OPGC
*Power for Progress*

# 35th ANNUAL REPORT | 2018-2019

## 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 units have been synchronized successfully with Grid. Balance of Plant works on the verge of completion. The project commissioning is under progress for declaring commercial operation.

## MGR

L&T is executing this EPC project to establish rail connectivity from our captive Coal Mines at Manoharpur to Power Plant at Banharpali. Charla connectivity (intermediate loading station) has been established and facilitating supply of commissioning coal. All other works like P-Way works, station building, bridges and S&T works are in progress.

## Ash Pond

M/s SBEPL has been awarded with the construction of Ash Pond in Tilia with NTP in month of May 2017. The Ash Pond is being developed in 2 Phases with a partition bund in between. Presently construction of dyke, rock toe, vertical chimney are in progress for Phase-I, 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.

## 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.

# CSR INITIATIVES BY OPGC

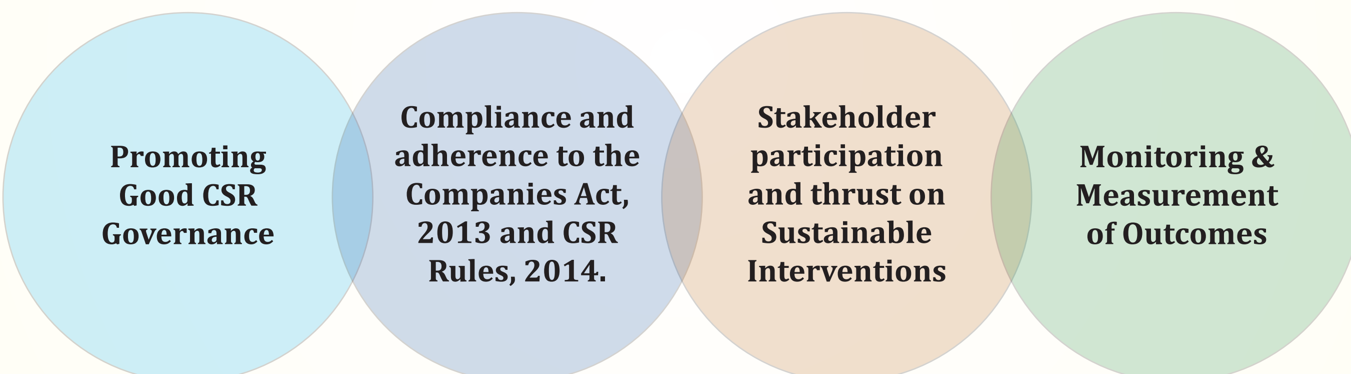
OPGC is continuously striving for development of peripheral villages around its operations and as a responsible corporate citizen the company is contributing for developmental activities since its inception. The Company follows a participatory approach and involves relevant stakeholders in planning and execution of development projects OPGC has inclusive CSR Policy that aims at driving the Company on a journey towards achieving sustainable development.

OPGC adheres to its CSR guidelines and norms set by adopting the principles laid down in the Companies Act 2013, the CSR Rules 2014 and its philosophy of achieving sustainability through comprehensive stakeholder engagement. The core business strategy of OPGC includes gradual enrichment of lives in villages in the neighbourhood of its operational ares. This is reflected in its CSR Policy. The CSR Policy in turn specifies CSR intervention areas.

Based on these broad guidelines, OPGC has adopted a holistic CSR Policy. Its CSR Policy sets the direction for OPGC towards planning, designing and executing Corporate Social Responsibility (CSR) programmes in its operational areas.

OPGC's CSR interventions are aimed at making a positive difference to the lives of about 50,000 people of fifty villages and hamlets across six Gram Panchayats (GPs) near OPGC's plant site at Banharpali in Lakhanpur block of Jharsuguda district.

## CSR STRATEGY




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


Director (Operations), OPGC Shri Alok Mukherjee felicitating one of the Jeevika Saathis on the occasion of Annual General Body Meeting og Ib Srushti Women Livelihoods Producer Company which is working at the grasroot level towards livelihood development of women, farmers and fishermen.

## Stakeholder Consultation Meeting with PRI Members and Elected Representatives

Like every year, a Stakeholder Consultation Meeting was organized by the CSR team on 23rd January 2019 at Learning Centre, ITPS, for discussion on a two-fold agenda of addressing safety issues in the community and discussing the status of ongoing CSR works along with plans and programmes for 2018-19 with specific respect to the completion of Unit 3&4 construction work. Sarpanchs, Samiti Members and other elected grassroots representatives of six target Gram Panchayats - Telenpali, Kusraloi, Kumbharbandh, Remenda, Dalgaon and Tilia were present in the meeting. Stakeholders pressed many demands for upcoming financial year and urged OPGC to take CSR projects of utmost priority.

## WATER, SANITATION & HYGIENE

### Provision of Safe Drinking Water

Piped and potable drinking water is being provided to 17 periphery villages from its own Water Treatment Plant (WTP) since 2006. The project covers Banharpali, Telenpali, Kisanpada, Rengali, Sardhapali, Kantatikra, Bhaludole, Sargipali, 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 providing drinking water supply through tankers every year to 44 periphery villages in five Gram Panchayats namely Telenpali, Kusraloi, Remanda, Kumbharbandh, Dalgaon, Tilia, Piplikani and Rampella of Lakhanpur Block, District Jharsuguda. Water is supplied during summer days i.e. April to June. The service caters to around 1800 households and a population of 10,680. Eight tractor tankers with 5000 litres capacity each are engaged and making at least three trips to provide 1,35,000 litres of drinking water everyday to needy people. This CSR initiative of OPGC is mitigating the acute drinking water scarcity conditions which prevail in the region during summer season. This drive is taken up during three summer months in addition to the regular pipeline supply to 17 villages all-round the year.

### Water Sanitation and Hygiene (WASH) Project

- 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**
**Panchayats Covered: 04 (Telenpali, Kushraloi, Tilia, Kumbharbandh)**

- The project has generated unprecedented awareness on better practices in hygiene among the local community. The three water points covering - Toilet, Bathroom and Kitchen area in each household are connected with 24x7 overhead water reservoirs built separately as an integrated part of the project.
- Participation of 100% families and benefits shared equally among all, irrespective of gender, caste, creed or economic status.

- Hydrology Study, exposure visits of village representatives and women to similar interventions, Masonry Training to local masons, Hygiene Trainings for women, information, education and communication (IEC) campaign with school children, Trained Leaders from each village steering the projects.
- Village Water & Sanitation Committees (VWSCs) have been formed in each village to look after day-to-day O&M 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.

## EDUCATION

### 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.

In alignment with its vision, OPGC has constructed a new primary school building with two classrooms and one office room at Baragad village of Kusraloi Gram Panchayat which is located in the vicinity of ITPS. The old school building was running in dilapidated condition leading to dissatisfaction among students, teachers and parents. Thus, necessary infrastructure was created along with complete electrification work. Such an initiative is being taken up with the objective to facilitate effective learning environment among children, teachers and community.

## Provision of Computers to Block Education Officer, Lakhanpur

In order to facilitate proper maintenance of information system and automation of various trainings and capacity building programmes for teachers and staff, OPGC has provided two desktop computers with all necessary peripherals, printer-cum-scanner and furniture to the Block Education Office, Lakhanpur. The materials were handed-over to Block Education Officer, Mr. Rabiratan Bag by the CSR team members on 7th March 2019.

# LIVELIHOODS AND SKILL DEVELOPMENT

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 **1047 target families** located in **25 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.

## About 'Ib Srushti Women Livelihoods Services Producer Company Ltd.

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.

3 years of PC completed successfully (Incorporated on 15th September 2016 after its incorporation by Ministry of Corporate Affairs, Govt. of India).

Rs. 9.94 Lakhs of member-contributed finances (shareholder capital, membership fees, voluntary savings, etc.).

162 members are engaged in Poultry Business activity in their villages.

300 members have availed loan for various activities till date- poultry, agriculture, fishery Around 500 (50%) members have already benefited 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 revolutionary initiative in this part of the state.

23 persons already working as PC staff at the ground level (Aiding in local employment).

Capacity building of Company's decision-makers- Financial, better audit system been developed for internal audits and generate transparent reports.

## Skill-building of Youth for Enhanced Career Choices

This initiative is a part of a 3 years project named "Career Counselling of Youth" which is being implemented in 06 surrounding Gram Panchayats of ITPS. Youth in the age group of 18-35 years under the project to undergo various skill-based courses for increasing their employability.

## Placement-linked Skill Development Training of youth in Plastic Technology at CIPET


As a part of CSR programme, 18 candidates (11 boys and 7 girls) have taken admission at CIPET, Balasore from peripheral Gram Panchayats of ITPS to undergo six months (960 hours) residential training programme on Plastic Processing. The training is 80% practical in nature. Central Institute of Plastics Engineering & Technology (CIPET) is an autonomous institute established under the Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Govt. of India. The course module is as per the guidelines of the NSDC and need of plastics and allied industries across the country. CIPET also provides placement to successful students in various plastics and allied industries in and outside the state.

## Employment-linked Skill Development Training Programme- LMV Driving

40 young boys of the peripheral villages underwent Druiving Training Programme. The training programme was imparted by Nag & Sons Motor Driving Training Academy, Sambalpur. Along with basic driving training, OPGC is bearing the expenses required for obtaining Driving Licenses and also provide support for their placement in jobs available in local market.

## Mobile Repairing Training Completed

Under National Skill Development Corporation (NSDC), OPGC has imparted Short-term Mobile Repairing Training to 13 youth from periphery villages in partnership with Yuva Parivartan, Mumbai. The duration of the training was two months. Certificates were given away to successful candidates by Head (CSR & Sustainability), OPGC, Sarpanch Ms. Anita Barik and other PRI members at Kumbharbandh Gram Panchayat Office on 1st June 2019.

# 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
- Due procedures are followed for tendering and works are executed by reputed contractors under supervision of OPGC's in-house engineers.

**Snapshots of a few newly built community infrastructure facilities in neighbouring villages**

## 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 Camp was 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 proper training so that the raw talents can be given a proper push to shape their future in the sport Along with effective coaching facilities and necessary equipment, sports kit are given to the young trainees as an endeavour to promote talent.
- Besides, OPGC provides sports materials to local youth clubs, schools and colleges regularly
- OPGC intends to provide regular coaching facilities to high school teams and youth clubs playing at the district and state level.

## PREVENTIVE HEALTH AND NUTRITION INTERVENTIONS

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

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

### Health Camps

Six free health camps were organised during 2018-19 in Tilia, Sunari, Dhumamunda, Baghmunda and Panchayats of Lakhanpur area and as many as 2000 persons took the benefit of these 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. ITPS Hospital organizes such camps all round the year.

## World AIDS Day Observed

OPGC has been creating awareness on HIV and AIDS in the villages near Ib Thermal Power Station (ITPS) since 2015 in association with District Administration of Jharsuguda and State AIDS Control Society of Odisha.

It is undertaken in schools, villages, youth clubs, etc. with participation from children, youth, elected people's representatives at the grassroots, medical professionals, Anganwadis, Self Help Groups and NGOs and other stakeholders in six Gram Panchayats which have an estimated population of 50,000.

**Children Participating on the Occasion**

Children and adolescents are specially focused not only to prevent but also to spread the message effectively. The messages are spread through school level or youth club meetings; debates, essay and painting competitions; group interactions; village level meetings with women's Self Help Groups; wall paintings; rallies involving school children and youth groups; street theatres; etc. The key messages focus on awareness generation on prevention, testing and counselling as well as advocacy to protect dignity of HIV carriers and AIDS afflicted persons.

On 1st December, the HIV and AIDS awareness creation programme for 2018 was kicked off from B.P. High School, Gudiali Village, Dalgaon Gram Panchayat in Jharsuguda district of Odisha. Most of the participants were women.

The occasion was interactive, children were receptive and they participated in discussions enthusiastically.

## Malnutrition Prevention Awareness Programmes

Malnutrition Prevention Awareness Programmes have been conducted at Gram Panchayat offices of Kusraloi and Telenpali in March 2019. The awareness drive covers all six panchayats of ITPS on pertinent issues such as Malnutrition, Malaria, HIV/AIDS. PRI members, mothers' committees, women SHG members, ASHA, Anganwadi and ANM participated in the drive conducted in partnership with Bharat Gyan Vigyan Samiti (BGVS) to combat the above diseases and address underlying issues.

## Anti-malaria Fogging Operation in the Periphery Villages of ITPS

Anti-mosquito fogging in twenty-five (25) peripheral villages and habitations around ITPS is beign done every year.. The operation covers three (03) Gram Panchayats (Kumarbandh, Telenpali & Kushraloi) of Lakhanpur Block. 12 cycles of 10 days duration each are done in three months. All target villages/ habitations are covered in one cycle. This initiative helps to bring down the level of mosquito and other vector-borne diseases.

# FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

| **Financial Performance** | **2018-2019** | **2017-2018** | **2016-2017** | **2015-2016** | **2014-2015** |
|---|---|---|---|---|---|
| Revenue | 88,771.23 | 62,311.60 | 75,809.00 | 70,595.39 | 63,000.57 |
| PBDIT | 29,348.14 | 3,407.24 | 13,795.77 | 20,007.92 | 24,878.86 |
| Depreciation & Amortisation | 2,118.86 | 2,528.35 | 2,559.52 | 2,192.05 | 1,916.10 |
| PBT | 27,193.37 | 858.90 | 11,236.25 | 17,815.87 | 22,962.76 |
| Taxes | 10,045.76 | 379.84 | 4,443.35 | 6,333.22 | 7,905.65 |
| PAT | 17,147.61 | 479.06 | 6,792.91 | 11,482.65 | 15,057.11 |
| **Per Share Data** | **2018-2019** | **2017-18** | **2016-17** | **2015-2016** | **2014-2015** |
| EPS (₹) | 168.22 | 4.36 | 130.44 | 234.24 | 307.15 |
| Book Value (₹) | 1,713.21 | 1,716.83 | 2,176.82 | 3,209.94 | 3,047.91 |
| Dividend per Share (₹) | Nil | Nil | 65.00 | 75.00 | 65.00 |
| **Financial Position** | **2018-2019** | **2017-18** | **2016-17** | **2015-2016** | **2014-2015** |
| Share Capital | 1,82,249.74 | 1,58,049.74 | 97,521.74 | 49,071.74 | 49,021.74 |
| Networth | 3,12,232.94 | 2,71,344.63 | 2,12,287.57 | 157,356.79 | 149,414.22 |
| Total Debt | 6,88,283.48 | 5,48,040.93 | 3,78,681.12 | 162,570.33 | 83,692.49 |
| Tangible Assets | 67,608.48 | 33,770.29 | 23,277.48 | 21,213.32 | 21,289.45 |
| Intangible Assets | 701.06 | 765.91 | 804.48 | 73.83 | 78.94 |
| Cash and Investments | 48,502.16 | 64,632.89 | 40,140.55 | 50,147.62 | 84,896.60 |
| Current Assets | 83,668.35 | 68,215.77 | 77,244.72 | 102,880.40 | 96,961.74 |

# BOARD OF DIRECTORS

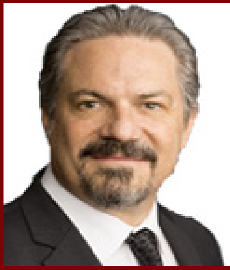
**Mr. Bishnupada Sethi,** IAS
Chairman

**Mr. Indranil Dutta**
Managing Director

**Mr. Vijay Arora,** IAS
Director

**Mr. Alok Mukherjee**
Director (Operations)

**Mr. Pravakar Mohanty**
Director (Finance)



**Mr. Mark Eugene Green**
Director

**Mr. Rupa Narayan Das**
Director

**Mr. Ekin Niksarli**
Director

# NOTICE FOR THE
# 35TH ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby issued that the 35th Adjourned Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on **19.03.2020 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, 2019 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

By order of the Board

Date- 17.03.2020
Zone-A, 7th Floor, Fortune Towers
Chandrasekharpur
Bhubaneswar-751 023

Sd/-
**(M. MISHRA)**
COMPANY SECRETARY

**Encl:** 1) Proxy Form
2) Consent Form
3) Copy of the Annual Accounts.
4) Copy of the letter of appointment of Auditors

**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 35TH ANNUAL GENERAL MEETING

Notice is hereby issued that the 35th Annual General Meeting of the members of Odisha Power Generation Corporation Ltd. will be held on **29.11.2019 at 1.00 PM** 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, 2019 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 2019-20 and authorize the Board to fix their remuneration.

By order of the Board

Date- 26.11.2019
Zone-A, 7th Floor, Fortune Towers
Chandrasekharpur
Bhubaneswar-751 023

Sd/-
**(M. MISHRA)**
COMPANY SECRETARY

**Encl:** 1) Proxy Form
2) Consent Form
3) Copy of the Annual Accounts.
4) Copy of the letter of appointment of Auditors

**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 35th Annual Report on the performance and operating result of the Company for the financial year 2018-19 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 3085.446 MUs corresponding to an average Plant Load Factor (PLF) of 83.86% at plant availability of 91.7% against the previous year performance of 2842.347 MUs corresponding to PLF of 77.92% at Plant availability of 87.17%.

OPGC's, PLF of 83.86% for FY 2018-19 is the Highest among State Sector units across India as per report of Central Electricity Authority.

OPGC, Unit-1&2 (2X210MW) are in service for more than 20 years and in the meantime MCL mines coal supply quality also has deteriorated over the years. Hence, operating the units efficiently under these two challenging conditions i.e. ageing factor coupled with accelerated erosion of equipment due to handling of poor coal quality, has been quite demanding. However, with the use of best available & affordable techniques accompanied by continuous efforts of O&M Personnel, we have been able to sustain target generation and have achieved 1st position among the state sector units in India.

For sustainable operation of the above units under revised stringent environment regulation, there is a need to carry out environment retrofit along with Renovation and Modernization (R&M) of the power plant for extending the life. Accordingly, a systematic and comprehensive plant life audit was carried out to ascertain asset conditions, bottlenecks, percentage of degradation and factors contributing in degradation and the scope of work for R&M and environment retrofit. The proposal is under approval process.

As a commitment towards society for providing a clean and Green environment, every year small projects are being undertaken. This year 9 KW PV Solar system has been installed at Plant Canteen roof for suppling hot water to the Canteen.

***Project Development***

Construction of OPGC's expansion project of (2x660 MW) progressed well during Financial Year 2018-19. Various attempts to conduct 72 hour trial could not fructify however trial run could be completed in July 2019 and August 2019 for Unit 3 and Unit 4 leading to declaration of commencement of commercial operation for Unit 3 and Unit 4 on 4th July 2019 and 21st August 2019 respectively. There are certain components of the project which are still under construction and commissioning however units are capable of operations.

Construction of dedicated railway corridor (Merry Go Round 'MGR') for transportation of coal from Odisha Coal & Power Limited (OCPL)'s Manoharpur coal mine and from Mahanadi Coalfields Limited (MCL)'s Lakhanpur Mines is under construction by Larsen & Toubro Limited (L&T). L&T has achieved about 85% overall progress as at end of financial year. MGR overall progress is constrained primarily due to delays in handover of land by MCL for construction. On account of non-completion of MGR, coal could not be procured from OCPL. As of now coal is being procured from MCL primarily through the part-completed MGR which was taken over for transport of coal from MCL's Lakhanpur Mines. OPGC is pursuing diligently with MCL to handover of land and it is likely to be done by end of this calendar year 2019.

Coal for the Power Plant will be primarily sourced from the Manoharpur coal blocks under our subsidiary Company OCPL. Coal Production from mine has commenced in October 2019 and OCPL is striving to monetize the same through sale arrangement with Coal India Limited on account of lack of transport arrangement to OPGC. MCL is being pursued to meet the coal requirement of OPGC from its Lakhanpur Mines.

Construction of Township and renovation is being done by NCC Limited and likely to be completed in coming months. Construction of Ash Pond Phase 1 is near completion and Phase 2 work has commenced.

For ensuring power sale from the expansion units under a restricted power market and enhancing vialbility of the project, Govt. of Odisha has issued notification dt: 20/12/2018 whereunder power offtake by GRIDCO has beeen enhanced from 50% to 75% of the installed capacity till March 2023, on same terms as the existing PPA and 100% thereafter for 25 years. Supplementary Agreement to this effect was signed with GRIDCO on 24/01/2019. Balance 25% power will be sold in merchant markets through available options in order to maximize the revenue from generation. OPGC had filed application for determination of interim tariff with OERC prior to expected a date of commercial operation, which would prevail till final tariff is determined after COD of the expansion units. OERC in its order allowed interim tariff of ₹ 2.75 per kWh and directed OPGC to file final tariff after the new tariff regulations are notified by OERC for the control period of 2019-2024. As the interim tariff is very low compared to the expectation a review petition was filed citing financial difficulties OPGC is expected to face on account of low tariff.

Power evacuation was to be done through two connecting transmission lines i.e. OPTCL and PGCIL. However, as 100% power was to be taken by the state the linkage with PGCIL has been relinquished and an application has been filed with concerned authorities to allow interconnection of Unit 3 & 4 by closing bus sectionaliser within its switchyard in order to evacuate GRIDCO's power through state transmission network. This will mitigate the liability of short term open access charges and procedural issues.

***SAP Implementation***

***Roll out SAP Application for Unit 3&4 and Implementation of DMS for OPGC***

"Roll out of SAP Application for Unit 3&4 and Implementation of DMS for OPGC" was started with the initial project kick off on 11th March 2019 by retaining M/s Tech Mahindra Ltd as the implementation partner, targeting four months implementation timeline. The system went live on 5th Jul 2019. OPGC Implemented SAP Document Management System (DMS) module and Work flow based online Note sheet Approval System with an idea of eliminating paper based note sheet approval process. OPGC continues to strive for streamlining the system and extract the maximum value out of it.

**FINANCE & ACCOUNTS**

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

(₹ in Lakhs)

| Particulars | Consolidated Result | | Standalone Result | |
|---|---|---|---|---|
| | **2018-19** | **2017-18** | **2018-19** | **2017-18** |
| Revenue from Operations | 86,291.87 | 59,743.46 | 86,291.87 | 59,743.46 |
| Other income | 2,479.36 | 1,592.10 | 2,479.36 | 1,592.10 |
| **Total income** | **88,771.23** | **61,335.56** | **88,771.23** | **61,335.56** |
| Expenses excluding interest and depreciation & impairment of assets | 59,423.09 | 57,928.32 | 59,423.09 | 57,928.32 |
| Interest, depreciation & impairment of assets | 2,154.78 | 2,548.34 | 2,548.34 | 2,548.34 |
| **Profit Before Tax** | **27,193.37** | **858.90** | **27,193.37** | **858.90** |
| Provision for taxes | 10,045.75 | 379.84 | 10,045.75 | 379.84 |
| Share of Loss in Joint Venture | (143.28) | 155.90 | | |
| **Profit After Tax** | **17,004.34** | **323.16** | **17,147.61** | **479.06** |

Since equity method of consolidation under IndAS 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 2018–19 are as follows:

a) Revenue: Revenue from operation of your Company for FY 19 stood at ₹ 86,291.87 Lakh as against ₹ 59,743.46 lakhs for FY 18 is showing an increase of around 44%. The revenue increase in FY 19 is due to ₹ 201.36 Cr of arrear related to FY17, FY18 and FY19 accounted for in FY19 as differential billing as per the Order of Hon'ble OERC dated 21.05.2019.Your Company has sold 2,738.98 MU of electricity during FY 19 as against 2,511.80 MU in FY 18 with increase in Plant Load Factor (PLF) from 77.25% to 83.86%.

b) Other Income: Other income of your Company increased from ₹ 1,592.10 lakhs to ₹ 2,479.36 Lakhs for FY 19.

c) Expenses: Expenses for FY 19 stood at ₹ 61,577.86 lakhs as against that of ₹ 60,476.66 lakhs for FY 18 with an increase of around 2%

which is not commensurate with the increase of revenue year-on-year basis. This is mainly due to decrease in expenses in overhauling and consumption of stores and spares.

