(a) Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of October 2019 and subsequent instalments will become due for payment on 15th day of January, 15th day of April and 15th day of July every year. The Company has the right to modify the amortisation schedule one time only till six months prior to the commissioning of the project. The modification in the principal repayment amount shall not vary by more than 10% of the principal payment agreed to under the sanction.

(b) The term loan from REC shall be repaid in 60 equal quarterly instalment commencing from 31st March 2020 and all subsequent loan repayment due dates shall be the last day of each following calendar quarter till the entire loan amount with interest and all other dues are repaid to REC in full.

(v) Interest:-

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

(b) PFC has allowed discount of 60 bps (10 bps related to loan disbursed up to 31.10.2015) on applicable rate and 25 bps as rebate on interest on timely payment subject to interest rate not falling below 10.30% per annum. REC has allowed discount of 85 bps (35 bps related to loan disbursed up to 31.03.2016) on applicable rate subject to interest rate not falling below 10.30% per annum. In case notified/ circular interest rate falls below 10.30% per annum, the same shall be applicable.

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

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

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

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

(₹ in lakh)

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

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

21 Non Current-Other Financial Liabilities

(₹ in lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017
a.	Capital Creditors	-	-
b.	Security Deposits	836.51	134.55
c.	EMD and Retention Money	101.10	191.63
d.	Payable to Government *	185.57	185.58
Total		**1,123.18**	511.76

*Payable to Government : Grant of ₹ 185.58 lakh were received from Ministry of Non-conventional Energy, Govt. of India for construction of Mini Micro Hydel Projects. The Company has impaired four Hydel projects in the Previous year and accordingly grant was reclassified as payable to government. Any unfulfilled conditions and other contingencies attaching to government assistance has not been reviewed and recognized.

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

22 Non Current-Provisions

(₹ in lakh)

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

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

As at March 31, 2018

(₹ in lakh)

Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	Pension benefits	Terminal TA
Present value of the obligation at end	4,352.10	916.32	2,827.87	1,454.58	566.94
Fair value of plan assets	4,168.69	-	-	-	-
Unfunded Liability/Provision in Balance Sheet	**183.41**	**916.32**	**2,827.87**	**1,454.58**	**566.974**

As at March 31, 2017

(₹ in lakh)

Balance Sheet Analysis	Gratuity	Sick Leave	Leave benefits	Pension benefits	Terminal TA
Present value of the obligation at end	3,990.99	864.19	2,573.64	-	-
Fair value of plan assets	3,469.52	-	-	-	-
Unfunded Liability/Provision in Balance Sheet	521.47	864.19	2,573.64	-	-

1. Defined Contribution Plan

The Company participaters in a number of defined contrubuton plans on behalf of relevant personnel. Any expense recongnised in relation to these schemes represents the value of contribution payable during the period by them at rates specifed by the rules of those plans. the only amount included in the balance sheet are those relating to the prior months contributions that were not due to be paid untill 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 ₹ 533.89 lakh (previous year ₹ 495.70 lakh). The major defined contribution plans operated by the Company are as below:

a. Provident fund

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

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

2. Defined benefit plans

a. Pension Benefit

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

b. Terminal TA

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

c. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plancovering eligible employees. The play provides for a lump-sum payment to vested employees at retirement, death while in employment or on terination of employment in OPGC Ltd as per Rules of the Group Gratuity Scheme of the company contribution. the company accounted for the liability for gratuity benefits based on an acural valuaiton.

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

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

(₹ in lakh)

Change in defined benefit obligations:	**Year ended March 31,2018**	Year ended March 31,2017
(a) Obligation as at the beginning of the year	**3,990.99**	3,566.73
(b) Current service cost	195.97	183.18
(c) Interest cost	296.93	279.99
(d) Remeasurement (gains)/losses	(149.81)	2.60
(e) Benefits paid	(74.33)	(41.51)
Obligation as at the end of the year	**4,259.75**	**3,990.99**

(₹ in lakh)

Change in plan assets:	**Year ended March 31,2018**	Year ended March 31,2017
(a) Fair value of plan assets as at beginning of the year	3,469.52	2,717.81
(b) Interest income	252.02	214.56
(c) Remeasurement gains/(losses)	-	
(d) Employers' Contributions	521.47	578.66
(e) Benefits paid	(74.33)	(41.51)
Fair value of plan assets as at end of the year	**4,168.68**	**3,469.52**