**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. In view of above during the year 2018–19, your Directors do not recommend any dividend on Equity Shares for the year under report.

**RESERVES AND SURPLUS**

The balance amount in Reserves and Surplus stands at ₹ 129,983.20 lakhs (previous year ₹ 113,294.89 lakhs) at the year under review. No amount is transferred to any reserve during the year under report.

**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 statement 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 2018-19, the Company has incurred a Loss of ₹ **280.94** Lakhs as the operational activities are yet to commence in full fledge. 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. Ekin Niksarl (DIN 08023684) was appointed as Director on 18th June, 2019 as AES nominee in place of Mr. Rajendra Shrivastav. Mr. Rupa Narayan Das (DIN 07470312) was appointed as Director on 15th July, 2019 as Government of Odisha nominee in place of Mr. D. K. Jena, IAS. Mr. Bishnupada Sethi, IAS (DIN 02268656) was appointed as Chairman OPGC on 25th September, 2019 in place of Mr. Hemant Sharma, IAS.

The Board placed on record its appreciation for the valuable services rendered by Mr. Hemant Sharma, IAS as Chairman and Mr. Rajendra Shrivastav & Mr. D. K. Jena, IAS as Directors 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 2018-19 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 re-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 2018-19, was filed on 15.10.2019 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL) by M/s. Niran & Co., Cost Accountants, For the financial year 2019-20, 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 appointed. M/s. SRB and Associates, Chartered Accountants (Firm Regn. No. 310009E) as Internal Auditors for FY 19. 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 re-appointed as the Internal Auditor for the FY 20 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. 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, 2019 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's internal control systems are commensurate with its size and the nature of its operations. It has well documented policies, procedures and authorisation guidelines to ensure that all assets are safeguarded against unauthorised use or losses, all the transactions are properly authorised, recorded and reported, and all applicable laws and regulations are complied with. The effectiveness of internal control mechanism is tested and certified by independent auditors appointed for the purpose (IFC Auditors), covering key areas of operation, based on an annual audit plan giving due weightage to the various risk parameters associated with the business. Major audit observations and follow-up actions are reviewed and monitored by the Audit Committee.

The IFC Auditors also assesses the effectiveness of risk management and governance process. The IFC 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, IFC 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.

**ENVIRONMENT, HEALTH & SAFETY (EHS)**

**Creating a safer working environment:**

Safety tops the list of OPGC Value system and comes before everything else as OPGC cares for its people and wants them to go home safely after each day's work. OPGC's goal is to make that possible for each OPGC person and contractor/service provider by creating and sustaining an incident-free workplace. 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. The following four safety beliefs are the four corner pillars of safety management system of OPGC and it strives to practise its safety beliefs:

1. Safety comes first for the OPGC people, contractors and the individuals in communities, and all 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 his/her own safety as well as the safety of the teammates and the people in the communities in which he/she works.
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

OPGC's EHS management system is in line with ISO14001, OHSAS 18001 & Global safety standards helps it achieve what it really believes in. Your company has bagged number of State, National and International level EHS awards and also received the prestigious RoSPA Health & Safety Gold International Award for the performance year 2018.

**Commitment to improve environment:**

Your 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:**

- Emission control through ESP maintained with optimum efficiency
- Ambient Air Quality & Emission parameters online continuous monitoring
- Real time emission and ambient air transmission to OSPCB & CPCB.
- Maximum Recycle & Reuse of Liquid effluents.
- 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.
- 01 MT capacity Kitchen waste based biogas plant for eco- friendly disposal of kitchen waste.
- More than 34% Green Belt & Plantation coverage.

Ash Utilization has ever been a big challenge for OPGC mainly due to its locational disadvantages. OPGC still strives hard to bring improvement in this area to achieve the target.

**INTEGRITY PACT**

The Corporation has complied with Integrity Pact (IP) to enhance ethics / transparency in the process of awarding contracts as per the Memorandum of Understanding (MoU) signed with Transparency International of India (TII) in the year 2011. OPGC has implemented the IP with effect from December 2011. The IP has now become integral part for bidding process for all tenders for supply and work execution worth ₹ 2.5 crores and above.

**RIGHT TO INFORMATION**

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

## INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT 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)

In pursuit of Sustainable Growth, OPGC is creating a positive impact on the overall development in the neighbouring society of its Power Plant through Corporate Social Responsibility (CSR) initiatives. OPGC has an inclusive CSR Policy that aims at driving the Organisation on a journey towards achieving holistic growth and all-round development of the community around. OPGC's CSR Policy for FY 2018-19 has been approved by the Board of Directors and has been placed in the Company's website, i.e. *http://www.opgc.co.in/com/csr-policy.asp*. Seeking to scale new heights, OPGC, being a responsible Corporate Citizen, is conscious of the impact it is having on all aspects of society, including economic, social, and environmental and thus its projects and programmes are well-integrated into the community-level decision-making structures and processes of the Organization. OPGC has been proactively engaging with its stakeholders, to find out issues that matter most to them in order to improve quality of life, decision-making process, and at the same time it will raise the level of efficiency, transparency and accountability within the Organisation.

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, Infrastructure Development and Sports Training in its operational area. The CSR Committee's direction is now on bringing in more resources through sustainable and innovative projects with both short-term goals and long-term impact. During the year, the Company has spent ₹ 228.76 Lakhs as against the mandated spending of ₹ 199.59 Lakhs. 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, seven Board meetings were held.

The details of attendance of the members of the Board during financial year 2018-19 are as under:

| Name & Position | No. of Meetings held during the tenure of the member | Number of Meetings attended |
|---|---|---|
| Sri Hemant Sharma, IAS, Chairman | 7 | 7 |
| Sri Indranil Dutta, Managing Director | 7 | 7 |
| Sri H.P. Nayak, IRAS, Director (Finance) | 1 | 1 |
| Mr. Pravakar Mohanty, Director (Finance) | 6 | 6 |
| Sri Alok Mukherjee, Director (O) | 7 | 7 |
| Sri Vijay Arora, IAS, Director | 7 | 0 |
| Sri D. K. Jena, IAS, Director | 7 | 3 |
| Sri Rajendra Shrivastav, Director | 7 | 6 |
| Sri Mark Eugene Green, Director | 7 | 6 |

## 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, five meetings of the Committee were held on 28th May 2018; 20th August, 2018; 12th September, 2018; 25th September, 2018; 15th January, 2019.

Members of the Committee during the year ending on 31st March, 2019 are as below:

| | | |
|---|---|---|
| 1 | Sri Hemant Sharma, IAS | Chairman, Non executive |
| 2 | Sri Alok Mukherjee | Director (Operations), Member- executive |
| 3 | 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 | 5 | 5 |
| Sri Alok Mukherjee, Director (Operations), Member | 5 | 5 |
| Sri Mark Eugene Green, Director, Member | 5 | 4 |

**H.R.D. & MANPOWER PLANNING**

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

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 46 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 02 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, 52 in-house training programmes were organised to empower them with up to date knowledge on various subjects in which 1047 employees have undergone training and 199 employees were given opportunity to attend 53 institutional training programmes and seminars. In this period 12005 Man hours of training have been imparted. As part of career progression policy and broader objective of maintaining a motivated workforce, 67 executives and 27 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 appreciate 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**

Sd/-

**CHAIRMAN**

**Place: Bhubaneswar**

## 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-2 CW Pump 2A Impeller refurbishment, to increase the Cooling water flow & improve unit performance.<br>• Unit-1 Boiler Feed Pump 1B & 1C Cartridge replacement, to reduce specific power consumption.<br>• Reduction in steam consumption by adopting SMART Soot blowing system in Boiler. |
| | (ii) | The steps taken by the company for utilising alternative sources of energy | • 9 KW rooftop solar power panels has been installed on the roof of Plant canteen.<br>• Replacement of conventional lights with LED tube lights, street lights & lamps. |
| | (iii) | The capital investment on energy conservation equipments | Total investment below equipments = ₹ 18 Lakhs<br>• Cost of 9 KW PV Solar system installed at Plant canteen building = ₹ 8.3 Lakhs.<br>• Cost of LED lights = ₹ 9.7 Lakhs. |
| **B** | **Technology absorption** | | |
| | (i) | The efforts made towards technology absorption | • Use of Aerial Inspection Devices |
| | (ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | Improving work place safety by Reduction in Human Exposure to High risk Work condition & Inspection of in-accessible plant area . Detail inspection of in accessible area with video records for better condition assessment |
| | (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 31.03.2019**

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

## I. REGISTRATION AND OTHER DETAILS

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

### i) Category - wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2018) | | | | No. of Shares held at the end of the year (As on 31.03.2019) | | | | % 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) | | 8060537 | 8060537 | 51.00 | | 9294737 | 9294737 | 51.00 | |
| d) Bodies Corp. | | 796178 | 796178 | 8.16 | | 796178 | 796178 | 4.37 | |
| e) Banks / FIs | | | | | | | | | |
| f) Any other | | | | | | | | | |
| **Sub-total (A) (1) :** | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corp. | | 6948259 | 6948259 | 40.84 | | 8134059 | 8134059 | 44.63 | |
| d) Banks / FIs | | | | | | | | | |
| e) Any other | | | | | | | | | |
| **Sub-total (A) (2) :** | | | | | | | | | |
| **Total shareholdings of Promoter** | | | | | | | | | |
| **(A) = (A) (1) + (A) (2)** | | **15804974** | **15804974** | **100** | | **18224974** | **18224974** | **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)** | | **15804974** | **15804974** | **100.00** | | **18224974** | **18224974** | **100.00** | |

## ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2018) | | | Shareholding at the end of the year (As on 31.03.2019) | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | % of Shares Pledged / encum-bered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encum-bered to total shares | % change in share-holding during the year |
| 1 | Government of Odisha | 8060537 | 51 | | 9294737 | 51 | | Nil |
| 2 | AES India Private Limited | 796178 | 8.16 | | 796178 | 4.37 | | Nil |
| 3 | AES OPGC Holding (Incorporated in Mauritius) | 6948259 | 40.84 | | 8134059 | 44.63 | | Nil |
| | **Total** | **15804974** | **100.00** | | **18224974** | **100.00** | | |

## iii) Change in Promoters' Shareholding

| Sl No. | Shareholder's Name | No. of Shares issued during the Financial Year 2018-19 |
|---|---|---|
| | | No. of Shares |
| 1 | Government of Odisha | 1234200 |
| 2 | AES India Private Limited | 0 |
| 3 | AES OPGC Holding (Incorporated in Mauritius) | 1185800 |
| | **Total** | **2420000** |

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

| Sl No. | For Each of the Top 10 Shareholders | Shareholding at the begining of the year (As on 01.04.2018) | | Cumulative Shareholding during the year (01.04.2018 - 31.03.2019) | |
|---|---|---|---|---|---|
| | | 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 01.04.2018 | **NA** | | | |
| b | Changes during the year | **NA** | | | |
| c | At the end of the year as on 31.03.2019 | **NA** | | | |

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

| Sl No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (As on 01.04.2018) | | Cumulative Shareholding during the year (01.04.2018 - 31.03.2019) | |
|---|---|---|---|---|---|
| | | 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 01.04.2018 | **NA** | | | |
| b | Changes during the year | **NA** | | | |
| c | At the end of the year as on 31.03.2019 | **NA** | | | |

## V. INDEBTEDNESS

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

| | | | | (₹. In Lakhs) |
|---|---|---|---|---|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 548426.08 | | | 379086.03 |
| ii) Interest due but not paid | 5908.74 | | | |
| iii) Interest accrued but not due | | | | 4370.86 |
| **Total (i+ii+iii)** | 554334.82 | | | 383456.89 |
| **Change in Indebtedness during the financial year** | | | | |
| • Addition | 140,225.05 | | | 169340.05 |
| • Reduction | | | | |
| **Net Change** | 169340.05 | | | 169340.05 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 688651.13 | | | 379086.03 |
| ii) Interest due but not paid | 7254.15 | | | |
| iii) Interest accrued but not due | | | | 4370.86 |
| **Total (i+ii+iii)** | **695905.29** | | | **554334.82** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| | | | | | | | (₹. In Lakhs) |
|---|---|---|---|---|---|---|---|
| **Sl No** | **Particulars of Remuneration** | **Mr. H. P. Nayak, Director (F)** | | **Total Amount** | **Mr. Pravakar Mohanty, Director (F)** | | **Total Amount** |
| | | **Till 14-06-2018** | | | **W.e.f. 20-06-2018** | | |
| 1 | Gross Salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 19.08 | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1.54 | | 0.00 | - | | 0.00 |
| | (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) | 1.51 | | - | - | | - |
| | **Total (A)** | **22.12** | **0.00** | **0.00** | **-** | **0.00** | **0.00** |
| | Ceiling as per the Act | | | | | | |

## B. Remuneration to other Directors:

| 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

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

## VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

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

# Annexure-III

## Odisha Power Generation Corporation Ltd.
## Statutory Audit Observations and Management Replies for the FY 2018-19

| Sl. No. | Observation | Management Replies |
|---|---|---|
| 1. | 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. | Contracts which were impacted by Goods and Service Tax (GST) are related to Unit 3 & 4 (2x660MW) and the expenses are getting capitalised. These contracts are tax inclusive contracts and because of that legal provision of whether impact of GST to be considered or not were examined. Once agreed that such impact to be considered separately, each of the contract were analysed separately to remove the impact of taxes/ duties subsumed with GST and impact of GST is added thereafter to arrive at the revised contract price. In the meanwhile, GST impact for the contracts for the packages related to Balance of Plant, Merry Go Round, Ash Pond etc. quantified and revised orders were issued. Such quantification for Main Plant package would be completed in FY20.<br><br>Since these contracts are capital contracts of Units 3&4, and any impact due to GST Change orders are to be part of capital expenses, they would be capitalised on commissioning dates of the units. There is no impact on profitability. |
| 2. | Current assets are overstated by ₹ 27.63 lakhs on account of long outstanding, unreconciled and balances not confirmed and likewise current liabilities to the extent of ₹ 202.32 lakhs have been overstated being unreconciled and long outstanding. | The same noted for review and reconciliation in FY 20. |
| 3. | Out of the identified slow moving/non-moving inventories of ₹ 19.38 lakhs, inventories amounting to ₹ 3.25 lakhs have been written off during the year 2018-19. Provision for balance amount of ₹ 16.13 lakhs has not been made resulting in overstatement of profit for the year and current assets by ₹ 16.13 lakhs each. | Physical verification of Stores & Spares has been carried out annually by third party agencies appointed by OPGC. As per accounting policy point no 3.12, shortage, surplus, obsolete, damaged if any identified by such agency are written off with due approval from Competent Authority.<br><br>Regarding slow/non-moving items, a committee was formed to assess the usability of the items. After obtaining report from the Committee, write off proposal was moved in respect of obsolete materials. In the same line, out of total slow-moving inventories, committee identified inventories valuing ₹ 3.25 lakhs as non-usable and were written off. The balance materials amounting to ₹ 16.13 lakh are usable hence no provision was required to be made. |

| | | |
|---|---|---|
| 4. | 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 are being obtained. Joint reconciliations have been carried out with all major parties MCL, IOCL, BGRE BHEL and GRIDCO.<br><br>Regarding other advances which includes different advances given to employees are periodically reconciled and accounted for. |
| 5. | We draw attention to Note No.38 (iv) 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) has issued a performance guarantee in shape of Bank Guarantee from Axis Bank Ltd in favour of the Nominated Authority, Ministry of Coal, Government of India. The Bank Guarantee is backed by Corporate Guarantees of both the shareholders of OCPL viz. OPGC and OHPC. Further, OCPL has also provided margin money to the Bank for the purpose. Thus, the corporate guarantee provided by OPGC to OCPL to obtain a bank guarantee is for the performance and as such cannot be termed as financial guarantee. Accordingly, not required to be measured and recognised in the financial statement. |
| 6. | 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. Hence disclosure of remuneration is not needed. |
| 7. | Attention is drawn to note 35 to the standalone financial statements in respect of an amount of ₹ 2417.97 crores paid/provided towards Resource Sharing fees to AES India Pvt. Ltd, a related party. It is explained that there is no agreement between 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. | The Policy on Reciprocal Resource Sharing between OPGC and Strategic Investor was placed before the Board of Directors in their 147th Board Meeting held on 30th June 2010.<br><br>The need for specialized resources between Strategic Investor and OPGC, terms of drawing resources along with other details have been placed on the memorandum. |

| | | |
|---|---|---|
| 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. | 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. |
| 9. | As regards Entry level controls, the company is having following deficiency – Different operating manuals for functions like Accounts, procurement, compliance, corporate Governance & Comprehensive Risk Management Policy needs to be updated | Audit observation noted for taking appropriate steps for updating the manuals and policies. |
| 10. | As regards process level controls, the Company's input validation data checks are inadequate with reference to data input in SAP i.e. failure to conduct a system audit, absence of control features for issue of P.O. and lack of provision in the system to generate alerts with reference to non-moving and obsolete stores items in SAP leading to potential risk of erroneous and unreliable output results. | SAP has its own set of standards for data validation applicable for the respective modules and functions within that. However, if any additional validation is required by the business then the feasibility will be checked and further enhancement in SAP can be taken up. Appropriate Authorisation has already been incorporated for PO through SAP Authorisation Matrix.<br><br>For better control mechanism, SAP System data validation audit will be conducted by a third party. |
| 11. | 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. | Internal control system exists in the form of Delegation of Powers (DoP) vide Office Order No.3012 dt. 28.12.2010 and various finance circulars from time to time.<br><br>The Company has an established guideline for dealing with tenders issued on 18.04.2011. |

## Annexure-IV

**Odisha Power Generation Corporation Ltd.**

**Replies on observations of C & AG of India for the financial year 2018-19**

| Sl. No. | Audit Observation | Management Reply |
|---|---|---|
| A | **Comments on Profitability** | |
| 1. | **Statement on Profitability**<br>**Statement of Profit & Loss Account**<br>**Expenses**<br>**Other Expenses (Note-34): ₹ 82.82 crore**<br>The above is understated by ₹18.39 crores due to non-accounting of the amount payable towards water Conservation Fund as per the gazette notification of Department of Water Resources, Government of Odisha on 18 May 2015.This has also resulted in overstatement of profit and understatement of current liabilities to the same extent. | Government of Odisha, on 05.08.2013 decided to create Water Conservation Fund by way of one-time contribution @ ₹ 2.5 crore per cusec of water allocated to the industries.<br>Some of the industries have challenged the matter before the Hon'ble High Court of Odisha. As such, there is uncertainty of such imposition and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation which is a pre-requisite **as per Ind AS 37** to create a provision**.** Hence no provision is made in the books. This will be again reviewed during FY20. Further in terms of PPA, this will be reimbursed from GRIDCO once paid by OPGC and thus there would be no impact on profitability. |
| 2. | **Statement of Profit and Loss Account**<br>**Expenses**<br>**Depreciation and Amortisation Expenses (Note 32) ₹ 21.19 crore**<br>The above does not include ₹ 1.09 crores being the depreciation on renovation and up-gradation of existing roads and bridges, guest house, quarter, club which has wrongly been capitalised and transferred to qualifying assets of Unit 3 & 4. This has also resulted in overstatement of CWIP of Unit 3 & 4 ₹ 1.09 crores each. | The expenditure incurred towards the assets which are intended for use by the management for the unit 3 & 4 and booked as per principles explained in para 16(b) under Elements of cost of the heading "Measurement at Recognition" of Ind AS16.<br>**Above principle is further explained in Para 49 of the Ind AS 16 follows:**<br>"The depreciation charge for a period is usually recognised in profit or loss. However, sometimes, the future economic benefits embodied in an asset are absorbed in producing other assets. In this case, the depreciation charge constitutes part of the cost of the other asset and is included in its carrying amount....".<br>**As per 3.7** of the Accounting Policy of the Company "In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labor, allocation of overheads, borrowing costs if any attributable to such construction".<br>Besides above, the Company has obtained an opinion on Accounting for expenditure on shared infrastructure facilities and depreciation there on from Advisory Committee of ICAI and accordingly booking of depreciation in CWIP of Unit 3 & 4 is accounted for. |

| | | |
|---|---|---|
| **B.** | **Comments on Disclosure** | |
| | **General Comment:**<br><br>The Company accounted for ₹ 0.57crore realised from sale proceeds of fly ash during the period 2016-17 to 2018-19. As per Gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MoEF), Government of India (GoI), the amount collected from sale of fly ash by Thermal Power Stations, should be kept in a separate account head and shall be utilised only for the development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100 per cent fly ash utilisation is achieved. But the Company has neither created separate account head i.e. Fly Ash Utilization Reserve Fund Account of an amount of ₹ 0.57 crore nor has suitably disclosed the reason for non-creation of the same in the Notes to Accounts. | The Company is not selling fly ash/ ash bricks to outside parties for commercial purpose but supplying ash bricks to the agencies engaged inside the plant for developing infrastructural facilities such as construction of auxiliary buildings, various sheds, boundary walls, building partition walls and road paving etc. Supply of fly ash bricks for such activities are made on cost-to-cost basis without any margin thereon.<br><br>However, observation noted for suitable disclosure in FY 20. |

# Annexure-V

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

## FY: 2018-19

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

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

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

   (1) Promoting good CSR Governance;

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

   (3) Monitoring and Measurement of CSR Projects

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

2. The composition of the CSR Committee.

   There were three members in the CSR Committee as approved by OPGC Board of Directors (BoD) during FY 2018-19.

   a. Managing Director : Mr. Indranil Dutta

   b. Director (Finance) : Mr. Hara Prasad Nayak (upto 19th CSR Committee), Mr. Pravakar Mohanty (Continuing)

   c. Director (Operations) : Mr. Alok Mukherjee

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

   INR ₹ 9979.50 Lakhs

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

   INR ₹ 199.59 Lakhs

5. Details of CSR spent during the financial year.

   a. Total amount to be spent for the financial year: ₹ 199.59 Lakhs

   b. Amount unspent, if any: Nil

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

| -1 | -2 | -3 | -4 | -5 | -6 | -7 | -8 |
|---|---|---|---|---|---|---|---|
| **Sl. No.** | **CSR Project or activity identified** | **Sector in which the project is covered** | **Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken** | **Amount outlay (budget) project or program wise** | **Amount spent on the projects of programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads** | **Cumulative expenditure up to the reporting period** | **Amount spent: Direct or through implementing agency*** |
| 1 | Preventive Health (Malaria Prevention; HIV/AIDS Prevention and Malnutrition Prevention) | Schedule-VII Sl. No. (i) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State-Odisha | ₹ 40,00,000.00 | (1) Direct: ₹ 15,44,090 (2) Overhead: Nil | ₹ 52,96,072.00 | Direct & Implementing Agency |
| 2 | Sanitation | Schedule-VII Sl. No. (i) | Program: (1) undertaken in Dist.-Puri; State- Odisha | ₹ Nil | (1) 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 | ₹ 73,00,000.00 | (1) Direct: ₹ 39,24,046.00 (2) Overhead: Nil | ₹ 1,22,15,775.00 | Direct |
| 4 | Livelihood Enhancement | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda State- Odisha | ₹ 1,27,42,000.00 | (1) Direct: ₹ 20,60,562.00 (2) Overhead: Nil | ₹ 1,36,21,385.00 | Direct and Implementing Agency |
| 5 | Vocational Skill Development | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda State- Odisha | ₹ 75,00,000.00 | (1) Direct: ₹ 19,59,748.00 (2) Overhead: Nil | ₹ 65,48,241.00 | Direct and Implementing Agency |
| 6 | Education | Schedule-VII Sl. No. (ii) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State- Odisha | ₹ 1,29,20,000.00 | (1) Direct: ₹ 50,25,640.00 (2) Overhead: Nil | ₹ 1,83,97,508.00 | Direct & through Implementing Agency |
| 7 | Ensuring Environmental Sustainability and Ecological Balance | Schedule-VII Sl. No. (iv) | Program: (1) undertaken in local area (2)Dist.-Jharsuguda; State- Odisha | ₹ 25,30,000.00 | (1) Direct: ₹ 20,29,000.00 (2) Overhead: Nil | ₹ 20,29,000.00 | Direct |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 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<br>(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 | ₹ 25,00,000.00 | (1) Direct: ₹ 6,62,806.00<br>(2) Overhead: Nil | ₹ 76,93,223.00 | Direct |
| 10 | Rural Development | Schedule-VII Sl. No. (x) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda; State- Odisha | ₹ 1,85,00,000.00 | (1) Direct: ₹ 71,61,560.00<br>(2) Overhead: Nil | ₹ 2,79,15,605.00 | Direct |
| 11 | Overheads (Monitoring, Capacity Building, etc.) | N.A. (as per provisions of Section 135) | Program: (1) undertaken in local area (2) Dist.-Jharsuguda State- Odisha | ₹ 8,00,000.00 | (1) Direct: Nil<br>(2) Overhead: ₹ 5,37,605.00 | ₹ 13,81,507.00 | 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 and Skill Development Programme)

v. Nag & Sons Motor Driving Academy, Baraipali, Sambalpur, 768004 (For Skill Development Programme)

vi. Kherwadi Social Welfare Agency (KSWA), Yuva Parivartan, Mumbai 400051 (For Skill Development Programme)

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

   The Company has been able to spend in excess of ₹ 29.17 lakhs of the mandated amount of CSR expenditure in the financial year under reporting i.e. 2018-19. However, during the last three financial years, the Company has not been able to spend the mandated amount. The reasons for this shortfall in spending are as follows:

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

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

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

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

# FINANCIALS

# Independent Auditor's Report

**To**
**The Members of**
**Odisha Power Generation Corporation Limited**
**Report on the Audit of the Standalone Financial Statements**

## Qualified Opinion

We have audited the Standalone Financial Statements of Odisha Power Generation Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for qualified opinion paragraphs, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

1. No provision for Goods & Service Tax impact over the erstwhile Service Tax/Excise Duty/VAT has been made in the accounts for the period since 01.07.2017 related to the contract with BHEL for supply and erection of Power Plant of the Company, resulting in understatement of CWIP and corresponding liabilities in the Financial Statements. The amount is not quantified by the Company.

2. Current assets are overstated by ₹ 27.63 lakhs on account of long outstanding, unreconciled and balances not confirmed and likewise current liabilities to the extent of ₹ 202.32 lakhs have been overstated being unreconciled, and long outstanding.

3. Out of the identified slow moving/non-moving inventories of ₹ 19.38 lakhs, inventories amounting to ₹ 3.25 lakhs have been written off during the year 2018-19. Provision for balance amount of ₹ 16.13 lakhs has not been made resulting in overstatement of profit for the year and current assets by ₹ 16.13 lakhs each.

## Emphasis of Matter

1. We draw attention to Note No. No.14, 16, 20, 23 24, & 25 to the Standalone Financial Statements in respect of balances under Current Loans, Other Current Assets, Non Current-Other Financial Liabilities, Current Trade- Payables, Other Financial Liabilities and Other Current Liabilities, which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.

2. We draw attention to Note No.38 (iv) to the 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.

3. Terms and conditions of appointment and remuneration payable to the 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.

4. Attention is drawn to note 35 to the Standalone Financial Statements in respect of an amount of ₹ 2417.97 lakhs paid / provided towards Resource Sharing fees to AES India Pvt. Ltd., a related party. It is explained that there is no agreement between the 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.

5. 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 these matters.

## Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis of financial performance highlights; Board's report including Annexure to Board's Report, Business Responsibility Report, Report on Corporate Governance, Share holder's information and other information in Integrated Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Sec 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent ; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternate but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with the governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" to this report, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. In compliance to the directions of the Comptroller and Auditor-General of India (CAG) under Section 143(5) of the Act, we give in "Annexure B" and "Annexure C" to this report statement on the matters specified therein.

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 (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account;

    (iv) In our opinion, except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph above, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended

    (v) Section 164(2) of the Act regarding disqualification of Directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.

    (vi) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure D"

    (vii) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Company

(viii) 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 Financial Statements. Refer Note- 38 to the Standalone Financial Statements;

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

c. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

**For Nag & Associates**
Chartered Accountants
FRN: 312063E

Sd/-

(Nilotpal Majumder)
Partner
M.No. 037287
UDIN : 19037287AAAAAA4041

Place: Bhubaneswar
Date: 22.11.2019

# ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha Power Generation Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2019**

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

b) The Company has a regular programme of physical verification of its major portion of property, plant and equipment. In accordance with this programme, major portion of property, plant and equipment 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 equipment.

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 commensurate with the size and nature of the business.

b) The Company has maintained proper records of inventories. As per the information and explanation given to us, the discrepancies between the physical inventories and book records arising out of physical verification have been properly dealt with in the books of accounts.

**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.** Section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463 (E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 186 of the Act with respect to the loans and investments made.

**v.** The Company has not accepted any deposits from the public. However, the advances received against sale by the Company amounting to Rs.15.66 lakhs are pending for more than 365 days and are to be considered as deemed deposits under the Companies Act 2013.

**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 Act, read with Companies (Cost Records and Audit) Rules 2014 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view 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, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, cess, electricity duty, GST & other material statutory dues with the appropriate authorities, and there are no undisputed statutory dues as at 31st March 2019 outstanding 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 and Income Tax have not been deposited by the Company on account of disputes:

| Name of the Statute | Nature of dues | Period to which the amount relates | Total amount of demand ₹ in lakhs | Amount deposited ₹ in lakhs | Forum where dispute is pending |
|---|---|---|---|---|---|
| Orissa Sales Tax Act | Sales Tax | FY 1992-94 | 13.52 | 13.52 | Sales Tax Tribunal, Odisha |
| Orissa Sales Tax Act | Sales Tax | FY-1994-95 & 1997-98 | 1.30 | 1.20 | Sales Tax Tribunal, Odisha |
| Orissa Sales Tax Act | Sales Tax | FY 1996-97 | 1.08 | 1.08 | Sales Tax Tribunal, Odisha |
| Income Tax Act, 1961 | Income Tax | AY-2006-07, 2007-08, 2008-09 & 2009-10 | 150.26 | Nil | High Court of Orissa |
| Income Tax Act, 1961 | Income Tax | AY- 2012-13 & 2013-14 | 102.14 | 151.53 | ITAT, Cuttack |
| Income Tax Act, 1961 | Income Tax | AY-2015-16 | 20.50 | 6.93 | CIT(A-I),BBSR |
| | **TOTAL** | | **288.80** | **174.26** | |

**viii.** The Company has not defaulted in repayment of dues to financial institutions, banks and not issued any debentures.

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

**x.** According to the information and explanations given to us, and 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 fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year

**xi.** Section 197 of the Act regarding managerial remuneration is not applicable to the Company vide notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India

**xii.** The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.

**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 not in compliance with section 177. The Company however complied with section 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial statements as required by the applicable Indian Accounting Standards.

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

**xv.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

**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/-
(Nilotpal Majumder)
Partner
M.No. 037287
UDIN: 19037287AAAAAA4041
Place: Bhubaneswar
Date: 22.11.2019

# ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha Power Generation Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2019**

| 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. | The Company did not waive/write off debts/loan/ interest etc. except an amount of ₹ 3.33 lacs written off towards non-moving /damaged inventories net off shortage and surplus. |
| 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/-
(Nilotpal Majumder)
Partner
M.No. 037287
UDIN: 19037287AAAAAA4041

Place: Bhubaneswar
Date: 22.11.2019

# ANNEXURE-C TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha Power Generation Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2019**

| 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 lands acquired by the Company for setting of new projects are 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 an 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 31.03.2020.As per available information, the ash utilization target stipulated for the Company has not been achieved. |
| 6 | Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the Company? | Not applicable |
| 7 | Does the Company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts? | The Company is procuring coal from Mahanadi Coal Fields Ltd. (MCL) through a Fuel Supply Agreement and there is a regular system of reconciliation of quantity/ quality of coal ordered and received and grade of coal, moisture and demurrage etc. are properly recorded in the books of account. |

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

**For Nag & Associates**
Chartered Accountants
FRN: 312063E

Sd/-
(Nilotpal Majumder)
Partner
M.No. 037287
UDIN: 19037287AAAAAA4041

Place: Bhubaneswar
Date: 22.11.2019

# ANNEXURE – D TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 3 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha Power Generation Corporation Limited on the Standalone Financial Statements for the year ended 31 March 2019**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Standalone Financial Statements of Odisha Power Generation Corporation Limited ("the Company") as on 31 March, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal controls 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 with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements 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 Standalone 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 Standalone Financial Statements.

**Inherent Limitations of Internal financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements 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, 2019:

a) As regards Entry Level Controls, the Company is having the following deficiency

   Different operating manuals for functions like Accounts, Procurement, Compliance, Corporate Governance & Comprehensive Risk Management Policy needs to be updated.

b) As regards process level controls, the Company's input validation data checks are inadequate with reference to data input in SAP i.e. failure to conduct a system audit, absence of control features for issue of P.O, and lack of provision in the system to generate alerts with reference to non-moving and obsolete stores items in SAP leading to potential risk of erroneous and unreliable output results.

c) 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.

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 with reference to Standalone Financial statements in place and such internal financial controls with respect to Standalone Financial Statements were operating effectively as at 31 March 2019, based on the internal controls 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 ICAI.

**For Nag & Associates**
Chartered Accountants
FRN: 312063E

Sd-
(Nilotpal Majumder)
Partner
M.No. 037287
UDIN: 19037287AAAAAA4041

Place: Bhubaneswar
Date: 22.11.2019

# ODISHA POWER GENERATION CORPORATION LIMITED
## Balance Sheet as at March 31, 2019

(₹ in Lakh)

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | a. Property, Plant and Equipment | 3 | 67,608.48 | 33,770.29 |
| | b. Capital work-in-progress - Tangible | 4 | 8,73,853.22 | 7,53,089.09 |
| | c. Other Intangible assets | 5 | 701.06 | 765.91 |
| | d. Intangible assets under development | 6 | 114.94 | - |
| | e. Financial Assets | | | |
| | (i) Investments | 7 | 15,300.00 | 15,300.00 |
| | (ii) Loans and Advances | 8 | 1,006.10 | 551.32 |
| | (iii) Trade receivables | 11 | - | - |
| | f. Other non-current assets | 9 | 27,715.74 | 28,222.08 |
| | **Total non-current assets** | | **9,86,299.54** | 8,31,698.69 |
| 2 | **Current assets** | | | |
| | a. Inventories | 10 | 5,882.96 | 4,413.79 |
| | b. Financial Assets | | | |
| | (i) Trade receivables | 11 | 34,835.41 | 9,850.45 |
| | (ii) Cash and cash equivalents | 12 | 3,960.98 | 6,769.14 |
| | (iii) Bank Balances other than (ii) above | 12 | 29,241.18 | 42,563.75 |
| | (iv) Loans | 13 | 175.61 | 182.98 |
| | (v) Others | 14 | 720.44 | 993.85 |
| | c. Current Tax Assets (Net) | 15 | 3,058.08 | 2,391.49 |
| | d. Other current assets | 16 | 5,793.69 | 1,050.31 |
| | **Total Current Assets** | | **83,668.35** | 68,215.77 |
| | **TOTAL ASSETS** | | **10,69,967.89** | 8,99,914.46 |
| | **EQUITY AND LIABILITIES** | | | |
| | **EQUITY** | | | |
| | a. Equity Share capital | 17 | 182,249.74 | 1,58,049.74 |
| | b. Other Equity | 18 | 129,983.20 | 1,13,294.89 |
| | **Total equity** | | **3,12,232.94** | 2,71,344.63 |
| | **LIABILITIES** | | | |
| 1 | **Non-current liabilities** | | | |
| | a. Financial Liabilities | | | |
| | (i) Trade Payables | | | |
| | - Total Outstanding dues of micro and small enterprises | | - | - |
| | - Total Outstanding dues of creditors other than micro and small enterprises | | - | - |
| | (ii) Borrowings | 19 | 688,283.48 | 5,48,040.93 |
| | (iii) Other financial liabilities | 20 | 574.44 | 1,123.19 |
| | b. Provisions | 21 | 6,764.57 | 5,974.83 |
| | c. Deferred tax liabilities (Net) | 22 | 1,022.36 | 590.23 |
| | **Total non-current Liabilities** | | **6,96,644.85** | 5,55,729.18 |
| 2 | **Current liabilities** | | | |
| | a. Financial Liabilities | | | |
| | (i) Trade Payables | | | |
| | - Total Outstanding dues of micro and small enterprises | 23 | 5.79 | 4.38 |
| | - Total Outstanding dues of creditors other than micro and small enterprises | 23 | 4,834.02 | 3,632.25 |
| | (ii) Other financial liabilities | 24 | 45,676.09 | 66,670.25 |
| | b. Other current liabilities | 25 | 1,352.91 | 999.86 |
| | c. Provisions | 26 | 2,023.50 | 1,320.67 |
| | d. Current Tax Liabilities (Net) | 15 | 7,197.80 | 213.24 |
| | **Total Current Liabilities** | | **61,090.11** | 72,840.65 |
| | **TOTAL EQUITY AND LIABILITIES** | | **10,69,967.89** | 8,99,914.46 |
| **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/- |
|---|---|---|---|
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# ODISHA POWER GENERATION CORPORATION LIMITED
## Statement of Profit and Loss for the Year Ended March 31, 2019

(₹ in Lakh)

| | Particulars | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| I | Revenue from Operations | 27 | 86,291.87 | 59,743.46 |
| II | Other Income | 28 | 2,479.36 | 1,592.10 |
| III | **Total Income (I + II)** | | **88,771.23** | 61,335.56 |
| IV | **Expenses** | | | |
| | a. Cost of materials consumed | 29 | 44,017.04 | 41,249.71 |
| | b. Employee benefit expenses | 30 | 7,124.01 | 6,874.00 |
| | c. Finance costs | 31 | 35.92 | 19.99 |
| | d. Depreciation and amortization expenses | 32 | 2,118.86 | 2,528.35 |
| | e. Impairment losses | 33 | - | - |
| | f. Other expenses | 34 | 8,282.04 | 9,804.61 |
| | **Total expenses (IV)** | | **61,577.86** | 60,476.66 |
| V | **Profit before exceptional items and tax (III - IV)** | | **27,193.37** | 858.90 |
| VI | Exceptional Items | | - | - |
| VII | **Profit before tax (V-VI)** | | **27,193.37** | 858.90 |
| VIII | **Tax Expenses:** | | | |
| | (i) Current tax | | 10,031.81 | 1,110.85 |
| | (ii) Tax of earlier years | | (664.89) | 71.37 |
| | (iii) Deferred tax | | 678.84 | (802.38) |
| | **Total tax expenses** | | **10,045.76** | 379.84 |
| IX | **Profit for the year (VII -VIII)** | | **17,147.61** | 479.06 |
| X | **Other Comprehensive Income / (Losses)** | | | |
| | (i) Items that will not be reclassified to profit and loss | | | |
| | Remeasurements of the defined benefit plans | | (706.01) | 143.70 |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | 246.71 | (50.21) |
| | (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)** | | **(459.30)** | 93.48 |
| XI | **Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)** | | **16,688.31** | 572.55 |
| XII | Earnings per equity share:- Basic and diluted (Rs) | 36 | 108.22 | 4.36 |
| XIII | **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/- |
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# ODISHA POWER GENERATION CORPORATION LIMITED

## Statement of Cash Flow for the Year Ended March 31, 2019

(₹ in Lakh)

| | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **A** | **Cash flows from operating activities:** | | |
| | Profit before taxes | 27,193.37 | 858.90 |
| | Adjustments for: | | |
| | Depreciation and amortization expense | 2,118.86 | 3,207.25 |
| | Provision for impairment | - | - |
| | (Profit)/loss on sale of Fixed Assets | 4.26 | 14.87 |
| | Trade Receivable written off | - | 23.00 |
| | Foreign currency fluctuation gain/(loss) | (0.43) | - |
| | Interest and finance charges | 35.92 | 19.99 |
| | Interest Income from investment & deposits | (2,089.77) | (1,521.08) |
| | CSR expenditure | 228.76 | 142.35 |
| | **Operating profit before working capital changes** | **27,490.96** | 2,745.28 |
| | Adjustments for: | | |
| | Trade receivable | (24,984.96) | 2,902.29 |
| | Inventory | (1,413.84) | (145.94) |
| | Other financial and non financial assets | (4,954.60) | 24,594.66 |
| | Trade and other payables | 1,203.18 | 3,622.25 |
| | Other financial and non financial liabilities | (21,784.63) | (125,878.52) |
| | **Cash generated from operations** | **(24,443.89)** | (92,159.98) |
| | Taxes Paid | (3,048.95) | (926.56) |
| | CSR expenditure | (228.76) | (142.35) |
| | **Net cash flow from operating activities** | **(27,721.60)** | (93,228.89) |
| **B** | **Cash flows from investing activities:** | | |
| | Payments for purchase of fixed assets | (93,027.57) | (62,882.67) |
| | Sale of property, plant and equipment | - | 0.05 |
| | Interest received | 2,167.26 | 1,524.10 |
| | Payment for Investment | - | (5,100.00) |
| | Repayment of loan and other receivable* | - | - |
| | Payment for FD | 13,322.57 | (28,156.44) |
| | Dividend including Dividend Distribution Tax | | |
| | Payment towards capital and other advances | - | - |
| | Advance payments against leasehold land | - | - |
| | **Net cash used in Investing Activities** | **(77,537.74)** | (94,614.96) |
| **C** | **Cash flows from financing activities:** | | |
| | Issue of shares | 24,200.00 | 60,528.00 |
| | Dividends paid on redeemable cumulative preference shares | | |
| | Dividends paid to owners of the Company | - | (2,043.49) |
| | Interest paid | | |
| | Proceeds from borrowings | 140,242.55 | 169,359.81 |
| | Interest paid | (61,991.37) | (48,764.56) |
| | Repayment of other financial liabilities | | |
| | **Net cash flow from financing activities** | **102,451.18** | 179,079.76 |
| | **Net Increase/(decrease) in cash or cash equivalents** | **(2,808.16)** | (8,764.10) |
| | **Cash and cash equivalents at the beginning of the year** | **6,769.14** | 15,533.24 |
| | **Cash and cash equivalents at the end of the year** | **3,960.98** | 6,769.14 |
| **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 : ₹ Nil lakhs) | | |
| (ii) | Figures in brackets are cash outflows / incomes as the case may be. | | |
| (iii) | Previous years figures have been rearranged / regrouped wherever necessary to confirm to current year classification. | | |
| (iv) | The company has undrawn borrowings of ₹ 74,103.52 lakhs (Previous year: ₹ 2,14,346.07 lakhs) for expansion project from PFC and REC . | | |

In terms of our report attached.

**For Nag & Associates**
Chartered Accountants

For and on behalf of the Board

Sd/-
**(Nilotpal Majumder)**
Partner

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

Sd/-
**(Pravakar Mohanty)**
Director Finance

Sd/-
**(Indranil Dutta)**
Managing Director

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# ODISHA POWER GENERATION CORPORATION LIMITED

## Statement of Changes in Equity for the Year Ended March 31, 2019

### A. Equity Share Capital

(₹ in Lakh)

| Balance as at April 1, 2018 | Changes in equity share capital during the year | Balance as at March 31, 2019 |
|---|---|---|
| 1,58,049.74 | 24,200.00 | **1,82,249.74** |

### B. Other Equity

(₹ in Lakh)

| Particulars | Reserves and Surplus | | |
|---|---|---|---|
| | Security Premium | General Reserve | Retained earnings |
| Balance as at April 1, 2018 | 5,888.43 | 8,960.23 | 98,446.23 |
| Profit for the year | | | 17,147.61 |
| Other Comprehensive Income | | | (459.30) |
| **Total Comprehensive Income** | | | **16,688.31** |
| Dividend (including tax on dividend) | | | - |
| Transfer of profits of the year to General Reserve | | - | - |
| **Balance as at March 31, 2019** | **5,888.43** | **8,960.23** | **1,15,134.53** |
| **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/- |
|---|---|---|---|
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# Notes to Financial Statements

## 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, 2019 were approved by the Board of Directors and authorised for issue on 19.11.2019.

## 2. 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.

### 2.1 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.

### 2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 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, 2019.

#### 2.2.1 Ind AS 116 – "Leases"

Ind AS 116, 'Leases' will replace the existing Ind AS 17, 'Leases', and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Currently, operating lease expenses are charged to the statement of profit and loss. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Further, the new standard contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (modified retrospective approach)

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

  The Company will adopt the standard on 1 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

**2.2.2 Amendment to Ind AS 12 'Income taxes'**

The amendments to the guidance in Ind AS 12, 'Income Taxes', clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognised.