(₹ in lakh)

Amount recognised in the balance sheet consists of:	**Year ended March 31,2018**	Year ended March 31,2017
(a) Fair value of plan assets as at end of the year	4,168.68	3,469.52
(b) Present value of obligation as at the end of the year	4,352.10	3,990.99
(c) Amount recognised in the balance sheet	183.42	521.47
(I) Retirement benefit liability - Non current		

(₹ in lakh)

	Year ended March 31,2018	Year ended March 31,2017
Costs recognised in the statement of profit and loss consist of:		
(a) Current service cost	195.97	183.18
(b) Net interest expense/(income)	38.80	66.64
Costs recognised in the statement of profit and loss:	**234.76**	249.82
Costs recognised in the statement of other comprehensive income consist of:		
(c) The Return on plan assets (excluding amounts included in net interest expense)	(6.11)	1.21
(d) Actuarial gains and (losses) arising from changes in demographic assumption	8.24	17.35
(d) Actuarial gains and (losses) arising from changes in financial assumption	51.42	(3.78)
(e) Actuarial gains and (losses) arising from changes in experience adjustments	90.16	(16.17)
Costs recognised in the statement of other comprehensive income	**143.70**	**(1.39)**

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, 2018 and March 31, 2017 by category are as follows:

	Year ended March 31,2018	Year ended March 31,2017
Assets category (%)		
(a) Equity instruments	-	-
(b) Debt instruments	-	-
(c) Funds Managed by Insurer	100%	100%

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

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

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

(vii) The table below outlines the effect on defined benefit obligation in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.

As at March 31, 2018

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

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

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

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

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

23 Deferred tax balances

(₹ in lakh)

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

Income Tax

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

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Income before income taxes	703.00	11,080.68
Tax Calculated based on normal tax rate	245.65	3,834.80
Items not deductible for tax/not liable to tax		
Donation & CSR Expenses	49.74	144.64
Non deduction of tax at source on expenses	0.35	7.38
Impairment loss	-	382.96
Others	84.09	73.56
Income tax expense reported	**379.84**	**4,443.34**

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

(₹ in lakh)

Particulars	Opening balance as at April 1, 2017	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/ (income) recognised in OCI)	Closing balance as at March 31, 2018
Deferred tax assets				
Provisions	1,416.98	865.61	(50.21)	2,232.38
Others	39.03	(17.72)	-	21.31
Total	**1,456.01**	**847.89**	**(50.21)**	**2,253.68**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	2,798.42	45.50	-	2,843.92
Total	**2,798.42**	**45.50**	**-**	**2,843.92**
Net Deferred tax (assets)/liabilities	**1,342.41**	**(802.39)**	**50.21**	**590.23**

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

24 Current- Trade and other Payables

(₹ in lakh)

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

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

(₹ in lakh)

Description	As at March 31, 2018	As at March 31, 2017
a. The principal amount remaining unpaid to supplier as at the end of the year	4.38	3.66
b. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

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

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

25 Other Financial Liabilities

(₹ in lakh)

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

26 Other Current Liabilities

(₹ in lakh)

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

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

27 Current-Provisions

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Employee Benefits #		
- Gratuity	92.35	-
- Leave benefits	254.08	173.16
- One Time Pension benefits	45.09	
- Terminal TA benefits	13.94	
- Pay revision	915.22	513.76
Total	**1,320.67**	686.93

Details in terms of Note-22

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

28 Revenue from Operations

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Sale of Power	60,719.50	72,178.28
Total	**60,719.50**	72,178.28

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

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

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

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

(v) Particulars of Generation, Auxiliary Consumption and Sale of power.

(₹ in lakh)

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

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

29 Other Income

(₹ in lakh)

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

(I) Miscellaneous income includes

(a) Township recoveries of ₹ 40.91 lakh (previous year ₹ 20.73 lakh).

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

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

(₹ in lakh)

(ii)

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

30 Cost of raw material consumed

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Imported	-	-
Indigenous	41,249.71	47,103.35
Total	**41,249.71**	47,103.36

Particulars of raw materials consumed

(₹ in lakh)

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

(I) Excess of coal of 1559.96 MT amounting to ₹ 36.63 lakh (Previous year shortage of 1,287.35 MT amounting to ₹ 24.10 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 lakh)

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

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

(₹ in lakh)

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

(ii) It includes ₹ 1182.13 lakh (previous year ₹ 976.35 lakh) towards resource sharing fees of AES India Pvt. Ltd for deployment of resources in the company.

(iii) It includes an amount of ₹ 915.22 lakh (previous year ₹ 513.75 lakh) towards provision for 7th Pay revision of employees as per Govt. Notification No 26342 dated 07.09.2017.

(iii) It includes an amount of ₹ 847.22 lakh (previous year ₹ 729.36 lakh) towards provision for Variable Pay of the employees under approved performance management system of the company.

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

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

B. Gratuity: The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus grade pay & dearness allowance as applicable) for each completed year of service or part thereof in excess of six months subject to a maximum of 20 months salary on superannuation, resignation, termination, disablement or on death. The actuarial valuation has been made by taking into account maximum gratuity @ 15 days salary for each completed year of service subject to maximum 20 months salary as specified in OPGC Ltd Rule for Group Gratuity Scheme.

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

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

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

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

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

32 Finance Costs

(₹ in lakh)

Particulars		Year ended March 31,2018	Year ended March 31,2017
(a)	**Interest Expense**		
	Interest on term loan	50,282.69	26,345.53
	Interest on short term loans from scheduled bank	-	-
	Interest on Decommissioning and Construction liability	19.99	
(b)	**Other Borrowing Cost**		
	Guarantee Commission	-	977.19
	Total Finance Cost	**50,302.65**	27,322.72
	Less : amount included in the cost of qualifying assets	50,302.44	26,345.53
	Total	**19.99**	977.19

(i) Interest on Decommissioning and Construction liability represents future decommissioning liability of Ash Pond 'A' amounting to ₹ 19.95 lakh and Ash pond 'C' amounting to ₹ 0.04 lakh (Previous year: ₹ Nil).

(ii) Other borrowing cost represents ₹ Nil (Previous year ₹ 977.19 lakh) paid to Govt of Odisha towards outstanding Govt guarantee fees related to loan availed in earlier years for construction of Unit 1 & 2.

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

33 Depreciation & amortisation expenses

(₹ in lakh)

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

34 Impairment losses

(₹ in lakh)

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

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

(₹ in lakh)

Cost of Qualifying Assets(Unit 3 & 4)		2017-2018		2016-2017	
A.	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries & Wages	**3,998.36**		3,077.96	
	Contribution to	-		-	
	Provident fund	112.60		87.15	
	Gratuity fund	34.17		-	
	Staff Welfare Expenses	84.40	**4,229.53**	55.27	3,220.38
B	**FINANCE COST**				
	Interest Expenses	50,282.69		26,321.35	
	Other borrowing Cost	-	**50,282.69**	24.18	26,345.53
C	**DEPRECIATION AND AMORTISATION EXPENSES**				
	Depreciation	643.35	**643.35**	509.31	509.31
D	Water Charges	1,854.40	**1,854.40**	642.27	642.27
E	Insurance	1,021.09	**1,021.09**	979.81	979.81
F	**ADMINSTRATIVE AND OTHER EXPENSES**				
	Rent	111.47		109.88	
	General expenses	1,056.40		639.23	
	Rate, Taxes & Cess	10.42		17.04	
	Travelling expenses	88.72		77.86	
	Watch and Ward expenses	147.87		89.65	
	Township development expenses	23.02		10.24	
	Peripheral development expenses	12.34		2.50	
	Donation	-	**1,450.24**	-	946.41
	CSR expenditure in compliance to Environmental Clearance	443.25	**443.25**	327.53	327.53
	Total	**-**	**59,924.55**		32,971.26

OTHER INCOME				
Interest Income	229.91		-	
Other non-operating income (net of expenses directly attributable to such income)	105.17		46.22	
Other gains and losses	1.39		0.20	
		336.47		46.42