**2.2.3 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial

Application

The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

**2.2.4 Amendment to Ind AS 19 'Employee benefits'**

The amendments to the guidance in Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

**2.2.5 Amendment to Ind AS 23 'Borrowing Costs'**

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarifies the following:

- while computing the capitalisation rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.

- borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

**2.3 Use of estimates and critical accounting judgments**

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

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

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

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 2.22.

**2.4 Cash and cash equivalent**

Cash and cash equivalents in the balance sheet comprises of cash at banks, cash in 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.

**2.5 Cash Flow Statement**

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

**2.6 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.

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

**Tangible Assets:**

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

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

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

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

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 Rs 5 lakh that meets the criteria for recognition as Property, plant and equipment are recognized as Property, plant and equipment. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

**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 infinite useful lives is not amortized. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**Subsequent expenditure:**

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

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

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

**Capital work-in-progress**

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

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

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

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

**Depreciation & Amortization:**

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

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

Depreciation is provided on a straight-line basis over the useful lives of assets, which is in accordance with 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.

**2.8 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.

**2.9 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.

**2.10 Provisions, 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 measured with sufficient reliability, the obligation is disclosed as a contingent liability, unless the possibility of any outflow in settlement is remote. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

**2.11 Leases**

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

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

**The Company as lessee.**

**Operating lease:**

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

**Finance lease:**

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

**The Company as lessor**

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

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

**2.12 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.

**2.13 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 115 (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.

**2.14 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 IND AS 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.

**2.15 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.

**2.16 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.

**2.17 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 cader 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.

## 2.18 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.

## 2.19 Revenue Recognition

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue".

The Company's operations in India are regulated under the Electricity Act, 2003 and Odisha Electricity Regulatory Commission ("OERC') determines the major part of tariff for the power plants.

Revenue 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, return on equity, interest on working capital, operation & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

In the comparative period, revenue from the sale of energy was measured at the fair value of the consideration received or receivable. Revenue was recognised when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuing management involvement, and the amount of revenue could be measured reliably.

Revenue from sale of energy is accounted for based on tariff rates approved by the OERC (except items indicated as provisional) or as modified by the orders of higher Appellate authority for Electricity to the extent applicable and best management estimates wherever needed. Revenue from sale of energy is recognised once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the OERC as per principles enunciated in Ind AS 115.

Revenue from sale of energy through trading is recognized based on the rates, term & condition mutually agreed with the beneficiaries and/or revenue earned through trading in power exchanges.

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

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

**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.

**2.20 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.

**2.21 Restatement of material error / omissions**

Incomes / expenditure relating to prior period of non-material nature i.e. below ₹ 5 lakh is not considered for restatement.

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

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

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

**Critical judgments in applying accounting policies:**

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

**i. Financial assets at amortized cost**

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and has confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹ 69, 939.72 lakhs (March 31, 2018: ₹ 60, 911.49 lakhs). Details of these assets are set out in note – 40.

**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).

## 3. Property, Plant and Equipment

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** | | |
| Freehold Land | 17.00 | 17.00 |
| Building | 10,518.68 | 7,902.47 |
| Plant & Equipments | 48,478.62 | 21,694.54 |
| Furniture & Fixture | 982.39 | 652.76 |
| Vehicles | 699.61 | 89.07 |
| Office Equipment | 1,129.01 | 1,109.24 |
| Road Bridge & Culvert | 3,754.77 | 977.01 |
| Water Supply Drainage & Sewerage | 596.14 | 616.59 |
| Power Supply Distribution & Lighting | 1,414.99 | 692.06 |
| Heavy Mobile Equipment | 17.27 | 19.55 |
| | **67,608.48** | 33,770.29 |
| **Total** | **67,608.48** | 33,770.29 |

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

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2019 are as follows: (₹ in Lakh)

| Descriptions | Gross block | | | | Depreciation, Amortization and Impairment | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Land | 17.00 | - | - | 17.00 | - | - | - | - | 17.00 | 17.00 |
| Buildings | 13,767.82 | 2,933.97 | - | 16,701.79 | 5,865.35 | 317.76 | - | 6,183.11 | 10,518.68 | 7,902.47 |
| Plant & Equipment | 122,016.03 | 29,409.62 | (27.66) | 1,51,397.99 | 1,00,321.49 | 2,621.44 | (23.57) | 1,02,919.36 | 48,478.62 | 21,694.54 |
| Furniture & Fixtures | 1,117.60 | 452.42 | - | 1,570.02 | 464.85 | 122.78 | - | 587.63 | 982.39 | 652.76 |
| Vehicles | 252.44 | 682.13 | - | 934.57 | 163.37 | 71.58 | - | 234.95 | 699.61 | 89.07 |
| Office Equipment | 4,095.43 | 349.80 | (2.65) | 4,442.58 | 2,986.19 | 329.74 | (2.36) | 3,313.57 | 1,129.01 | 1,109.24 |
| Road Bridge & Culvert | 2,117.52 | 2,921.83 | - | 5,039.36 | 1,140.51 | 144.08 | - | 1,284.58 | 3,754.77 | 977.01 |
| Water Supply Drainage & Sewerage | 1,037.19 | 10.07 | - | 1,047.26 | 420.60 | 30.52 | - | 451.12 | 596.14 | 616.59 |
| Power Supply Distribution & Lighting | 1,237.74 | 852.54 | - | 2,090.28 | 545.68 | 129.62 | - | 675.30 | 1,414.99 | 692.06 |
| Heavy Mobile Equipment | 305.94 | - | - | 305.94 | 286.39 | 2.28 | - | 288.67 | 17.27 | 19.55 |
| **Total** | **1,45,964.71** | **37,612.38** | **(30.31)** | **1,83,546.78** | **1,12,194.43** | **3,769.80** | **(25.93)** | **1,15,938.30** | **67,608.48** | **33,770.28** |
| Previous Year | 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 | |

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

| Descriptions | Gross block | | | | Depreciation, Amortization and Impairment * | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Operational Units (Unit 1 & 2, HO, MMHP) | 1,32,179.37 | 4,494.74 | (30.31) | 1,36,643.81 | 1,10,793.34 | 2,067.42 | (25.93) | 1,12,834.83 | 23,808.98 | 21,386.04 |
| Expansion Project (Unit - 3 & 4) | 13,785.34 | 33,117.64 | - | 46,902.98 | 1,401.09 | 1,702.38 | - | 3,103.47 | 43,799.51 | 12,384.25 |
| **Total** | **1,45,964.71** | **37,612.38** | **(30.31)** | **1,83,546.78** | **1,12,194.43** | **3,769.80** | **(25.93)** | **1,15,938.30** | **67,608.48** | 33,770.28 |

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

| | |
|---|---|
| MMHP, Andharibhangi 104.76 ₹ Lakhs | 1,04.76 ₹ Lakhs |
| MMHP, Kendupatna | 32.12 ₹ Lakhs |
| MMHP, Biribati | 36.48 ₹ Lakhs |
| **Total** | **1,73.36 ₹ Lakhs** |

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 4. Capital Work-in-Progress - Tangible

**A.**

(₹ in Lakh)

| Particulars | As at 31st March , 2019 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| **(i) Tangible Assets** | | | | |
| For Operational Power Plants | **75.93** | | 4,094.38 | |
| 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 | **8,73,569.10** | | 7,48,786.52 | |
| **TOTAL** | | **8,73,853.22** | | 7,53,089.09 |

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

(₹ in Lakh)

| Particulars | As at 01.04.2018 | Additions | Deductions/ Adjustments | Capitalized | As at 31.03.2019 |
|---|---|---|---|---|---|
| Ash Pond | 1,173.08 | 6,680.44 | | - | 7,853.52 |
| Building | 7,872.43 | 1,004.88 | | (3,984.32) | 4,892.99 |
| Consultancy Charges- Power plant | 4,540.12 | 1,551.78 | | - | 6,091.89 |
| MGR | 67,221.95 | 8,230.34 | | - | 75,452.29 |
| Plant & Machinery | 5,34,617.04 | 23,770.51 | | (95.77) | 5,58,291.79 |
| Power Supply Distribution lighting | 144.93 | 140.21 | | - | 285.14 |
| Road Bridge & Culvert | 99.43 | 18.90 | | - | 118.33 |
| Water Supply & Arrangements | 15.31 | 23.99 | | - | 39.29 |
| Stock of Coal, Oil & Stores | - | 8,611.14 | | | 8,611.14 |
| Stock in Transit & Pending Inspection | 9,923.32 | - | (5,735.95) | - | 4,187.37 |
| Expenses During Construction Period | 1,23,178.91 | 84,566.43 | - | - | 2,07,745.34 |
| **Total** | **7,48,786.52** | **1,34,598.62** | **(5,735.95)** | **(4,080.09)** | **8,73,569.10** |

(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 (2X660 MW). For details, Refer Note 19.

(ii) Expenses during construction period included an amount of ₹ 63,319.27 Lakh (Previous Year : ₹ 50,282.69 Lakh) towards borrowing costs pending capitalisation of qualifying assets (property, plant and equipment's 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.

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 5. Intangible Assets

(₹ in Lakh)

(i)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** Software & SAP licence | 701.06 | 765.91 |
| **Total** | **701.06** | 765.91 |

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2019 are as follows: (₹ in Lakh)

| Descriptions | Gross block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjust-ment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Software | 1,075.31 | 50.18 | - | 1,125.49 | 309.40 | 115.03 | - | 424.43 | 701.06 | 765.91 |
| **Total** | **1,075.31** | **50.18** | **-** | **1,125.49** | **309.40** | **115.03** | **-** | **424.43** | **701.06** | **765.91** |

(iii) Details of component of assets of operational units , expansion of Power Plant are as follows. (₹ in Lakh)

| Descriptions | Gross block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction/ Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Operational Units (Unit 1 & 2, HO,MMHP) | 983.18 | 50.18 | | 1,033.36 | 226.61 | 110.03 | | 336.64 | 696.72 | 756.57 |
| Expansion Project (Unit - 3 & 4) | 92.13 | - | - | 92.13 | 82.79 | 5.00 | - | 87.79 | 4.34 | 9.34 |
| **Total** | **1,075.31** | **50.18** | **-** | **1,125.49** | **309.40** | **115.03** | **-** | **424.43** | **701.06** | **765.91** |

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

## 6. Intangible Assets under development

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** Intangible assets under development | 114.94 | - |
| **Total** | **114.94** | - |

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 7. Non-current Investments

(₹ in Lakh)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | **No. of shares** | **Amounts** | No. of shares | Amounts |
| ***UNQUOTED INVESTMENTS CARRIED AT COST*** **Equity investment in joint ventures (jointly controlled entities)** | - | - | - | - |
| Odisha Coal and Power Ltd (Fully paid equity shares of ₹ 10/- each) | 153,000,000 | 15,300.00 | 153,000,000 | 15,300.00 |
| **Total** | | **15,300.00** | | **15,300.00** |

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

| **Particulars** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Aggregate carrying amount of unquoted investments # | 15,300.00 | 15,300.00 |
| **Total carrying amount** | **15,300.00** | 15,300.00 |

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

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

| **Particular** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| **% of Holding** | 51% | 51% |
| **Place of Business** | Manoharpur and Dip-side Manhorpaur | Manoharpur and Dip-side Manhorpaur |

(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.

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 8. Non Current-Loans & Advances

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a) Loans to employees** | | |
| - Secured, considered good | 214.18 | 202.29 |
| - Unsecured, considered good | 192.63 | 220.71 |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **b) Security Deposits** | 599.29 | 128.32 |
| **Total** | **1,006.10** | 551.32 |

(i) Loan to employees includes ₹ 577.68 Lakh (Previous Year : ₹ 423.00 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 ₹ 214.18 Lakh (Previous Year : ₹ 202.29 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**

### 9. Other non-current assets

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Capital Advances | | |
| - Advance for Land Acquisition | 12,907.15 | 12,491.34 |
| - Other Capital Advance | 13,703.39 | 14,484.30 |
| Advances related to Indirect Taxes | 27.87 | 45.83 |
| Prepayments (Leasehold Land) | 1,077.33 | 1,178.30 |
| Prepaid Expenses | - | 22.31 |
| **Total** | **27,715.74** | 28,222.08 |

**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-16 includes payment for AC.485.30 of Hirakud Reservoir land and AC.340.77 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 land and used for the furtherance of its business.

(v) The Company has taken land under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company.

### Operating Leases

| Particulars | Minimum Lease Payments | |
|---|---|---|
| | **As at March 31, 2019** | As at March 31, 2018 |
| 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 | 673.43 | 774.41 |
| **Total minimum lease commitments** | **1,178.30** | 1,279.27 |

(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 2.7.

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

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

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

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a. Raw Materials*** | | |
| 1. Cost | 1,976.94 | 926.74 |
| 2. Less: Provision | - | - |
| **b. Components, Chemicals, Stores & Spares*** | | |
| 1. Cost | 3,983.02 | 3574.53 |
| 2. Less: Provision | 91.58 | 91.58 |
| **c. Tools & Tackles** | | |
| 1. Cost | 14.58 | 4.10 |
| 2. Less: Provision | | |
| **d. Stock in Transit** | | |
| 1. Cost | - | - |
| 2. Less: Provision | - | - |
| **Total Inventories** | **5,882.96** | 4,413.79 |

* Physical verification of inventories except Oil have been carried out by third party and valued as per significant accounting policy Note No. 2.12

# ODISHA POWER GENERATION CORPORATION LIMITED
## Notes forming part of the financial statement

### 11. Trade receivables

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade receivables | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 34,835.41 | 9,850.45 |
| (c) Doubtful | - | - |
| Allowance for doubtful debts | - | - |
| **Total** | **34,835.41** | 9,850.45 |

(i) Trade receivables are dues in respect of sale of energy. This includes an amount of ₹ 0.46 lakh (Previous year : ₹ Nil Lakh) 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, 2019 | Gross credit risk amount | Allowance for credit losses | Net credit risk amount |
|---|---|---|---|
| Amounts not yet due | 32,190.27 | - | 32,190.27 |
| One month overdue | 22.32 | - | 22.32 |
| Two months overdue | 33.28 | - | 33.28 |
| Three months overdue | 36.22 | - | 36.22 |
| Between three to six months overdue | 63.11 | - | 63.11 |
| Greater than six months overdue | 2,490.20 | - | 2,490.20 |
| **TOTAL** | **34,835.41** | **-** | **34,835.41** |

(₹ 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** |

(iv) 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**

### 12. Cash and Cash Equivalents

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Balances with banks | | |
| | Unrestricted Balance with banks | | |
| | (i) In Current Account | 354.10 | 348.72 |
| | (ii) In Cash Credit Account | - | - |
| b. | Cash in hand | 3.11 | 1.87 |
| c. | Term Deposit with original maturity up to three months | 3,603.77 | 6,418.55 |
| | **Total** | **3,960.98** | 6,769.14 |
| d. | Deposits with original maturity of more than three months but not more than twelve months | 23,426.65 | 36,840.00 |
| e. | Earmarked Balances with Bank towards | | |
| | Deposits with banks held as security against guarantee | 4,659.99 | 5,193.32 |
| | Fixed Deposits with bank pledged as security or margin money | 1,154.54 | 530.43 |
| | **Total** | **29,241.18** | 42,563.75 |
| | **Total Cash and Bank Balances** | **33,202.16** | 49,332.89 |

(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 : ₹ 1,569.98 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 guarantee in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line.

c. The Company has provided security to Yes Bank Ltd in terms of Fixed deposits of ₹ Nil 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 ₹ 801.46 Lakh (Previous Year : ₹ 180.63 Lakh) has been pledged to Yes Bank Ltd as security deposit in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.

e. Fixed deposits of ₹ 353.08 Lakh (Previous Year : ₹ 349.80) 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**

### 13. Current Loans

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a. Loans to employees** | | |
| - Secured, considered good | 96.28 | 93.34 |
| - Unsecured, considered good | 74.59 | 89.39 |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **b. Loans to Odisha Coal and Power Limited** | | |
| - Secured, considered good | - | - |
| - Unsecured, considered good | - | - |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **c. Security Deposits** | 4.74 | 0.25 |
| **TOTAL** | **175.61** | 182.98 |

(i) For details refer Note-8(i)

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

### 14. Other Current Financial Asset

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Advances to others** | | |
| Interest accrued on loans and deposits | 314.02 | 391.51 |
| Other Receivables | 247.99 | 305.57 |
| Receivable from related parties | 158.43 | 296.77 |
| **Total** | **720.44** | 993.85 |

Receivable from related parties includes

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| Receivable against Statutory Dues (employees) | 130.49 | | 115.80 | |
| Other Admin Expenses | 27.94 | | 180.97 | |
| | | 158.43 | | 296.77 |
| **Total** | | **158.43** | | 296.77 |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 15. Current tax assets and liabilities

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Current tax assets** | | |
| Tax refund receivables/Advance Tax | 55,308.43 | 54,195.88 |
| Advance Tax and TDS for the year | 2,834.01 | 897.61 |
| **Total** | **58,142.44** | 55,093.49 |
| **Current tax liabilities** | | |
| Income Tax payable | 52,250.35 | 51,804.39 |
| Provision for taxation for the year | 10,031.81 | 1,110.85 |
| **Total** | **62,282.16** | 52,915.24 |

| | | |
|---|---|---|
| **Current Tax Assets (Net)** | **3,058.08** | 2,391.49 |
| **Current Tax Liabilities (Net)** | **7,197.80** | 213.24 |

### 16. Other current assets

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Other assets | 292.49 | 240.87 |
| Advances to suppliers | 5,400.23 | 708.47 |
| Less: Allowance for doubtful | - | - |
| Prepayments (Leasehold Land) | 100.97 | 100.97 |
| **Total** | **5,793.69** | 1,050.31 |

(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**

### 17. Equity Share Capital

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Equity Share Capital | 1,82,249.74 | 1,58,049.74 |
| **Total** | **1,82,249.74** | 1,58,049.74 |
| **Authorised Share Capital** | | |
| 300,00,000 nos. of equity shares of ₹ 1000/- each | **3,00,000.00** | 3,00,000.00 |
| **Issued and Subscribed capital comprises :** | | |
| 1,82,24,974 nos. of equity shares of ₹ 1000/- each | 1,82,249.74 | 1,58,049.74 |
| **Total** | **1,82,249.74** | 1,58,049.74 |

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

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | **No. of shares** | **₹ Lakh** | No. of shares | ₹ Lakh |
| **Ordinary shares of Rs.1000 each** | | | | |
| At beginning of the year | 1,58,04,974 | 1,58,04,974 | 9,752,174 | 97,521.74 |
| Shares allotted during the year | 2,420,000 | 24,200.00 | 6,052,800 | 60,528.00 |
| **Total** | **1,82,24,974** | **1,82,24,974** | 1,58,04,974 | 1,58,04,974 |

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

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| **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 | 9,294,737 | 51.00% | 8,060,537 | 51.00% |
| AES India Pvt Ltd | 796,178 | 4.37% | 796,178 | 5.04% |
| AES OPGC Holding (Incorporated in Mauritius) | 8,134,059 | 44.63% | 6,948,259 | 43.96% |
| **Total** | **1,82,24,974** | **100%** | 1,58,04,974 | 100% |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 18. Other Equity

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Share application money pending allotment | - | |
| General Reserve | 8,960.23 | 8,960.23 |
| Retained earnings | 1,15,134.54 | 98,446.23 |
| Security Premium | 5,888.43 | 5,888.43 |
| **Total** | **1,29,983.20** | 1,13,294.89 |

### (i) General Reserve

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 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, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 98,446.23 | 99,917.17 |
| Profit attributable to owners of the Company | 17,147.61 | 479.06 |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | (459.30) | 93.48 |
| Payment of dividends on equity shares | - | 1,697.85 |
| Related income tax on dividend | - | 345.64 |
| **Balance at the end of the year/period** | 1,15,134.54 | 98,446.23 |

### (iii) Security Premium

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 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 :** 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 2019, no dividend is proposed by the Company.

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 19. Non Current- Borrowings

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Secured - at amortised cost** | | |
| From Power Finance Corporation Ltd (PFC) | 3,43,124.74 | 2,67,758.90 |
| From Rural Electrification Corporation Ltd (REC) | 3,45,158.74 | 2,80,282.03 |
| **Total** | **6,88,283.48** | 5,48,040.93 |

(i) 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.

(ii) **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.101.02 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.

(iii) **Repayment:**

a. Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of July 2020 and subsequent instalments will become due for payment on 15th day of October, 15th day of January and 15th day of April 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(sixty) equal quarterly instalment commencing from 31st March 2021 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.

(iv) **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 10.80% per annum (presently applicable). 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 10.80% per annum (presently applicable). In case notified/ circular interest rate falls below 10.80% 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.