Odisha Power Generation Corporation Limited

Notes forming part of the financial statement

35 Other Expenses

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Generation Expenses:		
Consumption of stores, spares & Chemicals	1,668.66	1,240.23
Electric Power, Electricity Duty and water	4,211.43	2,403.64
Contract Job Outsourching expenses	2,106.38	1,154.20
Insurance	1,088.30	1,053.05
Other generation expenses	423.58	360.15
Repairs to buildings	294.06	284.29
Repairs to Machinery	58.82	46.74
	9,851.22	6,542.31
Selling and Distrubution Expenses:		
Rebate in the nature of cash discount to customer		
Administrative Expenses:		
Rent	304.07	269.06
Lease Premium	100.97	100.97
Professional Fees and expenses	23.52	48.70
General Expenses	1,955.12	1,702.88
Management Service Charges	31.72	29.84
Rate, Taxes & Cess	43.56	48.84
Other Repairs	60.79	61.73
Travelling expenses	304.41	271.33
Watch and Ward expenses	585.17	494.08
Township development expenses	380.90	353.66
	3,790.90	3,381.09
Other Expenses		
Payment to Auditors	12.93	11.59
Peripheral development expenses	12.34	2.51
Donation	-	93.60
Trade Receivables Written Off (Net)	23.00	30.10
Loss on Sale of Fixed Assets	14.87	15.15
Advances written off	0.70	1.30
	63.84	154.25
Corporate Social Responsiblility	142.35	324.33
Less : Allocated to Fuel Cost	887.47	695.61
Amount included in the cost of Qualifying assets	4,305.98	2,568.50
	5,193.24	3,264.11
Total	**9,630.24**	8,234.64

(I) Payment to Auditors:

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

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

(iii) Out of ₹ 350.09 lakh, the company spent as follows during the year

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

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

36 Related party transactions

Odisha Power Generation Corporation Ltd (the Company) controlled by the Government of Odisha (GoO). GoO holds 51% ownership interest in the Company and balance 49% ownership interest is jointly held by AES India Pvt Ltd (5.04%) and AES OPGC Holding (incorporated in Mauritius) (43.96%) as on March 31, 2018. The Company's related parties principally consist of GoO, OPGC Ltd Provident Fund Trust, AES India Pvt Ltd , AES OPGC Holding and Odisha Coal and Power Ltd (OCPL) as its Joint venture. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(₹ in lakh)

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 2017-18	4,944.10						
FY 2016-17	10,659.41						
Interest on loan given							
FY 2017-18	8.27						
FY 2016-17	711.28						
PF Contribution							
FY 2017-18						951.74	
FY 2016-17						921.86	
Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources							
FY 2017-18		1,182.13					
FY 2016-17		946.52					
Management Services Charges							
FY 2017-18		31.72					
FY 2016-17		29.84					
Remuneration							
FY 2017-18				53.80			
FY 2016-17				44.66			
Dividend paid							
FY 2017-18		138.61	693.33				865.91
FY 2016-17		963.53	477.71				1,500.07
Guarantee commission paid							
FY 2017-18							-
FY 2016-17							977.19
Equity share capital received							
FY 2017-18			29,658.72				30,869.28
FY 2016-17			23,765.00				24,735.00
Guarantee outstanding							
FY 2017-18	6,279.94						
FY 2016-17	6,281.00						
Outstanding receivable							
FY 2017-18	296.77						
FY 2016-17	24,732.98						
Outstanding payables							
FY 2017-18						10.15	
FY 2016-17						93.34	

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

37 Earning per share (EPS)

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

(₹ in lakh)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Profit after tax	**323.16**	6,637.34
Less : Amount to be paid for diluted portion (net of tax)	-	-
Profit attributable to ordinary shareholders for Basic & Diluted EPS	**323.16**	6,637.34
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	110,00,053	52,07,790
Nominal value of Ordinary Shares (₹)	1,000.00	1,000.00
Basic & Diluted Earning per Ordinary Share (₹)	**2.94**	127.45

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 Commitment 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) ₹ 1,55,862.68 lakh (Previous Year : ₹ 3,25,000.16 lakh)

(ii) Contingencies

a. Contingent Liabilities :

(₹ in lakh)

Particulars	Opening balance as on April 01,2017	During the year 2017-18		Balance as on March 31, 2018
		Additions	Reversal	
a. Claims against the Company not a acknowledge as debt				
(I)Income tax demands	1,081.21	20.50	(828.81)	272.90
(ii) Indirect tax demands	15.90	-	-	15.90
(iii) Claims of contractors & others	1,036.21	11.67	-	1,047.88
b. Outstanding letter of credit and guarantees	5,340.32	383.43	-	5,723.75
c. Other money for which the company is contingently liable	6,281.00		(1.06)	6,279.94
Total	**13,754.63**	**415.60**	**(829.87)**	**13,340.36**

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

(ii) A demand of ₹ 977 Lakh was raised by OHPC Ltd, towards compensation against water drawal from Hirakud reservoir with reference to letter No.3849 dtd July 06, 2018 of Additional Secretary to Govt., Dept of Energy, Govt. of Odisha on formulation of policy for utilization of water in the reservoirs by industrial units. This amount was not recognized in the accounts of the year of demand in absence of confirmation from customer for reimbursement of the same in the tariff as per power purchase agreement and also not having any financial impact in the profitability of the Company. In view of above no contingent liability also provided for.