(v) The maturity profile of borrowings(Including interest accrued-Refer-Note 24) is as follows:

| **Contractual maturities** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| In one year or less or on demand | 7,254.15 | 5,908.74 |
| Between one & two years | 17,199.31 | 14,053.16 |
| Between two & three years | 45,910.08 | 33,435.05 |
| Between three & four years | 45,910.08 | 33,435.05 |
| Between four & five years | 45,910.08 | 33,435.05 |
| More than five years | 5,33,721.60 | 4,34,067.79 |
| **Total contractual cash flows** | **6,95,905.28** | 5,54,334.83 |
| Less: Capitalisation of transaction costs | 367.65 | 385.16 |
| **Total Borrowings** | **6,95,537.63** | 5,53,949.67 |

## 20. Non Current-Other Financial Liabilities

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Capital Creditors | - | - |
| b. | Security Deposits | 388.86 | 836.51 |
| c. | EMD and Retention Money | - | 101.10 |
| d. | Payable to Government * | 185.58 | 185.58 |
| | **Total** | **574.44** | 1,123.19 |

* 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

### 21. Non Current- Provisions

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Employee Benefits | | |
| - Gratuity | 132.43 | 91.07 |
| - Leave benefits | 3,975.58 | 3,490.11 |
| - One Time Pension benefits | 1,552.45 | 1,409.48 |
| - Terminal TA benefits | 643.05 | 553.01 |
| Provision for Decommissioning liabilities | 461.06 | 431.17 |
| **Total** | **6,764.57** | 5,974.83 |

(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, 2019**

(₹ in Lakh)

| Balance Sheet Analysis | Gratuity | Sick Leave | Leave benefits | Pension Benefit | Terminal TA |
|---|---|---|---|---|---|
| Present Value of the obligation at end | 5,232.10 | 1,113.15 | 3,266.32 | 1,650.49 | 688.00 |
| Fair Value of plan assets | 4,718.01 | - | - | - | - |
| **Unfunded Liability/ provision in Balance Sheet** | **514.09** | **1,113.15** | **3,266.32** | **1,650.49** | **688.00** |

**As at March 31, 2018**

(₹ in Lakh)

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

**1. Defined Contribution Plan**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amount included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The total cost charged to statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 654.05 Lakh (Previous year ₹ 533.89 Lakh). The major defined contribution plans operated by the Company are as below:

a. Provident fund

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

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

**2. Defined benefit plans**

a. Pension Benefit

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

b. Terminal TA

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

c. Gratuity

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

(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 31,2019 | Year ended March 31,2018 |
|---|---|---|
| (a) Obligation as at the beginning of the year | 4,259.75 | 3,990.99 |
| (b) Current service cost | 248.77 | 195.97 |
| (c) Interest cost | 326.30 | 296.93 |
| (d) Remeasurement (gains)/losses | 696.13 | (149.81) |
| (e) Benefits paid | (298.85) | (74.33) |
| **Obligation as at the end of the year** | **5,232.10** | 4,259.75 |

(₹ in Lakh)

| Change in plan assets: | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| (a) Fair value of plan assets as at beginning of the year | 4,171.41 | 3,469.52 |
| (b) Interest income | 309.64 | 252.02 |
| (c) Remeasurement gains/(losses) | | |
| (d) Employers' Contributions | 535.81 | 524.20 |
| (e) Benefits paid | (298.85) | (74.33) |
| **Fair value of plan assets as at end of the year** | **4,718.01** | 4,171.41 |

(₹ in Lakh)

| Amount recognised in the balance sheet consists of: | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| (a) Fair value of plan assets as at end of the year | **4,718.01** | 4,867.85 |
| (b) Present value of obligation as at the end of the year | 5,232.10 | 4,889.62 |
| (c) Amount recognised in the balance sheet | **514.09** | 21.77 |

(₹ in Lakh)

| | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| **Costs recognised in the statement of profit and loss consist of:** | | |
| (a) Current service cost | 248.77 | 195.97 |
| (b) Net interest expense/(income) | 6.77 | 38.80 |
| **Costs recognised in the statement of profit and loss:** | **255.54** | 234.76 |
| **Costs recognised in the statement of other comprehensive income consist of:** | | |
| (c) The Return on plan assets (excluding amounts included in net interest expense) | (9.88) | (6.11) |
| (d) Actuarial gains and (losses) arising from changes in demographic assumption | 11.66 | 8.24 |
| (d) Actuarial gains and (losses) arising from changes in financial assumption | 91.79 | 51.42 |
| (e) Actuarial gains and (losses) arising from changes in experience adjustments | (799.58) | 90.16 |
| **Costs recognised in the statement of other comprehensive income** | **(706.01)** | 143.70 |

## 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, 2019 and March 31, 2018 by category are as follows:

| | Year ended March 31,2019 | Year ended March 31,2018 |
|---|---|---|
| **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 31,2019 | Year ended March 31,2018 |
|---|---|---|
| (a) Discount rate (%) | 7.7 | 7.66 |
| (b) Rate of escalation in salary (%) | 8.13 | 8.42 |

(vi) The Company expects to contribute ₹ 294.92 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, 2019** | | |
|---|---|---|
| **Assumption** | **Change in assumption** | **Impact on scheme liabilities** |
| Discount rate | Increase by 0.50%,<br>Decrease by 0.50% | (128.80)<br>134.77 |
| Salary escalation | Increase by 0.50%,<br>Decrease by 0.50% | 133.59<br>(128.89) |

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**

### 22. Deferred tax balances

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Deferred Tax Liabilities | 2,988.81 | 2,843.92 |
| Less : Deferred Tax Asset | 1,966.46 | 2,253.68 |
| **Net Deferred Tax (Asset)/ Liability** | **1,022.36** | 590.23 |

**Income Tax**

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

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Income before income taxes | 27,193.37 | 703.00 |
| Tax Calculated based on normal tax rate | 9,502.45 | 245.66 |
| **Items not deductible for tax/not liable to tax** | | |
| Donation & CSR Expenses | 79.94 | 49.74 |
| Non deduction of tax at source on expenses | 3.24 | 0.35 |
| Impairment loss | - | - |
| Others | 460.13 | 84.09 |
| **Income tax expense reported** | **10,045.76** | 379.84 |

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 is as follows:

(₹ in Lakh)

| Particulars | Opening balance as at April 1, 2018 | Deferred tax expense/ (income) recognised in profit and loss | Deferred tax expense/ (income) recognised in OCI) | Closing balance as at March 31, 2019 |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Provisions | 2,232.38 | (523.28) | 246.71 | 1,955.80 |
| Others | 21.31 | (10.65) | - | 10.65 |
| **Total** | **2,253.68** | **(533.94)** | **246.71** | **1,966.46** |
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and Intangible assets | 2,843.92 | 144.90 | - | 2,988.81 |
| **Total** | **2,843.92** | **144.90** | **-** | **2,988.81** |
| **Net Deferred tax (assets)/ liabilities** | **590.23** | **678.83** | **(246.71)** | **1,022.36** |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 23. Current- Trade Payables

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Trade Payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 5.79 | 4.38 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,834.02 | 3,632.25 |
| **Total** | **4,839.81** | 3,636.63 |

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

| Description | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| a. The principal amount remaining unpaid to supplier as at the end of the year | 5.79 | 4.38 |
| 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**

### 24. Other Financial Liabilities
(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Interest accrued on borrowings | 7,254.15 | 5,908.74 |
| b. | Others: | | |
| | Deposits & Retention Money | 4,386.69 | 2,939.90 |
| | Liabilities for Expenses | 889.53 | 841.77 |
| | Payable to employees | 1,935.61 | 1,394.48 |
| | Capital Creditors | 31,210.11 | 55,585.36 |
| | **Total** | **45,676.09** | 66,670.25 |

### 25. Other Current Liabilities
(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Advances from Customers & others | 103.12 | 184.96 |
| b. | Statutory Dues Payables * | 1,249.79 | 814.90 |
| | **Total** | **1,352.91** | 999.86 |

* Statutory dues includes payables in respect of GST, tax deducted at source and dues paybel to OPGC gratuity trust and others.

### 26. Current-Provisions
(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Employee Benefits # | | |
| - Gratuity | 476.72 | 92.35 |
| - Leave benefits | 403.88 | 254.08 |
| - One Time Pension benefits | 98.04 | 45.09 |
| - Terminal TA benefits | 44.95 | 13.94 |
| - Pay revision | 999.91 | 915.22 |
| **Total** | **2,023.50** | 1,320.67 |

# Details in terms of Note-21

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 27. Revenue from Operations

(₹ in Lakh)

| Partculars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Sale of Power | 86,291.87 | 59,743.46 |
| **Total** | **86,291.87** | 59,743.46 |

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

(ii) Sales of energy are net of rebate to beneficiary amounting to ₹ 1015.23 lakh (previous year ₹ 976.04 lakh).

(iii) Sales does not include internal consumption of 346.46 MU including transformer loss of 26.227 MU (previous year 330.55 MU including transformer loss of 25.372MU), the cost of which has been determined at ₹ 6,998.17 Lakh (previous year ₹ 7,557.63 Lakh) approximately.

(iv) OERC vide case no 35/2018 dated 05.01.2019 has directed to levelised tariff of ₹ 3.91/kwh from 2007-08 onwards both for pre and post PPA period for both the units Kendupatna and Biribati on net export basis. On the basis of such approved order and direction, OPGC has issued year wise invoices along with jointly certified meter reading by representatives of OPGC and CESU on 01.03.2019 which are accepted by GRIDCO. On the basis of acceptance OPGC has booked the revenue of ₹ 105.71 lakh FY 2018-19 and included in sale of Power.

(v) Sales does not included export of 140080 kwh for the FY 2018-19 amounting to ₹ 5.48 lakh due to pending joint certified meter reading by representative of OPGC & CESU and which has not submitted and accepted by GRIDCO at the year end.

(vi) 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 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.

(vii) 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. OERC vide its Order No 645 dated 21.05.2019 has directed OPGC to claim the differnetial tariff for the above years and accordingly OPGC claimed to GRIDCO for ₹ 4332.22 lakh, ₹ 8390.19 lakh and for ₹ 7414.49 lakh for 2016-17,2017-18 and 2018-19 respectively and accounted for in sale of power during 2018-19.

(viii) Particulars of Generation, Auxiliary Consumption and Sale of power

(₹ in Lakh)

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Generation (MU) | 3,085.45 | 2,842.35 |
| Sale (MU ) | 2,738.98 | 2,511.80 |
| Internal consumption (MU) | 346.46 | 330.55 |
| Sale (Net) (₹ in Lakh) | 86,291.87 | 60,719.50 |
| Internal consumption (₹ in Lakh) | 6,935.65 | 7,557.63 |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 28. Other Income

(₹ in Lakh)

| Sl | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| a | **Interest Income** | | |
| | Interest income from Bank Deposits at amortised Cost | 2,056.69 | 1,202.54 |
| | Interest income from loans to related parties at amortised cost | - | 8.27 |
| | Others | 33.08 | 310.27 |
| | | **2,089.77** | 1,521.08 |
| b | **Other non-operating income (net of expenses directly attributable to such income)** | | |
| | Sale of Scrap / residual materials | 107.40 | 59.28 |
| | Miscellaneous Incomes | 375.54 | 313.63 |
| | Exchange Gain | 0.43 | - |
| | Gain/Loss on Physical Inventory | (3.34) | 30.24 |
| | Liability/Provision written back | 93.69 | 4.34 |
| | | **573.72** | 407.49 |
| c | **Other gains and losses** | | |
| | Gain /(loss) on disposal of PPE | - | - |
| | | - | - |
| | **Total (a+b+c)** | **2,663.49** | 1,928.57 |
| d | **Less :** | | |
| | Amount included in the cost of qualifying assets | 184.13 | 336.47 |
| | | **184.13** | 336.47 |
| | **Total** | **2,479.36** | 1,592.10 |

(i) Miscellaneous income includes

(a) Township recoveries of ₹ 56.48 Lakh (previous year ₹ 40.91 Lakh).

(b) ₹ 17.81 Lakh (previous year ₹ 42.05 Lakh) towards liquidated damage and penalty recovered from contractors and others.

(ii)

| Excess Provision written back related to | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Provision for Debtor | - | - |
| Obsolete stores/spares | - | - |
| Employee benefits and expense | 66.28 | 2.74 |
| Generation and other expenses | 4.50 | 0.96 |
| Administrative expenses | 22.91 | 0.65 |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 29. Cost of raw material consumed

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Imported | - | - |
| Indigenous | 44,017.04 | 41,249.71 |
| **Total** | **44,017.04** | 41,249.71 |

**Particulars of raw materials consumed**

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Coal | 43,453.56 | 40,640.50 |
| FO / LDO | 6,381.20 | 609.21 |
| | 49,834.77 | 41,249.71 |
| **Less :** | | |
| Amount included in the cost of qualifying assets | 5,817.73 | - |
| **Total** | **44,017.04** | 41,249.71 |

(i) Shortage of coal of 977.06 MT amounting to ₹ 17.42 Lakh (Previous year surplus of 1559.96 MT amounting to ₹ 36.63 Lakh) found during physical verification has been charged to cost of raw material consumed as per the policy Note No-2.12.

## 30. Employee Benefit Expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries and Wages | 10,391.26 | 9,996.81 |
| Contribution to provident and other funds | 852.68 | 826.13 |
| Staff Welfare expenses | 797.69 | 850.12 |
| **Total (A)** | **12,041.63** | 11,673.06 |
| **Less :** | | |
| Allocated to fuel cost | 654.58 | 569.53 |
| Amount included in the cost of qualifying assets | 4,263.04 | 4,229.53 |
| **Total (B)** | **4,917.62** | 4,799.06 |
| **Net (A-B)** | **7,124.01** | 6,874.00 |

(i) The Company has recognised in the statement of profit and loss, an amount of ₹ 22.12 Lakh (previous year: ₹ 53.80 Lakh) as expenses with respect to key managerial personnel. The details of such expenses are as below:

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Short term employee benefits | 20.61 | 42.00 |
| (b) Post employment benefits | 1.23 | 11.80 |
| (c) Other employee benefits | 0.28 | - |

(ii) It includes an amount of ₹ 999.10 Lakh (previous year ₹ 915.22 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 ₹ 939.02 Lakh (previous year ₹ 847.22 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 & 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**

### 31. Finance Costs

(₹ in Lakh)

| | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **(a)** | **Interest Expense** | | |
| | Interest on term loan | 63,336.78 | 50,302.44 |
| | Interest on short term loans from scheduled bank | - | - |
| | Interest on Decommissioning and Construction liability | 35.92 | 19.99 |
| **(b)** | **Other Borrowing Cost** | | |
| | Guarantee Commission | - | |
| | **Total Finance Cost** | **63,372.70** | 50,322.43 |
| | Less : amount included in the cost of qualifying assets | 63,336.78 | 50,302.44 |
| | **Total** | **35.92** | 19.99 |

(i) Interest on Decommissioning and Construction liability represents future decommissioning liability of Ash Pond ‘A’ amounting to ₹ 21.63 Lakh and Ash pond ‘C’ amounting to ₹ 14.29 Lakh (Previous year: ₹ 19.95 Lakh and ₹ 0.04 Lakh respectively).

## ODISHA POWER GENERATION CORPORATION LIMITED

**Notes forming part of the financial statement**

### 32. Depreciation & amortisation expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Depreciation & amortisations | 3,884.83 | 3,207.25 |
| **Less :** | | |
| Allocated to fuel cost | 55.33 | 35.56 |
| Amount included in the cost of qualifying assets | 1,710.65 | 643.35 |
| **Total** | **2,118.86** | 2,528.35 |

### 33. Impairment losses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Impairment of CWIP (Mini Micro Hydel Projects) Refer Note- 4 | - | |
| **Total** | - | - |

# ODISHA POWER GENERATION CORPORATION LIMITED
## Notes forming part of the financial statement

### 34. Other Expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Generation Expenses:** | | |
| Consumption of Stores, spares & chemicals | 1,925.25 | 1,668.66 |
| Electric Power, Electricity Duty and Water | 6,560.74 | 4,211.43 |
| Contract Job outsourcing expenses | 1,167.73 | 2,106.38 |
| Insurance | 326.13 | 1,088.30 |
| Other generation expenses | 493.77 | 423.58 |
| Repairs to buildings | 404.54 | 294.06 |
| Repairs to Machinery | 82.29 | 58.82 |
| | **10,960.46** | 9,851.22 |
| **Administrative Expenses:** | | |
| Rent | 293.34 | 304.07 |
| Lease Premium | 100.97 | 100.97 |
| Professional Fees and expenses | 21.05 | 23.52 |
| General expenses | 2,726.08 | 1,955.12 |
| Management Service Charges | 33.15 | 31.72 |
| Resource Sharing Fee | 2,417.98 | 1,150.41 |
| Rate, Taxes & Cess | 36.02 | 43.56 |
| Other Repairs | 64.31 | 60.79 |
| Travelling expenses | 316.54 | 304.41 |
| Watch and Ward expenses | 692.47 | 585.17 |
| Township development expenses | 467.69 | 380.90 |
| | **7,169.60** | 4,940.65 |
| **Other Expenses:** | | |
| Payment to Auditors | 13.90 | 12.93 |
| Peripheral development expenses | 11.85 | 12.34 |
| Donation | - | - |
| Trade Receivables Written Off (Net) | - | 23.00 |
| Loss on Sale of Fixed Assets | 4.26 | 14.87 |
| Advances written off | - | 0.70 |
| | **30.01** | 63.84 |
| **Corporate Social Responsibility** | **228.76** | 142.35 |
| Less: Allocated to Fuel Cost | 943.01 | 887.47 |
| Amount included in the cost of qualifying assets | 9,163.77 | 4,305.98 |
| | **10,106.79** | 5,193.45 |
| **Total** | **8,282.04** | 9,804.61 |

(i) **Payment to Auditors:**

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| a. | Statutory Audit | | |
| | Statutory Audit Fees | 8.94 | 9.02 |
| | Statutory Audit expenses | 0.71 | 0.78 |
| b. | Tax Audit fees | 1.24 | 1.19 |
| c. | Certification fee | 1.00 | 0.18 |
| d. | Cost Audit | | |
| | Cost Audit Fees | 1.65 | 1.42 |
| | Cost Audit expenses | 0.36 | 0.35 |
| **Total** | | **13.90** | 12.93 |

## ODISHA POWER GENERATION CORPORATION LIMITED
### Notes forming part of the financial statement

(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 ₹ 203.09 Lakh during the reporting year.

(iii) Out of ₹ 203.09 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 | 148.94 | 79.82 | 228.76 |
| **Total** | **148.94** | **79.82** | **228.76** |

| Cost of Qualifying Assets( Unit 3 & 4) | | | | | |
|---|---|---|---|---|---|
| | | **2018-19** | | **2017-18** | |
| **A.** | **Employee Benefit Expenses** | | | | |
| | Salaries & Wages | 3,894.39 | | 3,998.36 | |
| | Contribution to | - | | - | |
| | Provident fund | 149.00 | | 112.60 | |
| | Gratuity fund | 152.53 | | 34.17 | |
| | Staff Welfare Expenses | 67.11 | **4,263.04** | 84.40 | 4,229.53 |
| **B** | **Resource Sharing Fees** | 2,176.42 | **2,176.42** | | |
| **C** | **Finance Cost** | | | | |
| | Interest Expenses | 63,319.27 | | 50,282.69 | |
| | Other borrowing Cost | 17.51 | **63,336.78** | 19.75 | 50,302.44 |
| **D** | **Raw Material Consumption** | | | | |
| | Coal Consumption | 49.91 | | | |
| | Oil Consumption | 5,767.81 | **5,817.73** | | |
| **E** | **Depreciation And Amortisation Expenses** | | | | |
| | Depreciation | 1,710.65 | **1,710.65** | 643.35 | 643.35 |
| **F** | **Water and Electricity Charges** | 3,868.86 | **3,868.86** | 1,854.40 | 1,854.40 |
| **G** | **Insurance** | 260.44 | **260.44** | 1,021.09 | 1,021.09 |
| **H** | **Adminstrative And Other Expenses** | | | | |
| | Rent | 106.58 | | 111.47 | |
| | General expenses | 1,720.10 | | 1,036.65 | |
| | Rate, Taxes & Cess | - | | 10.42 | |
| | Travelling expenses | 123.46 | | 88.72 | |
| | Watch and Ward expenses | 226.53 | | 147.87 | |
| | Township development expenses | 75.65 | | 23.02 | |
| | Peripheral development expenses | 11.85 | | 12.34 | |
| | Consumption of Stores & spares | 593.88 | | | |
| | Donation | - | **2,858.05** | - | 1,430.49 |
| **I** | **CSR expenditure in compliance to Environmental Clearance** | 458.59 | **458.59** | 443.25 | 443.25 |
| | **Total** | - | **84,750.56** | | **59,924.55** |

| **OTHER INCOME** | | | | |
|---|---|---|---|---|
| Interest Income | - | | 229.91 | |
| Other non-operating income (net of expenses directly attributable to such income) | 184.13 | | 105.17 | |
| Other gains and losses | - | | 1.39 | |
| | | **184.13** | | **336.47** |

## 35. 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, 2019. 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 |
|---|---|---|---|---|---|---|---|
| **Interest on loan given** | | | | | | | |
| FY 2018-19 | | | | | | | |
| FY 2017-18 | 8.27 | | | | | | |
| **PF Contribution** | | | | | | | |
| FY 2018-19 | | | | | | 1,420.05 | |
| FY 2017-18 | | | | | | 951.74 | |
| **Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources** | | | | | | | |
| FY 2018-19 | | 2,417.97 | | | | | |
| FY 2017-18 | | 1,150.41 | | | | | |
| **Management Services Charges** | | | | | | | |
| FY 2018-19 | | 33.15 | | | | | |
| FY 2017-18 | | 31.72 | | | | | |
| **Remuneration** | | | | | | | |
| FY 2018-19 | | | | 22.12 | | | |
| FY 2017-18 | | | | 53.80 | | | |
| **Dividend paid** | | | | | | | |
| FY 2018-19 | | | | | | | |
| FY 2017-18 | | 138.61 | 693.33 | | | | 865.91 |
| **Equity share capital received** | | | | | | | |
| FY 2018-19 | | | 11,858.00 | | | | 12,342.00 |
| FY 2017-18 | | | 23,765.00 | | | | 24,735.00 |
| **Guarantee outstanding** | | | | | | | |
| FY 2018-19 | 6,279.94 | | | | | | |
| FY 2017-18 | 6,279.94 | | | | | | |
| **Outstanding receivable** | | | | | | | |
| FY 2018-19 | 158.43 | | | | | | |
| FY 2017-18 | 296.77 | | | | | | |
| **Outstanding payables** | | | | | | | |
| FY 2018-19 | | | | | | 265.40 | |
| FY 2017-18 | | | | | | 10.15 | |

## ODISHA POWER GENERATION CORPORATION LIMITED

### Notes forming part of the financial statement

### 36. 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, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit after tax** | 17,147.61 | 479.06 |
| Less: Amount to be paid for diluted portion (net of tax) | - | - |
| **Profit attributable to ordinary shareholders - for Basic & Diluted EPS** | **17,147.61** | 479.06 |
| Weighted average no. of Ordinary Shares for Basic & Diluted EPS | 15,844,755 | 11,000,053 |
| Nominal value of Ordinary Shares (₹) | 1,000.00 | 1,000.00 |
| Basic & Diluted Earnings per Ordinary Share (₹) | 108.22 | 4.36 |

### 37. Segment Reporting

The company has more than one business segment but not reportable segment since generation from Mini Hydel Projects in terms of revenue is below 10% or more of combined revenue . In view of above fact, segment information required as per Ind AS 108 is not provided.

### 38. 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) ₹ 87,101 Lakh (Previous Year : ₹ 1,55,862.68 Lakh).

**II. Contingencies**

**a. Contingent Liabilities:**

(₹ in Lakh)

| Particulars | Opening balance as on April 01, 2018 | During the year 2018-19 | | Balance as on March 31, 2019 |
|---|---|---|---|---|
| | | Additions | Reversal | |
| **a. Claims against the Company not acknowledged as debt** | | | | |
| (i) Income tax demands | 272.90 | - | - | 272.90 |
| (ii) Indirect tax demands | 15.90 | - | - | 15.90 |
| (ii) Claims of contractors & others | 1,047.88 | 15,396.69 | - | 16,444.57 |
| **b. Outstanding letter of credit and guarantees** | 5,723.75 | 2,495.15 | - | 8,218.90 |
| **c. Other money for which the Company is contingently liable** | 6,279.94 | | - | 6,279.94 |
| **Total** | **13,340.36** | **17,891.84** | - | **31,232.20** |

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

(ii) Claim of contractor includes demand of ₹ 871.38 Lakh raised by Main Dam Division Burla, towards Penalty against water drawal from Hirakud reservior with reference to demand No. MDD/9199 dtd 08.07.2013. In responses to same OPGC has written letter no 1861 dated 02.06.2014, letter no 1865 dated 20.06.2014, letter no 3021 dated 18.12.2018 to Principal secretary to GoO water Resource Department with a copy to Principal secretary to GoO Energy Department for waival of the same citing the reason of waival, In response of the same, Principal secretary to GoO Energy Department has forwaded letter no 5275 dtd 25.06.2014 and letter no 5539 dated 11.07.2019 on waival of the same to Principal secretary to GoO water Resource Department.