(iii) Other money for which the company is contingently liability includes corporate guarantee of ₹ 6,279.94 lakh and outstanding letter of credit and guarantees includes pledge of fixed deposit of ₹ 1,569.98 lakh given to Axis Bank as security for issue of performance bank guarantee for ₹ 15,392.00 lakh in favour of nominated authority Ministry of Coal, GOI on behalf of subsidiary company i.e. Odisha Coal and Power Ltd.

b. Contingent Assets:

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

40 Capital Management :-

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

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

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

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

41 Disclosure on Financial Instruments

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

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

(a) Financial assets and liabilities

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

(₹ in lakh)

As at March 31, 2018	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value
Financial assets						
Cash and bank balances					49,332.89	49,332.89
Trade receivables					9,850.45	9,850.45
Loans					734.30	734.30
Other financial assets					993.85	993.85
Total	-	-	-	-	**60,911.49**	**60,911.49**
Financial liabilities						
Trade and other payables					8,418.34	8,418.34
Borrowings					5,48,040.93	5,48,040.93
Other financial liabilities					63,011.71	63,011.71
Total	-	-	-	-	**6,19,470.98**	**6,19,470.98**

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
Financial assets						
Cash and bank balances					29,940.55	29,940.55
Trade receivables					12,775.74	12,775.74
Loans					1,165.76	1,165.76
Other financial assets					25,420.02	25,420.02
Total	-	-	-	-	**69,302.07**	**69,302.07**
Financial liabilities						
Trade and other payables					6,253.08	6,253.08
Borrowings					378,681.12	378,681.12
Other financial liabilities					188,353.64	188,353.64
Total	-	-	-	-	**5,73,287.84**	**5,73,287.84**

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

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

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

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

(i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.

(iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

(iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and March 31 2017

(c) **Financial risk management**

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

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to: By creating a stable business planning environment and reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(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.

(₹ in lakh)

	As at March 31, 2018				
	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	553,949.67	553,949.67	5,523.58	114,358.29	434,067.79
Trade payables	8,418.34	8,418.34	8,418.34	-	-
Other financial liabilities	63,011.71	63,011.71	61,888.54	1,123.18	-
Total non- derivative financial liabilities	**625,379.72**	**625,379.72**	**75,830.46**	**115,481.47**	**434,067.79**

(₹ in lakh)

	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	383,051.98	383,051.98	3,965.96	92,388.88	286,697.15
Trade payables	6,253.08	6,253.08	6,253.08	-	-
Other financial liabilities	188,353.64	188,353.64	187,841.88	511.76	-
Total non- derivative financial liabilities	**577,658.70**	**577,658.70**	**198,060.92**	**92,900.64**	**286,697.15**

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

42 Statement of net assets and profit and loss as required under Schedule III

Name of the entity	As % of consolidated net assets	₹ in lakh	As % of consolidated profits or loss	₹ in lakh
Parent				
Odisha Power Generation Corporation Limited	100%	2,71,344.63	137.42%	572.55
Joint Venture (Equity Accounting)(Indian)				
1. Odisha Coal and Power Limited	10.84%	29,384.26	-73.37%	(305.68)
Previous year figures have been reclassified / regrouped whatever				

For Nag & Associates
Chartered Accountants

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
(S. P. Padhi)	**(M. R. Mishra)**	**(Pravakar Mohanty)**	**(Indranil Dutta)**
Partner	Company Secretary	Director (Finance)	Managing Director

FRN : 312063E
Membership No: 053292
Place : Bhubaneshwar
Date : 21.09.2018

Annexure-1(A)

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 2018.

The preparation of Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2018 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 : 21 September 2018.

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 2018. 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 auditors' report.