(iii) Claim of contractor includes ₹ 13738.90 lakh raised by OGPTL and PGCIL against power transmission and relinquishment charges. OPGC has raised objection of all the charges before APTEL & CERC and the matter is under subjudice. As the matter is under dispute and no order received from the competetnt authority, the same is disclosed under contingent liability.

(iv) Other money for which the company is contingently liable 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.

## 39. 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.

## 40 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, 2019

(₹ in Lakh)

| As at March 31, 2019 | 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 | | | | | 33,202.16 | 33,202.16 | 33,202.16 |
| Trade receivables | | | | | 34,835.41 | 34,835.41 | 34,835.41 |
| Loans | | | | | 1,181.71 | 1,181.71 | 1,181.71 |
| Other financial assets | | | | | 720.44 | 720.44 | 720.44 |
| **Total** | - | - | - | - | **69,939.72** | **69,939.72** | **69,939.72** |
| **Financial liabilities** | | | | | | | |
| Trade and other payables | | | | | 4,839.81 | 4,839.81 | 4,839.81 |
| Borrowings | | | | | 688,283.48 | 688,283.48 | 688,283.48 |
| Other financial liabilities | | | | | 46,250.53 | 46,250.53 | 46,250.53 |
| **Total** | - | - | - | - | **739,373.82** | **739,373.82** | **739,373.82** |

(₹ 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 | | | | | 3,636.63 | 3,636.63 | 3,636.63 |
| Borrowings | | | | | 548,040.93 | 548,040.93 | 548,040.93 |
| Other financial liabilities | | | | | 67,793.43 | 67,793.43 | 67,793.43 |
| **Total** | - | - | - | - | 619,470.99 | 619,470.99 | 619,470.99 |

## ODISHA POWER GENERATION CORPORATION LIMITED
### Notes forming part of the financial statement

**(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, 2019 and March 31 2018.

**(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.

**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.

**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.

**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.

## ODISHA POWER GENERATION CORPORATION LIMITED
### Notes forming part of the financial statement

(₹ in Lakh)

| | As at March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | **Carrying amount** | **Contractual cash flows** | **Less than 1 year** | **Between 1 - 5 years** | **More than 5 years** |
| **Non- derivative financial liabilities** | | | | | |
| Borrowings including interest thereon | 6,95,537.63 | 6,95,537.63 | 6,886.50 | 1,54,929.53 | 5,33,721.60 |
| Trade payables | 4,839.81 | 4,839.81 | 4,839.81 | - | - |
| Other financial liabilities | 46,250.53 | 46,250.53 | 45,676.09 | 574.44 | - |
| **Total non- derivative financial liabilities** | **7,46,627.97** | **7,46,627.97** | **57,402.40** | **1,55,503.97** | **5,33,721.60** |

(₹ 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 | 5,53,949.67 | 5,53,949.67 | 5,523.58 | 1,14,358.29 | 4,34,067.79 |
| Trade payables | 3,636.63 | 3,636.63 | 3,636.63 | - | - |
| Other financial liabilities | 67,793.43 | 67,793.43 | 66,670.25 | 1,123.19 | - |
| **Total non- derivative financial liabilities** | **6,25,379.73** | **6,25,379.73** | **75,830.46** | **1,15,481.48** | **4,34,067.79** |

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.

### 41. Previous year figures have been reclassified/ regrouped wherever necessery

### 42. Events after reporting period

(i) The company borrowed by way of cash credit facility to the extent ₹ 50000 lakh from Union Bank Of India repayble on demand with interest thereon payble at the rate of one year MCLR on monthly rest or any other rate defined by regulatory authority. The said amount has been approved by BOD on 18.06.2019.

(ii) OPGC has declared commercial operation of both the Units,Unit # 3(660MW) on 03.07.2019 and Unit # 4 on 21.08.2019 after succesfully completion of trial run.

**For Nag & Associates**
Chartered Accountants
Sd/-
**(Nilotpal Majumder)**
Partner
FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

For and on behalf of the Board

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

Sd/-
**(Pravakar Mohanty)**
Director Finance

Sd/-
**(Indranil Dutta)**
Managing Director

# 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 2019

The preparation of financial statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2019 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 22 November 2019

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 2019. This supplementary audit has been carried out independently without access to the working paper of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A Comments on Profitability**
**Statement of Profit & Loss Account**
**Expenses**
**Other Expenses (Note-34): ₹ 82.82 crore**

1 The above is understated by ₹ 18.39 crore due to non-accounting of the amount payable towards Water Conservation Fund as per the gazette notification of Department of Water Resources, Government of Odisha on 18 May 2015. This has also resulted in overstatement of profit and understatement of current liabilities to the same extent.

**Statement of Profit & Loss Account**
**Expenses**
**Depreciation and Amortization Expenses (Note -32): ₹ 21.19 crore**

2. The above does not include ₹ 1.09 crore being the depreciation on renovation and up-gradation of existing roads & bridges, guest house, quarters and club which has wrongly been capitalized and transferred to the qualifying assets of Unit 3 & 4. This has also resulted in overstatement of profit and CWIP of unit 3&4 of ₹ 1.09 crore each.

**B. Comment on Disclosure**

3. The Company has accounted for an amount of ₹ 0.57 crore realized towards sale proceeds of fly ash during the period from 2016-17 to 2018-19. As per Gazette notification dated 3rd November 2009, issued by the Ministry of Environment and Forest (MoEF), the amount collected from sale of fly ash by thermal power stations, should be kept in a separate account head as "Fly Ash Utilization Reserve Fund Account" and shall be utilized only for the development of infrastructure or facilities, promotion and facilitation activities for use of fly ash until 100 per cent fly ash utilization is achieved. But the Company has neither created a separate account head i.e. Fly Ash Utilization Reserve Fund Account of an amount of ₹ 0.57 crore nor has suitably disclosed the reasons for non creation of the same in the Notes to Accounts.

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

Place: Bhubaneswar
Date: 26.02.2020

**Sd/-**
**PRINCIPAL ACCOUNTANT GENERAL**

# Independent Auditor's Report

**To**
**The Members of**
**Odisha Power Generation Corporation Limited**
**Report on the Audit of the Consolidated Financial Statements**

## Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Odisha Power Generation Corporation Limited (referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary as referred in sub-paragraph (1) of the "Other Matters" paragraph below, except for the effects of the matters described in the basis for qualified opinion paragraphs**,** the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2019, and their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and consolidated cash flows for the year ended on that date.

## Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report as referred to in sub-paragraph (1) of the 'Other Matters' paragraph below, is sufficient and appropriate, except the matters stated below, to provide a basis for our qualified audit opinion**.**

1. No provision for Goods & Service Tax impact over the erstwhile Service Tax/Excise Duty/VAT has been made in the accounts of the Holding company for the period since 01.07.2017 related to the contract with BHEL for supply and erection of Power Plant of the Company resulting in understatement of CWIP and corresponding liabilities in the Consolidated Financial Statements. The amount is not quantified by the Holding Company.

2. Current assets of the Holding Company are overstated by ₹ 27.63 lakhs on account of long outstanding, unreconciled and balances not confirmed and likewise current liabilities to the extent of ₹ 202.32 lakhs have been overstated being unreconciled, not confirmed and long outstanding.

3. Out of the identified slow moving/non-moving inventories of the Holding Company amounting to ₹ 19.38 lakhs, inventories amounting to ₹ 3.25 lakhs have been written off during the year 2018-19. Provision for balance amount of ₹ 16.13 lakhs has not been made resulting in overstatement of profit and current assets by ₹ 16.13 lakhs each.

## Emphasis of Matter

1. We draw attention to Note No.14, 16, 20, 23 24, & 25 to the Consolidated Financial Statements in respect of balances under Current Loans, Other Current Assets, Non Current-Other Financial Liabilities, Current Trade- Payables, Other Financial Liabilities and Other Current Liabilities, which, in many cases have not been confirmed and any adjustments due to consequent reconciliation, if any, required are not ascertainable.

2. We draw attention to Note No.38 (iv) to the Consolidated Financial Guarantee 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 Financial Guarantee has not been measured and recognised in the financial statements as per the requirements of Ind AS 109 by the Holding Company.

3. Terms and conditions of appointment and remuneration payable to the 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.

4. Attention is drawn to note 35 to the Consolidated Financial Statements in respect of an amount of ₹ 2417.97 lakhs 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.

5. 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 these matters.

## Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis of financial performance highlights; Board's report including Annexure to Board's Report, Business Responsibility Report, Report on Corporate Governance, Share holder's information and other information in Integrated Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report those facts which are as under:

As per observations of the Independent Auditor's Report of the other auditor who audited the financial statements/ financial information of the Subsidiary Company has reported that:

1. The paid up share capital of the Subsidiary Company amounting to ₹ 300 Crore includes ₹ 248.95 Crore issued in contravention with section 62 (3) of the Companies Act 2013 over the financial year 2016-17 and 2017-18.

2. Attention is invited to Note No 5 of the stand alone financial statements of the subsidiary Company regarding pending finalization of lease terms of forest land the amount spent is capitalized on the basis of physical possession held by the other company under "right to use".

3. Emphasis is given to Note No.8 (ii) of notes to the accounts of the stand alone financial statements of the Subsidiary Company which states "the cost of leasehold land is exclusive of registration cost or any other documentation charges which is liable to be incurred upon registration of lease agreement IDCO. Pending the execution of leasing, the same shall be recognized as and when incurred by the Subsidiary Company & shall be amortized over the remaining period of useful life," which could alternatively have been capitalized with reasonable estimate.

4. No physical verification of fixed assets and impairment test of such assets have been conducted by the Subsidiary Company during the year in view of accounting policy no. 3.06 and 3.07 of the Standalone Financial Statements of the Subsidiary Company. Hence the possible outcome of such tests is indeterminable.

## Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated Statement of Changes in Equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Sec 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternate but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding and its subsidiary incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with the governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matters

1. We did not audit the financial statements/ financial information of the subsidiary, M/s Odisha Coal and Power Limited whose financial statements/ financial information reflect the details given below of the total assets as at 31st March 2019, total revenues and net cash flows for the year ended on that date.

(₹ in Lakhs)

| Total Assets | Total Revenues | Net Cash Inflows/(Out flows) |
|---|---|---|
| 10,3628.05 | 8.84 | (81.88) |

2. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the accounts and disclosures included in respect of the subsidiary Company and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the afore said subsidiary, is based solely on the report of the other auditors after considering the requirements of Standard on Auditing (SA 600) on "Using the work of Another Auditor" including materiality.

3. The Consolidated Financial Statements include the Holding Company's share of net loss of ₹ 143.28 lakhs in the entity M/s Odisha Coal and Power Limited using equity method, for the year ended 31 March 2019 whose financial statements/ financial information have not been audited by us.

Our opinion on the consolidated financial statements and our report on other Legal and Regulatory Requirements below is not modified in respect of above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements/ financial information certified by the Holding Company's Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (iv) In our opinion, except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph above, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

(v) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India and on the basis of the Reports of the statutory auditors of its subsidiary, none of the director of the subsidiary is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act

(vi) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company including its subsidiary and the operating effectiveness of such controls refer to our separate report in Annexure "A";

(vii) As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the Holding Company and its Subsidiary.

(viii) 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, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the Subsidiary as mentioned in the "Other Matters"

a. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note- 38 to the Consolidated Financial Statements

b. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, on long-term contracts including derivative contracts

c. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the by the Holding Company and its Subsidiary.

**For Nag & Associates**
Chartered Accountants
FRN: 312063E

Sd/-
**(Nilotpal Majumder)**
Partner
M.No. 037287
UDIN: 19037287AAAAAB8299

Place: Bhubaneswar
Date: 22.11.2019

# ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Odisha Power Generation Corporation Limited on the Consolidated Financial Statements for the year ended 31st March 2019**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements 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 financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements 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, its subsidiary which are Companies incorporated in India are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal controls over financial reporting criteria established by the Holding 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 the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 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 auditor of the subsidiary, incorporated in India, in terms of their report 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 with reference to Consolidated Financial Statements.

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements

**Inherent Limitations of Internal financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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, 2019:

a. As regards Entry Level Controls, the Holding Company is having the following deficiency:

   Different operating manuals for functions like Accounts, Procurement, Compliance, Corporate Governance and Comprehensive Risk Management Policy needs to be updated.

b. As regards process level controls, the Holding Company's input validation data checks are inadequate with reference to data input in SAP i.e. failure to conduct a system audit, absence of control features of issue of PO and lack of provision in the system to generate alerts with reference to non-moving and obsolete stores items in SAP leading to potential risk of erroneous and unreliable output results.

c. 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 Holding Company which could potentially result in the Company commit for purchases without establishing reasonable certainty of costs and transparency.

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 with reference to Consolidated Financial Statements in place and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2019, 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)

## Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, insofar as it relates to the Subsidiary 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/-
**(Nilotpal Majumder)**
Partner
M.No. 037287
UDIN: 19037287AAAAAB8299

Place: Bhubaneswar
Date: 22.11.2019

# ODISHA POWER GENERATION CORPORATION LIMITED

## Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakh)

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | a. Property, Plant and Equipment | 3 | 67,608.48 | 33,770.29 |
| | b. Capital work-in-progress - Tangible | 4 | 8,73,853.22 | 7,53,089.09 |
| | c. Other Intangible assets | 5 | 701.06 | 765.91 |
| | d. Intangible assets under development | 6 | 114.94 | - |
| | e. Financial Assets | | | |
| | (i) Investments | 7 | 14,842.70 | 14,985.97 |
| | (ii) Loans and Advances | 8 | 1,006.10 | 551.32 |
| | (iii) Trade receivables | 11 | - | - |
| | f. Other non-current assets | 9 | 27,715.74 | 28,222.08 |
| | **Total non-current assets** | | **9,85,842.24** | 8,31,384.66 |
| 2 | **Current assets** | | | |
| | a. Inventories | 10 | 5,882.96 | 4,413.79 |
| | b. Financial Assets | | | |
| | (i) Trade receivables | 11 | 34,835.41 | 9,850.45 |
| | (ii) Cash and cash equivalents | 12 | 3,960.98 | 6,769.14 |
| | (iii) Bank Balances other than (ii) above | 12 | 29,241.18 | 42,563.75 |
| | (iv) Loans | 13 | 175.61 | 182.98 |
| | (v) Others | 14 | 720.44 | 993.85 |
| | c. Current Tax Assets (Net) | 15 | 3,058.08 | 2,391.49 |
| | d. Other current assets | 16 | 5,793.68 | 1,050.31 |
| | **Total Current Assets** | | **83,668.34** | 68,215.77 |
| | **TOTAL ASSETS** | | **1,069,510.59** | 8,99,600.43 |
| | **EQUITY AND LIABILITIES** | | | |
| | **EQUITY** | | | |
| | a. Equity Share capital | 17 | 1,82,249.74 | 1,58,049.74 |
| | b. Other Equity | 18 | 1,29,525.89 | 1,12,980.85 |
| | **Total equity** | | **3,11,775.63** | 2,71,030.59 |
| | **LIABILITIES** | | | |
| 1 | **Non-current liabilities** | | | |
| | a. Financial Liabilities | | | |
| | (i) Trade Payables | | | |
| | - Total Outstanding dues of micro and small enterprises | | - | - |
| | - Total Outstanding dues of creditors other than micro and small enterprises | | - | - |
| | (ii) Borrowings | 19 | 6,88,283.48 | 5,48,040.93 |
| | (iii) Other financial liabilities | 20 | 574.44 | 1,123.19 |
| | b. Provisions | 21 | 6,764.57 | 5,974.83 |
| | c. Deferred tax liabilities (Net) | 22 | 1,022.36 | 590.23 |
| | **Total non-current Liabilities** | | **6,96,644.85** | 5,55,729.18 |
| 2 | **Current liabilities** | | | |
| | a. Financial Liabilities | | | |
| | (i) Trade Payables | | | |
| | - Total Outstanding dues of micro and small enterprises | 23 | 5.79 | 4.38 |
| | - Total Outstanding dues of creditors other than micro and small enterprises | 23 | 4,834.02 | 3,632.25 |
| | (ii) Other financial liabilities | 24 | 45,676.09 | 66,670.25 |
| | b. Other current liabilities | 25 | 1,352.91 | 999.86 |
| | c. Provisions | 26 | 2,023.50 | 1,320.67 |
| | d. Current Tax Liabilities (Net) | 15 | 7,197.80 | 213.24 |
| | **Total Current Liabilities** | | **61,090.11** | 72,840.65 |
| | **TOTAL EQUITY AND LIABILITIES** | | **10,69,510.59** | 8,99,600.43 |
| **Notes forming part of the financial statements** | | **1-43** | | |

In terms of our report attached.

**For Nag & Associates**
Chartered Accountants

For and on behalf of the Board

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# ODISHA POWER GENERATION CORPORATION LIMITED

## Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

(₹ in Lakh)

| | Particulars | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|---|
| I | Revenue from Operations | 27 | 86,291.87 | 59,743.46 |
| II | Other Income | 28 | 2,479.36 | 1,592.10 |
| III | **Total Income (I + II)** | | **88,771.23** | 61,335.56 |
| IV | **Expenses** | | | |
| | a. Cost of materials consumed | 29 | 44,017.04 | 41,249.71 |
| | b. Employee benefit expenses | 30 | 7,124.01 | 6,874.00 |
| | c. Finance costs | 31 | 35.92 | 19.99 |
| | d. Depreciation and amortization expenses | 32 | 2,118.86 | 2,528.35 |
| | e. Impairment losses | 33 | - | - |
| | f. Other expenses | 34 | 8,282.04 | 9,804.61 |
| | **Total expenses (IV)** | | **61,577.86** | 60,476.66 |
| V | Profit before exceptional items and tax (III - IV) | | 27,193.37 | 858.90 |
| VI | Exceptional Items | | - | - |
| VII | **Profit after exceptional items (V - VI)** | | **27,193.37** | 858.90 |
| VIII | Share of profit / (loss) of Associates | | - | - |
| IX | Share of profit / (loss) of Joint Ventures | | (143.28) | (155.90) |
| X | Profit before tax (VII + VIII + IX) | | 27,050.09 | 703.00 |
| XI | **Tax Expenses:** | | | |
| | (i) Current tax | | 10,031.81 | 1,110.85 |
| | (ii) Tax of earlier years | | (664.89) | 71.37 |
| | (iii) Deferred tax | | 678.83 | (802.38) |
| | **Total tax expenses** | | **10,045.75** | 379.84 |
| XII | **Profit for the year (VII -VIII)** | | **17,004.34** | 323.16 |
| XIII | **Other Comprehensive Income / (Losses)** | | | |
| | (i) Items that will not be reclassified to profit and loss Remeasurements of the defined benefit plans | | (706.01) | 143.70 |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | 246.71 | (50.21) |
| | (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)** | | **(459.30)** | 93.48 |
| XIV | **Total Comprehensive Income / (Losses) for the year (IX+X) (Comprising Loss and Other Comprehensive Income for the year)** | | **16,545.03** | 416.65 |
| XV | Earnings per equity share:- Basic and diluted (Rs) | 36 | 107.32 | 2.94 |
| XVI | **Notes forming part of the financial statements** | **1-43** | | |

In terms of our report attached.

**For Nag & Associates**
Chartered Accountants

Sd/-
**(Nilotpal Majumder)**
Partner
FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

For and on behalf of the Board

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, 2019

(₹ in Lakh)

| | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| A | **Cash flows from operating activities:** | | |
| | Profit before taxes | **27,050.09** | 858.90 |
| | **Adjustments for:** | | |
| | Depreciation and amortization expense | 2,118.86 | 3,207.25 |
| | Provision for impairment | - | - |
| | (Profit)/loss on sale of Fixed Assets | 4.26 | 14.87 |
| | Trade Receivable written off | - | 23.00 |
| | Foreign currency fluctuation gain/(loss) | (0.43) | - |
| | Interest and finance charges | 35.92 | 19.99 |
| | Interest Income from investment & deposits | (2,089.77) | (1,521.08) |
| | CSR expenditure | 228.76 | 142.35 |
| | **Operating profit before working capital changes** | **27,347.69** | 2,745.28 |
| | Adjustments for: | | |
| | Trade receivable | (24,984.96) | 2,902.29 |
| | Inventory | (1,413.84) | (145.94) |
| | Other financial and non financial assets | (4,954.59) | 24,594.66 |
| | Trade and other payables | 1,203.18 | 3,622.25 |
| | Other financial and non financial liabilities | (21,784.63) | (125,878.52) |
| | **Cash generated from operations** | **(24,587.15)** | (92,159.98) |
| | Taxes Paid | (3,048.95) | (926.56) |
| | CSR expenditure | (228.76) | (142.35) |
| | **Net cash flow from operating activities** | **(27,864.86)** | (93,228.89) |
| B | **Cash flows from investing activities:** | | |
| | Payments for purchase of fixed assets | (93,027.57) | (62,882.67) |
| | Sale of property, plant and equipment | - | 0.05 |
| | Interest received | 2,167.26 | 1,524.10 |
| | Payment for Investment | 143.28 | (5,100.00) |
| | Repayment of loan and other receivable* | - | - |
| | Payment for FD | 13,322.57 | (28,156.44) |
| | Dividend including Dividend Distribution Tax | | |
| | Payment towards capital and other advances | - | - |
| | Advance payments against leasehold land | - | - |
| | **Net cash used in Investing Activities** | **(77,394.47)** | (94,614.96) |
| C | **Cash flows from financing activities:** | | |
| | Issue of shares | 24,200.00 | 60,528.00 |
| | Dividends paid on redeemable cumulative preference shares | | |
| | Dividends paid to owners of the Company | - | (2,043.49) |
| | Interest paid | | |
| | Proceeds from borrowings | 140,242.55 | 169,359.81 |
| | Interest paid | (61,991.37) | (48,764.56) |
| | Repayment of other financial liabilities | | |
| | **Net cash flow from financing activities** | **102,451.18** | 179,079.76 |
| | **Net Increase/(decrease) in cash or cash equivalents** | **(2,808.16)** | (8,764.10) |
| | **Cash and cash equivalents at the beginning of the year** | **6,769.14** | 15,533.24 |
| | **Cash and cash equivalents at the end of the year** | **3,960.98** | 6,769.14 |
| **Notes forming part of the financial statement** | | **Note No. 1-43** | |
| (i) | Repayment of loan includes conversion of loan to equity during the year ₹ Nil (Previous Year : ₹ Nil lakhs) | | |
| (ii) | Figures in brackets are cash outflows / incomes as the case may be. | | |
| (iii) | Previous years figures have been rearranged / regrouped wherever necessary to confirm to current year classification. | | |
| (iv) | The company has undrawn borrowings of ₹ 74103.52 lakhs (Previous year: ₹ 2,14,346.07 lakhs) for expansion project from PFC and REC . | | |

In terms of our report attached.

**For Nag & Associates**
Chartered Accountants

For and on behalf of the Board

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# ODISHA POWER GENERATION CORPORATION LIMITED

## Consolidated Statement of Changes in Equity for the Year Ended March 31, 2019

### A. Equity Share Capital

(₹ in Lakh)

| Balance as at April 1, 2018 | Changes in equity share capital during the year | Balance as at March 31, 2019 |
|---|---|---|
| 1,58,049.74 | 24,200.00 | **1,82,249.74** |

### B. Other Equity

(₹ in Lakh)

| Particulars | Reserves and Surplus | | |
|---|---|---|---|
| | Security Premium | General Reserve | Retained earnings |
| Balance as at April 1, 2018 | 5,888.43 | 8,960.23 | 98,132.19 |
| Profit for the year | | | 17,007.34 |
| Other Comprehensive Income | | | (459.30) |
| **Total Comprehensive Income** | | | **16,545.03** |
| Dividend (including tax on dividend) | | | - |
| Transfer of profits of the year to General Reserve | | - | - |
| **Balance as at March 31, 2019** | **5,888.43** | **8,960.23** | **1,14,677.23** |
| **Notes forming part of the financial statement** | | **Note No. 1-43** | |

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

For and on behalf of the Board

| | | | |
|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- |
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# Notes to Financial Statements

## 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, 2019 are approved by the Board of Directors and authorised for issue on 19.11.2019.

## 2. Significant Accounting Policies

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

### 2.1 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.

### 2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 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, 2019.

### 2.2.1 Ind AS 116 – "Leases"

Ind AS 116, 'Leases' will replace the existing Ind AS 17, 'Leases', and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Currently, operating lease expenses are charged to the statement of profit and loss. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. Further, the new standard contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (modified retrospective approach)

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The group will adopt the standard on 1 April 2019 by using the modified retrospective approach and accordingly comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

**2.2.2 Amendment to Ind AS 12 'Income taxes'**

The amendments to the guidance in Ind AS 12, 'Income Taxes', clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognised.

**2.2.3 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

Appendix C of Ind AS 12, 'Uncertainty over Income Tax Treatments' is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial

Application

The group will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

**2.2.4 Amendment to Ind AS 19 'Employee benefits'**

The amendments to the guidance in Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

**2.2.5 Amendment to Ind AS 23 'Borrowing Costs'**

The amendments to the guidance in Ind AS 23, 'Borrowing Costs', clarifies the following:

- while computing the capitalisation rate for funds borrowed generally, borrowing costs applicable to borrowings made specifically for obtaining a qualified asset should be excluded, only until the asset is ready for its intended use or sale.
- borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for its intended use or sale would subsequently be considered as part of the general borrowing costs.

**2.3 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 is considered.

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 2.23.

**2.4 Basis of consolidation**

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

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

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

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

**2.5 Interest in joint arrangements**

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

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

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

**2.6 Cash and cash equivalent.**

Cash and cash equivalents in the balance sheet comprises of cash at banks cash in 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.

## 2.7 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.

## 2.8 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 ₹ 5 lakh that meets the criteria for recognition as Property, plant and equipment are recognized as Property, plant and equipment. Other spare parts are carried as inventory and recognised in the statement of profit and loss on consumption.

**Intangible Assets:**

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

**Subsequent expenditure:**

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

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

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

**Capital Work-in-Progress**

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

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

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

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

**Depreciation & Amortization:**

Freehold Land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expense are amortized 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 in accordance with 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 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.

**2.9 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.

**2.10 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.

**2.11 Provisions, 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 Company. Where it is not probable that an outflow of economic benefits will be required to settle the obligations, or the amount cannot be measured with sufficient reliability, the obligation is disclosed as a contingent liability, unless the possibility of any outflow in settlement is remote. Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

## 2.12 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.

## 2.13 Inventories

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

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

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

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

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

**2.14 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 115 (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.

**2.15 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 IND AS 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.

**2.16 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.

**2.17 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.

**2.18 Employee Benefits**

**Short-term employee benefits**

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

**Post-employment benefits**

**i. Defined contribution plans**

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

**ii. Defined benefit plans**

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

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

**Long-term employee benefits (unfunded)**

These benefits 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 cader 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.

**2.19 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.

**2.20 Revenue Recognition**

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018 and therefore the comparatives have not been restated and continues to be reported as per Ind AS 18 "Revenue".

The Group's operations in India are regulated under the Electricity Act, 2003 and Odisha Electricity Regulatory Commission ("OERC') determines the major part of tariff for the Power Plants.

Revenue 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, return on equity, interest on working capital, operation & maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. The Company recognises revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

In the comparative period, revenue from the sale of energy was measured at the fair value of the consideration received or receivable. Revenue was recognised when the significant risks and rewards of ownership had been transferred to the buyer, recovery of the consideration was probable, the associated costs could be estimated reliably, there was no continuing management involvement, and the amount of revenue could be measured reliably.

Revenue from sale of energy is accounted for based on tariff rates approved by the OERC (except items indicated as provisional) or as modified by the orders of higher Appellate authority for Electricity to the extent applicable and best management estimates wherever needed. Revenue from sale of energy is recognised once the electricity has been delivered to the beneficiary and is measured through a regular review of usage meters. Beneficiaries are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to beneficiaries but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the OERC as per principles enunciated in Ind AS 115.

Revenue from sale of energy through trading is recognized based on the rates, term & condition mutually agreed with the beneficiaries and/or revenue earned through trading in power exchanges.

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

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

**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.

### 2.21 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.

### 2.22 Restatement of material error / omissions

Incomes / expenditure relating to prior period of non-material nature i.e. below ₹ 5 lakh is not considered for restatement.

### 2.23 Critical accounting judgments and key sources of estimation uncertainty

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

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

**Critical judgments in applying accounting policies:**

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

**i. Financial assets at amortized cost:**

The management has reviewed the Group's financial assets at amortized cost in the light of its business model and has confirmed the Group's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹ 69, 939.72 lakhs (March 31, 2018: ₹ 60,911.49 lakhs). Details of these assets are set out in note – 40.

**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
- Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

## 3. Property, Plant and Equipment

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** | | |
| Freehold Land | 17.00 | 17.00 |
| Building | 10,518.68 | 7,902.47 |
| Plant & Equipments | 48,478.62 | 21,694.54 |
| Furniture & Fixture | 982.39 | 652.76 |
| Vehicles | 699.61 | 89.07 |
| Office Equipment | 1,129.01 | 1,109.24 |
| Road Bridge & Culvert | 3,754.77 | 977.01 |
| Water Supply Drainage & Sewerage | 596.14 | 616.59 |
| Power Supply Distribution & Lighting | 1,414.99 | 692.06 |
| Heavy Mobile Equipment | 17.27 | 19.55 |
| | **67,608.48** | 33,770.29 |
| **Total** | **67,608.48** | 33,770.29 |

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

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2019 are as follows:

| Descriptions | Gross block | | | | Depreciation, Amortization and Impairment | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Land | 17.00 | - | - | 17.00 | - | - | - | - | 17.00 | 17.00 |
| Buildings | 13,767.82 | 2,933.97 | - | 16,701.79 | 5,865.35 | 317.76 | - | 6,183.11 | 10,518.68 | 7,902.47 |
| Plant & Equipment | 1,22,016.03 | 29,409.62 | (27.66) | 1,51,397.99 | 1,00,321.49 | 2,621.44 | (23.57) | 1,02,919.36 | 48,478.62 | 21,694.54 |
| Furniture & Fixtures | 1,117.60 | 452.42 | - | 1,570.02 | 464.85 | 122.78 | - | 587.63 | 982.39 | 652.76 |
| Vehicles | 252.44 | 682.13 | - | 934.57 | 163.37 | 71.58 | - | 234.95 | 699.61 | 89.07 |
| Office Equipment | 4,095.43 | 349.80 | (2.65) | 4,442.58 | 2,986.19 | 329.74 | (2.36) | 3,313.57 | 1,129.01 | 1,109.24 |
| Road Bridge & Culvert | 2,117.52 | 2,921.83 | - | 5,039.36 | 1,140.51 | 144.08 | - | 1,284.58 | 3,754.77 | 977.01 |
| Water Supply Drainage & Sewerage | 1,037.19 | 10.07 | - | 1,047.26 | 420.60 | 30.52 | - | 451.12 | 596.14 | 616.59 |
| Power Supply Distribution & Lighting | 1,237.74 | 852.54 | - | 2,090.28 | 545.68 | 129.62 | - | 675.30 | 1,414.99 | 692.06 |
| Heavy Mobile Equipment | 305.94 | - | - | 305.94 | 286.39 | 2.28 | - | 288.67 | 17.27 | 19.55 |
| **Total** | **1,45,964.71** | **37,612.38** | **(30.31)** | **1,83,546.78** | **1,12,194.43** | **3,769.80** | **(25.93)** | **1,15,938.30** | **67,608.48** | **33,770.28** |
| Previous Year | 1,32,470.03 | 13,591.99 | (97.31) | 145,964.71 | 1,09,192.55 | 3,084.27 | (82.40) | 1,12,194.43 | 33,770.28 | |

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

| Descriptions | Gross block | | | | Depreciation, Amortization and Impairment * | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Operational Units (Unit 1 & 2, HO, MMHP) | 1,32,179.37 | 4,494.74 | (30.31) | 1,36,643.81 | 110,793.34 | 2,067.42 | (25.93) | 112,834.83 | 23,808.98 | 21,386.04 |
| Expansion Project (Unit - 3 & 4) | 13,785.34 | 33,117.64 | - | 46,902.98 | 1,401.09 | 1,702.38 | - | 3,103.47 | 43,799.51 | 12,384.25 |
| **Total** | **1,45,964.71** | **37,612.38** | **(30.31)** | **1,83,546.78** | **1,12,194.43** | **3,769.80** | **(25.93)** | **1,15,938.30** | **67,608.48** | 33,770.28 |

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

| | |
|---|---|
| MMHP, Andharibhangi | 104.76 ₹ Lakhs |
| MMHP, Kendupatna | 32.12 ₹ Lakhs |
| MMHP, Biribati | 36.48 ₹ Lakhs |
| **Total** | **173.36 ₹ Lakhs** |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 4. Capital Work-in-Progress - Tangible

**A.**

(₹ in Lakh)

| Particulars | As at 31st March , 2019 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| **Tangible Assets** | | | | |
| For Operational Power Plants | 75.93 | | 4,094.38 | |
| 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 | 8,73,569.10 | | 7,48,786.52 | |
| **TOTAL** | | **8,73,853.22** | | 7,53,089.09 |

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

(₹ in Lakh)

| Particulars | As at 01.04.2018 | Additions | Deductions/ Adjustments | Capitalized | As at 31.03.2019 |
|---|---|---|---|---|---|
| Ash Pond | 1,173.08 | 6,680.44 | | - | 7,853.52 |
| Building | 7,872.43 | 1,004.88 | | (3,984.32) | 4,892.99 |
| Consultancy Charges- Power plant | 4,540.12 | 1,551.78 | | - | 6,091.89 |
| MGR | 67,221.95 | 8,230.34 | | - | 75,452.29 |
| Plant & Machinery | 5,34,617.04 | 23,770.51 | | (95.77) | 5,58,291.79 |
| Power Supply Distribution lighting | 144.93 | 140.21 | | - | 285.14 |
| Road Bridge & Culvert | 99.43 | 18.90 | | - | 118.33 |
| Water Supply & Arrangements | 15.31 | 23.99 | | - | 39.29 |
| Stock of Coal, Oil & Stores | - | 8,611.14 | | | 8,611.14 |
| Stock in Transit & Pending Inspection | 9,923.32 | - | (5,735.95) | - | 4,187.37 |
| Expenses During Construction Period | 1,23,178.91 | 84,566.43 | - | - | 2,07,745.34 |
| **Total** | **7,48,786.52** | **1,34,598.62** | **(5,735.95)** | **(4,080.09)** | **8,73,569.10** |

(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 (2X660 MW). For details, Refer Note 19.

(ii) Expenses during construction period included an amount of ₹ 63,319.27 Lakh (Previous Year : ₹ 50,282.69 Lakh) towards borrowing costs pending capitalisation of qualifying assets (property, plant and equipment's 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.

## 5. Intangible Assets

(i) (₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** Software & SAP licence | 701.06 | 765.91 |
| **Total** | **701.06** | 765.91 |

(ii) Gross block, Accumulated depreciation and Net block as on March 31, 2019 are as follows: (₹ in Lakh)

| Descriptions | Gross block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction / Adjust-ment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Software | 1,075.31 | 50.18 | - | 1,125.49 | 309.40 | 115.03 | - | 424.43 | 701.06 | 765.91 |
| **Total** | **1,075.31** | **50.18** | **-** | **1,125.49** | **309.40** | **115.03** | **-** | **424.43** | **701.06** | **765.91** |

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

| Descriptions | Gross block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2018 | Addition | Deduction/ Adjustment | As at 31.03.2019 | As at 01.04.2018 | For the year | Deduction/ Written Back | As at 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| Operational Units (Unit 1 & 2, HO, MMHP) | 983.18 | 50.18 | | 1,033.36 | 226.61 | 110.03 | | 336.64 | 696.72 | 756.57 |
| Expansion Project (Unit - 3 & 4) | 92.13 | - | - | 92.13 | 82.79 | 5.00 | - | 87.79 | 4.34 | 9.34 |
| **Total** | **1,075.31** | **50.18** | **-** | **1,125.49** | **309.40** | **115.03** | **-** | **424.43** | **701.06** | **765.91** |

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

## 6. Intangible Assets under development

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Carrying amounts of :** Intangible assets under development | 114.94 | - |
| **Total** | **114.94** | - |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 7. Non-current Investments

(₹ in Lakh)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No. of shares | Amounts | No. of shares | Amounts |
| ***UNQUOTED INVESTMENTS CARRIED AT COST*** **Equity investment in joint ventures (jointly controlled entities)** | - | - | - | - |
| Odisha Coal and Power Ltd (Fully paid equity shares of ₹ 10/- each) | 1,53,000,000 | 14,842.70 | 1,53,000,000 | 14,985.97 |
| **Total** | | **14,842.70** | | **14,985.97** |

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Aggregate carrying amount of unquoted investments # | 14,842.70 | 14,985.97 |
| Total carrying amount | 14,842.70 | 14,985.97 |

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

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

| Particular | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| % of Holding | 51% | 51% |
| Place of Business | Manoharpur and Dip-side Manhorpaur | Manoharpur and Dip-side Manhorpaur |

(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.

## 8. Non Current-Loans & Advances

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a) Loans to employees** | | |
| - Secured, considered good | 214.18 | 202.29 |
| - Unsecured, considered good | 192.63 | 220.71 |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **b) Security Deposits** | 599.29 | 128.32 |
| **Total** | **1,006.10** | 551.32 |

(i) Loan to employees includes ₹ 577.68 Lakh (Previous Year : ₹ 423.00 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 ₹ 214.18 Lakh (Previous Year : ₹ 202.29 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**

### 9. Other non-current assets

(₹ in Lakh)

| **Particulars** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| Capital Advances | | |
| - Advance for Land Acquisition | 12,907.15 | 12,491.34 |
| - Other Capital Advance | 13,703.39 | 14,484.30 |
| Advances related to Indirect Taxes | 27.87 | 45.83 |
| Prepayments (Leasehold Land) | 1,077.33 | 1,178.30 |
| Prepaid Expenses | - | 22.31 |
| **Total** | **27,715.74** | 28,222.08 |

**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-16 includes payment for AC.485.30 of Hirakud Reservoir land and AC.340.77 Village Forest land for which the company has received permissible possession.

(iv) Prepayments (Lease hold land) and the amount shown in Note No-16 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 land 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 Group.

### Operating Leases

| **Particulars** | **Minimum Lease Payments** | |
|---|---|---|
| | **As at March 31, 2019** | As at March 31, 2018 |
| 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 | 673.43 | 774.41 |
| **Total minimum lease commitments** | **1,178.30** | 1,279.27 |

(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 2.7.

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

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

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

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a. Raw Materials*** | | |
| 1. Cost | 1,976.94 | 926.74 |
| 2. Less: Provision | - | - |
| **b. Components, Chemicals, Stores & Spares*** | | |
| 1. Cost | 3,983.02 | 3574.53 |
| 2. Less: Provision | 91.58 | 91.58 |
| **c. Tools & Tackles** | | |
| 1. Cost | 14.58 | 4.10 |
| 2. Less: Provision | | |
| **d. Stock in Transit** | | |
| 1. Cost | - | - |
| 2. Less: Provision | - | - |
| **Total Inventories** | **5,882.96** | 4,413.79 |

* Physical verification of inventories except Oil have been carried out by third party and valued as per significant accounting policy Note No. 2.12

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 11. Trade receivables

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade receivables | | |
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 34,835.41 | 9,850.45 |
| (c) Doubtful | - | - |
| Allowance for doubtful debts | - | - |
| **Total** | **34,835.41** | 9,850.45 |

(i) Trade receivables are dues in respect of sale of energy. This includes an amount of ₹ 0.46 lakh (Previous year : ₹ Nil Lakh) 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, 2019 | Gross credit risk amount | Allowance for credit losses | Net credit risk amount |
|---|---|---|---|
| Amounts not yet due | 32,190.27 | - | 32,190.27 |
| One month overdue | 22.32 | - | 22.32 |
| Two months overdue | 33.28 | - | 33.28 |
| Three months overdue | 36.22 | - | 36.22 |
| Between three to six months overdue | 63.11 | - | 63.11 |
| Greater than six months overdue | 2,490.20 | - | 2,490.20 |
| **TOTAL** | **34,835.41** | **-** | **34,835.41** |

(₹ 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** |

(iv) 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**

### 12. Cash and Cash Equivalents

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Balances with banks | | |
| | Unrestricted Balance with banks | | |
| | (i) In Current Account | 354.10 | 348.72 |
| | (ii) In Cash Credit Account | - | - |
| b. | Cash in hand | 3.11 | 1.87 |
| c. | Term Deposit with original maturity up to three months | 3,603.77 | 6,418.55 |
| | **Total** | **3,960.98** | 6,769.14 |
| d. | Deposits with original maturity of more than three months but not more than twelve months | 23,426.65 | 36,840.00 |
| e. | Earmarked Balances with Bank towards | | |
| | Deposits with banks held as security against guarantee | 4,659.99 | 5,193.32 |
| | Fixed Deposits with bank pledged as security or margin money | 1,154.54 | 530.43 |
| | **Total** | **29,241.18** | 42,563.75 |
| | **Total Cash and Bank Balances** | **33,202.16** | 49,332.89 |

(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 : ₹ 1,569.98 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 guarantee in favour of "Power Grid Corporation Ltd" for long term access arrangement of transmission line.

c. The Company has provided security to Yes Bank Ltd in terms of Fixed deposits of ₹ Nil 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 ₹ 801.46 Lakh (Previous Year : ₹ 180.63 Lakh) has been pledged to Yes Bank Ltd as security deposit in favour of " The Executive Engineer, Main Dam Division, Sambalpur, Odisha" against supply of water.

e. Fixed deposits of ₹ 353.08 Lakh (Previous Year : ₹ 349.80) 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**

### 13. Current Loans

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **a. Loans to employees** | | |
| - Secured, considered good | 96.28 | 93.34 |
| - Unsecured, considered good | 74.59 | 89.39 |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **b. Loans to Odisha Coal and Power Limited** | | |
| - Secured, considered good | - | - |
| - Unsecured, considered good | - | - |
| - Doubtful | - | - |
| Less : Allowance for credit Loss | - | - |
| **c. Security Deposits** | 4.74 | 0.25 |
| **TOTAL** | **175.61** | 182.98 |

(i) For details refer Note-8(i)

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

### 14. Other Current Financial Asset

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Advances to others** | | |
| Interest accrued on loans and deposits | 314.02 | 391.51 |
| Other Receivables | 247.99 | 305.57 |
| Receivable from related parties | 158.43 | 296.77 |
| **Total** | **720.44** | 993.85 |

Receivable from related parties includes

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|---|---|---|---|
| Receivable against Statutory Dues (employees) | 130.49 | | 115.80 | |
| Other Admin Expenses | 27.94 | | 180.97 | |
| | | 158.43 | | 296.77 |
| **Total** | | **158.43** | | 296.77 |

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 15. Current tax assets and liabilities

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Current tax assets** | | |
| Tax refund receivables/Advance Tax | 55,308.43 | 54,195.88 |
| Advance Tax and TDS for the year | 2,834.01 | 897.61 |
| **Total** | **58,142.44** | 55,093.49 |
| **Current tax liabilities** | | |
| Income Tax payable | 52,250.35 | 51,804.39 |
| Provision for taxation for the year | 10,031.81 | 1,110.85 |
| **Total** | **62,282.16** | 52,915.24 |

| | | |
|---|---|---|
| **Current Tax Assets (Net)** | **3,058.08** | 2,391.49 |
| **Current Tax Liabilities (Net)** | **7,197.80** | 213.24 |

### 16. Other current assets

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Other assets | 292.49 | 240.87 |
| Advances to suppliers | 5,400.22 | 708.47 |
| Less: Allowance for doubtful | - | - |
| Prepayments (Leasehold Land) | 100.97 | 100.97 |
| **Total** | **5,793.68** | 1,050.31 |

(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**

### 17. Equity Share Capital

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Equity Share Capital | 1,82,249.74 | 1,58,049.74 |
| **Total** | **1,82,249.74** | 1,58,049.74 |
| **Authorised Share Capital** | | |
| 300,00,000 nos. of equity shares of ₹ 1000/- each | **3,00,000.00** | 3,00,000.00 |
| **Issued and Subscribed capital comprises :** | | |
| 1,82,24,974 nos. of equity shares of ₹ 1000/- each | 1,82,249.74 | 1,58,049.74 |
| **Total** | **1,82,249.74** | 1,58,049.74 |

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

| | **As at March 31, 2019** | | As at March 31, 2018 | |
|---|---|---|---|---|
| | **No. of shares** | **₹ Lakh** | No. of shares | ₹ Lakh |
| **Ordinary shares of Rs.1000 each** | | | | |
| At beginning of the year | 15,804,974 | 158,049.74 | 9,752,174 | 97,521.74 |
| Shares allotted during the year | 2,420,000 | 24,200.00 | 6,052,800 | 60,528.00 |
| | **1,82,24,974** | **1,82,249.74** | 1,58,04,974 | 1,58,049.74 |

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

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| **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 | 9,294,737 | 51.00% | 8,060,537 | 51.00% |
| AES India Pvt Ltd | 796,178 | 4.37% | 796,178 | 5.04% |
| AES OPGC Holding (Incorporated in Mauritius) | 8,134,059 | 44.63% | 6,948,259 | 43.96% |
| | **1,82,24,974** | **100%** | 1,58,04,974 | 100% |

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 18. Other Equity

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Share application money pending allotment | - | |
| General Reserve | 8,960.23 | 8,960.23 |
| Retained earnings | 1,14,677.23 | 98,132.19 |
| Security Premium | 5,888.43 | 5,888.43 |
| **Total** | **1,29,525.89** | 1,12,980.85 |

### (i) General Reserve

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 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, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the year | 98,132.19 | 99,759.04 |
| Profit attributable to owners of the Company | 17,004.34 | 323.16 |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | (459.30) | 93.48 |
| Payment of dividends on equity shares | - | 1,697.85 |
| Related income tax on dividend | - | 345.64 |
| **Balance at the end of the year/period** | 1,14,677.23 | 98,132.19 |

### (iii) Security Premium

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 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 :** 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 2019, no dividend is proposed by the Company.