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

Sd/-
YASHODHARA RAY CHAUDHURI
PRINCIPAL ACCOUNTANT GENERAL

Place: Bhubaneswar

Date: 06.12.2018

OCPL

Odisha Coal and Power Limited

A Subsidiary Company

Odisha Coal & Power Limited
Balance Sheet as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	5	1,051.96	993.59
	(b) Capital work-in-progress	5	29,243.55	26,550.60
	(c) Other Intangible assets	5 (i)	4,777.42	10.28
	(d) Financial Assets			
	(i) Loans	6	13.38	13.23
	(e) Other non-current assets	7	33,263.79	24,285.09
	Total Non - Current Assets		**68,350.10**	51,852.80
2	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	8	514.40	917.39
	(ii) Bank balances other than (i) above	8	-	0.10
	(iii) Others	9	2.23	3.06
	(b) Current Tax Assets (Net)	10	15.59	-
	(c) Other current assets	11	4,356.78	297.19
	Total Current Assets		**4,889.00**	1,217.74
	TOTAL ASSETS		**73,239.10**	53,070.54
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	12	30,000.00	20,000.00
	(b) Other Equity	13	(615.74)	(310.05)
	Total equity		**29,384.26**	19,689.95
	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	I) Borrowings	14	40,126.81	-
	(b) Deferred tax liabilities (Net)	15	309.83	3.12
	Total non-current liabilities		**40,436.64**	3.12
2	Current liabilities			
	(a) Financial Liabilities			
	(I) Borrowings	16	-	6,009.46
	(ii) Other financial liabilities	17	3,322.90	27,235.52
	(b) Other current liabilities	18	95.30	121.25
	(c) Current Tax Liabilities (Net)	10	-	11.24
	Total Current Liabilities		**3,418.20**	33,377.47
	TOTAL EQUITY AND LIABILITIES		**73,239.10**	53,070.54
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

Sd/-
Pravakar Mohanty
Director

Mihir Ku. Sahu Partner
M.N: 053968
(F.R.N: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A.K. Pattjoshi
Head Finance

Sd/-
K.C. Brahma
CEO (I/C)

Place : Bhubaneswar
Date : 29/8/2018

Odisha Coal & Power Limited

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note	Period ended March 31, 2018	Period ended March 31, 2017
I	Revenue from Operations	19	-	-
II	Other Income	20	4.31	18.79
III	**Total Income (I + II)**		**4.31**	18.79
IV	**Expenses**			
	(a) Employee Benefit expense	21	761.87	2,519.78
	(b) Finance costs	22	-	-
	(c) Depreciation and amortization expense	5	209.82	134.62
	(d) Other expenses	23	925.19	1,822.03
	Less : Expenditure transferred to capital work in progre		(1,876.71)	(4,262.12)
	Total expenses (IV)		**20.17**	214.31
V	Loss before tax (III - IV)		(15.86)	(195.51)
VI	Tax Expense:	10		
	(a) Current tax		-	16.89
	(b) Deferred tax	15	306.72	3.12
	(c) Taxes of earlier years		(16.89)	-
	Total tax expense		**289.82**	20.01
VII	**Loss for the Period (V -VI)**		**(305.68)**	(215.52)
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) for the period		**-**	**-**
IX	**Total Comprehensive Income / (Losses) for the period (VII+VIII)** **(Comprising Loss and Other Comprehensive Income for the period)**		**305.68**	(215.52)
X	Earnings per equity share:- Basic and diluted (Rs)	26	(0.12)	(0.29)
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

Sd/-
Pravakar Mohanty
Director

Mihir Ku. Sahu Partner
M.N: 053968
(F.R.N: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A.K. Pattjoshi
Head Finance

Sd/-
K.C. Brahma
CEO (I/C)

Place : Bhubaneswar
Date : 29/8/2018

Odisha Coal & Power Limited
Statement of Cash Flow for the year ended March 31, 2018

(₹ in lakh)

	Particulars	**Period ended March 31, 2018**	Period ended March 31, 2017
(A)	**Cash flows from operating activities:**		
	Loss before taxes	(15.86)	(195.51)
	Adjustments for:		
	Depreciation and amortisation of non-current assets	-	-
	Operating profit before working capital changes	**(15.86)**	(195.51)
	Movements in working capital:		
	(Increase)/ decrease in loans and othe financial assets	0.93	(3.06)
	(Increase)/decrease in other assets	(36,706.68)	(235.13)
	Increase/ (decrease) in other payables	(25.95)	28.17
	Increase/ (decrease) in other liabilities	(424.75)	1,336.02
	Cash generated from operations	**(37,172.31)**	930.49
	Taxes Paid	(9.94)	(5.17)
	Net cash flow from operating activities	**(37,182.25)**	925.32
(B)	**Cash flows from investing activities:**		
	Payments for purchase of fixed assets	(6,654.52)	(17,989.58)
	Payments to acquire financial assets	(0.15)	(0.20)
	Payments against leasehold land*	23,668.39	(19,654.32)
	Net cash used in Investing Activities	**17,013.72**	(37,644.10)
(C)	**Cash flows from financing activities:**		
	Issue of shares	5,100.00	-
	Issue of shares by way of conversion of inter-company loan	4,900.00	19,995.00
	Other finance by related parties	(24,351.81)	23,456.33
	Repayment of loan to related parties	(6,009.46)	(6,558.74)
	Term loan from Banks	38,125.13	-
	Term loan from Banks (Non Cash Changes)	2,001.68	-
	Net cash flow from financing activities	**19,765.54**	36,892.59
	Net Increase/(decrease) in cash or cash equivalents	**(402.99)**	173.81
	Cash and cash equivalents at the beginning of the year	**917.39**	743.58
	Cash and cash equivalents at the end of the year	**514.40**	917.39
Notes forming part of the financial statement		**Note No. 1-28**	

(I) * Change in payment against leasehold land includes non-cash changes to the tune of ₹ 25,838.35 lakh as capitalization.

(ii) Repayment of loan includes conversion of inter-company loan of ₹ 4,900 lakhs (March 31, 2017: ₹ 19,995 lakhs) into equity share capital.

(iii) The company has undrawn borrowing of ₹ 63,473.19 lakh from Banks as at the reporting date to settle the capital commitments and future operating activity.

(iv) Figures in brackets represents cash outflows/incomes as the case may be.

(v) Previous year figures have been regrouped/rearranged wherever necessary to confirm the current year classifications.
In terms of our report attached. For and on behalf of the Board.

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Mihir Ku. Sahu Partner
M.N: 053968
(F.R.N: 303038E)

Place : Bhubaneswar
Date : 29/8/2018

Sd/-
Indranil Dutta
Director

Sd/-
Pravakar Mohanty
Director

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A.K. Pattjoshi
Head Finance

Sd/-
K.C. Brahma
CEO (I/C)

Odisha Coal & Power Limited

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity Share Capital

(₹ in lakh)

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

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
20,000.00	10,000.00	30,000.00

B. Other Equity

(₹ in lakh)

	Reserves and Surplus	
	General Reserve	Retained earnings
Balance as at April 1, 2016	-	(94.53)
Loss for the year		(215.52)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(215.52)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2017	-	(310.05)
Loss for the year		(305.68)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(305.68)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2018	-	(615.74)
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

Sd/-
Pravakar Mohanty
Director

Mihir Ku. Sahu Partner
M.N: 053968
(F.R.N: 303038E)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A.K. Pattjoshi
Head Finance

Sd/-
K.C. Brahma
CEO (I/C)

Place : Bhubaneswar
Date : 29/8/2018

Corporate Information

Senior Management Team:

Ron Mc Parland - Executive Director (Construction)

Paritosh Mishra - Sr. GM (HR)

Kshirod Brahma - Sr. GM (Mines)

Dr. Bijay Lal Biswal - Chief Medical Officer

Bijay kumar Mishra - Sr. GM (Civil)

Anupam Mohapatra - GM (Civil)

Ritwik Mishra - GM (CMG/R&C)

Sukanta Mahapatra - GM I/C (O&M)

Sanjay Garhwal - GM (O&M)

Santosh Kumar Sathpathy - GM (Civil)

Umakanta Pahi - GM (EHS)

Ajit Panda - Head (Finance)

Manoj Kumar Dash - Head (CSR & Sustainability)

Balkrushna Mishra - AGM (SCM)

Company Secretary:

Mr. Manoranjan Mishra

Power Off Taker:
GRIDCO Limited
Janpath, Bhubaneswar

Project Financier':
Power Finance Corporation
Rural Electricity Corporation

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,
Chandrasekharpur, Bhubaneswar - 751023

Site Office:
IB Thermal Power Station
Banaharpalli, Jharsuguda, Odisha

OPGC
Power for Progress

ODISHA POWER GENERATION CORPORATION LTD.

CIN-U40104OR1984SGC001429

(A Government Company of the State of Odisha)

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