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

**19. Non Current- Borrowings** (₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Secured - at amortised cost** | | |
| From Power Finance Corporation Ltd (PFC) | 3,43,124.74 | 2,67,758.90 |
| From Rural Electrification Corporation Ltd (REC) | 3,45,158.74 | 2,80,282.03 |
| **Total** | **6,88,283.48** | 5,48,040.93 |

(i) 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.

(ii) **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.101.02 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.

(iii) **Repayment:**

a. Term loan from PFC shall be repaid in 60 (sixty) unequal quarterly instalments commencing from 15th day of July 2020 and subsequent instalments will become due for payment on 15th day of October, 15th day of January and 15th day of April 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 (sixty) equal quarterly instalment commencing from 31st March 2021 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.

(iv) **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 10.80% per annum (presently applicable). 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 10.80% per annum (presently applicable). In case notified/ circular interest rate falls below 10.80% 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.

(v) The maturity profile of borrowings(Including interest accrued-Refer-Note 24) is as follows:

(₹ in Lakh)

| **Contractual maturities** | **As at March 31, 2019** | As at March 31, 2018 |
|---|---|---|
| In one year or less or on demand | 7,254.15 | 5,908.74 |
| Between one & two years | 17,199.31 | 14,053.16 |
| Between two & three years | 45,910.08 | 33,435.05 |
| Between three & four years | 45,910.08 | 33,435.05 |
| Between four & five years | 45,910.08 | 33,435.05 |
| More than five years | 5,33,721.60 | 4,34,067.79 |
| **Total contractual cash flows** | **6,95,905.28** | 5,54,334.83 |
| Less: Capitalisation of transaction costs | 367.65 | 385.16 |
| **Total Borrowings** | **6,95,537.63** | 5,53,949.67 |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 20. Non Current-Other Financial Liabilities

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Capital Creditors | - | - |
| b. | Security Deposits | 388.86 | 836.51 |
| c. | EMD and Retention Money | - | 101.10 |
| d. | Payable to Government * | 185.58 | 185.58 |
| | **Total** | **574.44** | 1,123.19 |

* 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

### 21. Non Current- Provisions

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Employee Benefits | | |
| - Gratuity | 132.43 | 91.07 |
| - Leave benefits | 3,975.58 | 3,490.11 |
| - One Time Pension benefits | 1,552.45 | 1,409.48 |
| - Terminal TA benefits | 643.05 | 553.01 |
| Provision for Decommissioning liabilities | 461.06 | 431.17 |
| **Total** | **6,764.57** | 5,974.83 |

(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, 2019**

(₹ in Lakh)

| **Balance Sheet Analysis** | **Gratuity** | **Sick Leave** | **Leave benefits** | **Pension Benefit** | **Terminal TA** |
|---|---|---|---|---|---|
| Present Value of the obligation at end | 5,232.10 | 1,113.15 | 3,266.32 | 1,650.49 | 688.00 |
| Fair Value of plan assets | 4,718.01 | - | - | - | - |
| **Unfunded Liability/ provision in Balance Sheet** | **514.09** | **1,113.15** | **3,266.32** | **1,650.49** | **688.00** |

**As at March 31, 2018**

(₹ in Lakh)

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

**1. Defined Contribution Plan**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amount included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The total cost charged to statement of profit and loss during the year on account of defined contribution plans amounted to ₹ 654.05 Lakh (Previous year ₹ 533.89 Lakh). The major defined contribution plans operated by the Company are as below:

a. Provident fund

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

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

**2. Defined benefit plans**

a. Pension Benefit

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

b. Terminal TA

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

c. Gratuity

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

## 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, 2019** | Year ended March 31, 2018 |
|---|---|---|
| (a) Obligation as at the beginning of the year | 4,259.75 | 3,990.99 |
| (b) Current service cost | 248.77 | 195.97 |
| (c) Interest cost | 326.30 | 296.93 |
| (d) Remeasurement (gains)/losses | 696.13 | (149.81) |
| (e) Benefits paid | (298.85) | (74.33) |
| **Obligation as at the end of the year** | **5,232.10** | 4,259.75 |

(₹ in Lakh)

| **Change in plan assets:** | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| (a) Fair value of plan assets as at beginning of the year | 4,171.41 | 3,469.52 |
| (b) Interest income | 309.64 | 252.02 |
| (c) Remeasurement gains/(losses) | | |
| (d) Employers' Contributions | 535.81 | 524.20 |
| (e) Benefits paid | (298.85) | (74.33) |
| **Fair value of plan assets as at end of the year** | **4,718.01** | 4,171.41 |

(₹ in Lakh)

| **Amount recognised in the balance sheet consists of:** | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| (a) Fair value of plan assets as at end of the year | **4,718.01** | 4,867.85 |
| (b) Present value of obligation as at the end of the year | 5,232.10 | 4,889.62 |
| (c) Amount recognised in the balance sheet | **514.09** | 21.77 |

(₹ in Lakh)

| | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| **Costs recognised in the statement of profit and loss consist of:** | | |
| (a) Current service cost | 248.77 | 195.97 |
| (b) Net interest expense/(income) | 6.77 | 38.80 |
| **Costs recognised in the statement of profit and loss:** | **255.54** | 234.76 |
| **Costs recognised in the statement of other comprehensive income consist of:** | | |
| (c) The Return on plan assets (excluding amounts included in net interest expense) | (9.88) | (6.11) |
| (d) Actuarial gains and (losses) arising from changes in demographic assumption | 11.66 | 8.24 |
| (d) Actuarial gains and (losses) arising from changes in financial assumption | 91.79 | 51.42 |
| (e) Actuarial gains and (losses) arising from changes in experience adjustments | (799.58) | 90.16 |
| **Costs recognised in the statement of other comprehensive income** | **(706.01)** | 143.70 |

## 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, 2019 and March 31, 2018 by category are as follows:

| | **Year ended March 31,2019** | Year ended March 31,2018 |
|---|---|---|
| **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 31,2019** | Year ended March 31,2018 |
|---|---|---|
| (a) Discount rate (%) | 7.7 | 7.66 |
| (b) Rate of escalation in salary (%) | 8.13 | 8.42 |

(vi) The Company expects to contribute ₹ 294.92 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, 2019** | | |
|---|---|---|
| **Assumption** | **Change in assumption** | **Impact on scheme liabilities** |
| Discount rate | Increase by 0.50%,<br>Decrease by 0.50% | (128.80)<br>134.77 |
| Salary escalation | Increase by 0.50%,<br>Decrease by 0.50% | 133.59<br>(128.89) |

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**

## 22. Deferred tax balances

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Deferred Tax Liabilities | 2,988.81 | 2,843.92 |
| Less : Deferred Tax Asset | 1,966.46 | 2,253.68 |
| **Net Deferred Tax (Asset)/ Liability** | **1,022.36** | 590.23 |

**Income Tax**

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

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Income before income taxes | 27,050.09 | 703.00 |
| Tax Calculated based on normal tax rate | 9,452.38 | 245.66 |
| **Items not deductible for tax/not liable to tax** | | |
| Donation & CSR Expenses | 79.94 | 49.74 |
| Non deduction of tax at source on expenses | 3.24 | 0.35 |
| Impairment loss | - | - |
| Others | 510.20 | 84.09 |
| **Income tax expense reported** | **10,045.75** | 379.84 |

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 is as follows:

(₹ in Lakh)

| Particulars | Opening balance as at April 1, 2018 | Deferred tax expense/ (income) recognised in profit and loss | Deferred tax expense/ (income) recognised in OCI) | Closing balance as at March 31, 2019 |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Provisions | 2,232.38 | (523.28) | 246.71 | 1,955.80 |
| Others | 21.31 | (10.65) | - | 10.65 |
| **Total** | **2,253.68** | **(533.94)** | **246.71** | **1,966.46** |
| **Deferred tax liabilities** | | | | |
| Property, plant and equipment and Intangible assets | 2,843.92 | 144.90 | - | 2,988.81 |
| **Total** | **2,843.92** | **144.90** | **-** | **2,988.81** |
| **Net Deferred tax (assets)/ liabilities** | **590.23** | **678.83** | **(246.71)** | **1,022.36** |

## 23. Current- Trade Payables

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **Trade Payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 5.79 | 4.38 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,834.02 | 3,632.25 |
| **Total** | **4,839.81** | 3,636.63 |

(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, 2019 | As at March 31, 2018 |
|---|---|---|
| a. The principal amount remaining unpaid to supplier as at the end of the year | 5.79 | 4.38 |
| 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**

### 24. Other Financial Liabilities

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Interest accrued on borrowings | 7,254.15 | 5,908.74 |
| b. | Others: | | |
| | Deposits & Retention Money | 4,386.69 | 2,939.90 |
| | Liabilities for Expenses | 889.53 | 841.77 |
| | Payable to employees | 1,935.61 | 1,394.48 |
| | Capital Creditors | 31,210.11 | 55,585.36 |
| **Total** | | **45,676.09** | 66,670.25 |

### 25. Other Current Liabilities

(₹ in Lakh)

| | Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a. | Advances from Customers & others | 103.12 | 184.96 |
| b. | Statutory Dues Payables * | 1,249.79 | 814.90 |
| **Total** | | **1,352.91** | 999.86 |

* Statutory dues includes payables in respect of GST, tax deducted at source and dues paybel to OPGC gratuity trust and others.

### 26. Current-Provisions

(₹ in Lakh)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Employee Benefits # | | |
| - Gratuity | 476.72 | 92.35 |
| - Leave benefits | 403.88 | 254.08 |
| - One Time Pension benefits | 98.04 | 45.09 |
| - Terminal TA benefits | 44.95 | 13.94 |
| - Pay revision | 999.91 | 915.22 |
| **Total** | **2,023.50** | 1,320.67 |

# Details in terms of Note-21

## ODISHA POWER GENERATION CORPORATION LIMITED

**Notes forming part of the financial statement**

### 27. Revenue from Operations

(₹ in Lakh)

| **Partculars** | **Year ended March 31, 2019** | Year ended March 31, 2018 |
|---|---|---|
| Sale of Power | 86,291.87 | 59,743.46 |
| **Total** | **86,291.87** | 59,743.46 |

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

(ii) Sales of energy are net of rebate to beneficiary amounting to ₹ 1015.23 lakh (previous year ₹ 976.04 lakh).

(iii) Sales does not include internal consumption of 346.46 MU including transformer loss of 26.227 MU (previous year 330.55 MU including transformer loss of 25.372 MU), the cost of which has been determined at ₹ 6,998.17 Lakh (previous year ₹ 7,557.63 Lakh) approximately.

(iv) OERC vide case no 35/2018 dated 05.01.2019 has directed to levelised tariff of ₹ 3.91/kwh from 2007-08 onwards both for pre and post PPA period for both the units Kendupatna and Biribati on net export basis. On the basis of such approved order and direction, OPGC has issued year wise invoices along with jointly certified meter reading by representatives of OPGC and CESU on 01.03.2019 which are accepted by GRIDCO. On the basis of acceptance OPGC has booked the revenue of ₹ 105.71 lakh FY 2018-19 and included in sale of Power.

(v) sale does not included export of 140080 kwh for the FY 2018-19 amounting to ₹ 5.48 lakh due to pending joint certified meter reading by representative of OPGC & CESU and which has not submitted and accepted by GRIDCO at the year end.

(vi) 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 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.

(vii) 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. OERC vide its Order No 645 dated 21.05.2019 has directed OPGC to claim the differnetial tariff for the above years and accordingly OPGC claimed to GRIDCO for ₹ 4332.22 lakh, ₹ 8390.19 lakh and for ₹ 7414.49 lakh for 2016-17,2017-18 and 2018-19 respectively and accounted for in sale of power during 2018-19.

(viii) Particulars of Generation, Auxiliary Consumption and Sale of power

(₹ in Lakh)

| **Particulars** | **2018-19** | 2017-18 |
|---|---|---|
| Generation (MU) | 3,085.45 | 2,842.35 |
| Sale (MU ) | 2,738.98 | 2,511.80 |
| Internal consumption (MU) | 346.46 | 330.55 |
| Sale (Net) (₹ in Lakh) | 86,291.87 | 60,719.50 |
| Internal consumption (₹ in Lakh) | 6,935.65 | 7,557.63 |

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

## 28. Other Income

(₹ in Lakh)

| Sl | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| a | **Interest Income** | | |
| | Interest income from Bank Deposits at amortised Cost | 2,056.69 | 1,202.54 |
| | Interest income from loans to related parties at amortised cost | - | 8.27 |
| | Others | 33.08 | 310.27 |
| | | **2,089.77** | 1,521.08 |
| b | **Other non-operating income (net of expenses directly attributable to such income)** | | |
| | Sale of Scrap / residual materials | 107.40 | 59.28 |
| | Miscellaneous Incomes | 375.54 | 313.63 |
| | Exchange Gain | 0.43 | - |
| | Gain/Loss on Physical Inventory | (3.34) | 30.24 |
| | Liability/Provision written back | 93.69 | 4.34 |
| | | **573.72** | 407.49 |
| c | **Other gains and losses** | | |
| | Gain /(loss) on disposal of PPE | - | - |
| | | - | - |
| | **Total (a+b+c)** | **2,663.49** | 1,928.57 |
| d | **Less :** | | |
| | Amount included in the cost of qualifying assets | 184.13 | 336.47 |
| | | **184.13** | 336.47 |
| | **Total** | **2,479.36** | 1,592.10 |

(i) Miscellaneous income includes

(a) Township recoveries of ₹ 56.48 Lakh (previous year ₹ 40.91 Lakh).

(b) ₹ 17.81 Lakh (previous year ₹ 42.05 Lakh) towards liquidated damage and penalty recovered from contractors and others.

(ii)

| Excess Provision written back related to | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Provision for Debtor | - | - |
| Obsolete stores/spares | - | - |
| Employee benefits and expense | 66.28 | 2.74 |
| Generation and other expenses | 4.50 | 0.96 |
| Administrative expenses | 22.91 | 0.65 |

## 29. Cost of raw material consumed

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Imported | - | - |
| Indigenous | 44,017.04 | 41,249.71 |
| **Total** | **44,017.04** | 41,249.71 |

**Particulars of raw materials consumed**

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Coal | 43,453.56 | 40,640.50 |
| FO / LDO | 6,381.20 | 609.21 |
| | **49,834.77** | 41,249.71 |
| **Less :** | | |
| Amount included in the cost of qualifying assets | **5,817.73** | - |
| **Total** | **44,017.04** | 41,249.71 |

(i) Shortage of coal of 977.06 MT amounting to ₹ 17.42 Lakh (Previous year surplus of 1559.96 MT amounting to ₹ 36.63 Lakh) found during physical verification has been charged to cost of raw material consumed as per the policy Note No-2.12.

**ODISHA POWER GENERATION CORPORATION LIMITED**
**Notes forming part of the financial statement**

### 30. Employee Benefit Expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries and Wages | 10,391.26 | 9,996.81 |
| Contribution to provident and other funds | 852.68 | 826.13 |
| Staff Welfare expenses | 797.69 | 850.12 |
| **Total (A)** | **12,041.63** | 11,673.06 |
| **Less :** | | |
| Allocated to fuel cost | 654.58 | 569.53 |
| Amount included in the cost of qualifying assets | 4,263.04 | 4,229.53 |
| **Total (B)** | **4,917.62** | 4,799.06 |
| **Net (A-B)** | **7,124.01** | 6,874.00 |

(i) The Company has recognised in the statement of profit and loss, an amount of ₹ 22.12 Lakh (previous year: ₹ 53.80 Lakh) as expenses with respect to key managerial personnel. The details of such expenses are as below:

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| (a) Short term employee benefits | 20.61 | 42.00 |
| (b) Post employment benefits | 1.23 | 11.80 |
| (c) Other employee benefits | 0.28 | - |

(ii) It includes an amount of ₹ 999.10 Lakh (previous year ₹ 915.22 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 ₹ 939.02 Lakh (previous year ₹ 847.22 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 & 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**

## 31. Finance Costs

(₹ in Lakh)

| | Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **(a)** | **Interest Expense** | | |
| | Interest on term loan | 63,336.78 | 50,302.44 |
| | Interest on short term loans from scheduled bank | - | - |
| | Interest on Decommissioning and Construction liability | 35.92 | 19.99 |
| **(b)** | **Other Borrowing Cost** | | |
| | Guarantee Commission | - | |
| | **Total Finance Cost** | **63,372.70** | 50,322.43 |
| | Less : amount included in the cost of qualifying assets | 63,336.78 | 50,302.44 |
| | **Total** | **35.92** | 19.99 |

(i) Interest on Decommissioning and Construction liability represents future decommissioning liability of Ash Pond 'A' amounting to ₹ 21.63 Lakh and Ash pond 'C' amounting to ₹ 14.29 Lakh (Previous year: ₹ 19.95 Lakh and ₹ 0.04 Lakh respectively).

## 32. Depreciation & amortisation expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Depreciation & amortisations | 3,884.83 | 3,207.25 |
| **Less :** | | |
| Allocated to fuel cost | 55.33 | 35.56 |
| Amount included in the cost of qualifying assets | 1,710.65 | 643.35 |
| **Total** | **2,118.86** | 2,528.35 |

## 33. Impairment losses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Impairment of CWIP (Mini Micro Hydel Projects) Refer Note- 4 | - | |
| **Total** | - | - |

## ODISHA POWER GENERATION CORPORATION LIMITED
**Notes forming part of the financial statement**

### 34. Other Expenses

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Generation Expenses:** | | |
| Consumption of Stores, spares & chemicals | 1,925.25 | 1,668.66 |
| Electric Power, Electricity Duty and Water | 6,560.74 | 4,211.43 |
| Contract Job outsourcing expenses | 1,167.73 | 2,106.38 |
| Insurance | 326.13 | 1,088.30 |
| Other generation expenses | 493.77 | 423.58 |
| Repairs to buildings | 404.54 | 294.06 |
| Repairs to Machinery | 82.29 | 58.82 |
| | **10,960.46** | 9,851.22 |
| **Administrative Expenses:** | | |
| Rent | 293.34 | 304.07 |
| Lease Premium | 100.97 | 100.97 |
| Professional Fees and expenses | 21.05 | 23.52 |
| General expenses | 2,726.08 | 1,955.12 |
| Management Service Charges | 33.15 | 31.72 |
| Resource Sharing Fee | 2,417.98 | 1,150.41 |
| Rate, Taxes & Cess | 36.02 | 43.56 |
| Other Repairs | 64.31 | 60.79 |
| Travelling expenses | 316.54 | 304.41 |
| Watch and Ward expenses | 692.47 | 585.17 |
| Township development expenses | 467.69 | 380.90 |
| | **7,169.60** | 4,940.65 |
| **Other Expenses:** | | |
| Payment to Auditors | 13.90 | 12.93 |
| Peripheral development expenses | 11.85 | 12.34 |
| Donation | - | - |
| Trade Receivables Written Off (Net) | - | 23.00 |
| Loss on Sale of Fixed Assets | 4.26 | 14.87 |
| Advances written off | - | 0.70 |
| | **30.01** | 63.84 |
| **Corporate Social Responsibility** | **228.76** | 142.35 |
| Less: Allocated to Fuel Cost | 943.01 | 887.47 |
| Amount included in the cost of qualifying assets | 9,163.77 | 4,305.98 |
| | **10,106.79** | 5,193.45 |
| **Total** | **8,282.04** | 9,804.61 |

(i) **Payment to Auditors:**

| | | 2018-19 | 2017-18 |
|---|---|---|---|
| a. | Statutory Audit | | |
| | Statutory Audit Fees | 8.94 | 9.02 |
| | Statutory Audit expenses | 0.71 | 0.78 |
| b. | Tax Audit fees | 1.24 | 1.19 |
| c. | Certification fee | 1.00 | 0.18 |
| d. | Cost Audit | | |
| | Cost Audit Fees | 1.65 | 1.42 |
| | Cost Audit expenses | 0.36 | 0.35 |
| **Total** | | **13.90** | 12.93 |

(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 ₹ 203.09 Lakh during the reporting year.

(iii) Out of ₹ 203.09 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 | 148.94 | 79.82 | 228.76 |
| **Total** | **148.94** | **79.82** | **228.76** |

| | | | | | |
|---|---|---|---|---|---|
| **Cost of Qualifying Assets( Unit 3 & 4)** | | | | | |
| | | **2018-19** | | **2017-18** | |
| **A.** | **Employee Benefit Expenses** | | | | |
| | Salaries & Wages | 3,894.39 | | 3,998.36 | |
| | Contribution to | - | | - | |
| | Provident fund | 149.00 | | 112.60 | |
| | Gratuity fund | 152.53 | | 34.17 | |
| | Staff Welfare Expenses | 67.11 | **4,263.04** | 84.40 | 4,229.53 |
| **B** | **Resource Sharing Fees** | 2,176.42 | **2,176.42** | | |
| **C** | **Finance Cost** | | | | |
| | Interest Expenses | 63,319.27 | | 50,282.69 | |
| | Other borrowing Cost | 17.51 | **63,336.78** | 19.75 | 50,302.44 |
| **D** | **Raw Material Consumption** | | | | |
| | Coal Consumption | 49.91 | | | |
| | Oil Consumption | 5,767.81 | **5,817.73** | | |
| **E** | **Depreciation And Amortisation Expenses** | | | | |
| | Depreciation | 1,710.65 | **1,710.65** | 643.35 | 643.35 |
| **F** | **Water and Electricity Charges** | 3,868.86 | **3,868.86** | 1,854.40 | 1,854.40 |
| **G** | **Insurance** | 260.44 | **260.44** | 1,021.09 | 1,021.09 |
| **H** | **Adminstrative And Other Expenses** | | | | |
| | Rent | 106.58 | | 111.47 | |
| | General expenses | 1,720.10 | | 1,036.65 | |
| | Rate, Taxes & Cess | - | | 10.42 | |
| | Travelling expenses | 123.46 | | 88.72 | |
| | Watch and Ward expenses | 226.53 | | 147.87 | |
| | Township development expenses | 75.65 | | 23.02 | |
| | Peripheral development expenses | 11.85 | | 12.34 | |
| | Consumption of Stores & spares | 593.88 | | | |
| | Donation | - | **2,858.05** | - | 1,430.49 |
| **I** | **CSR expenditure in compliance to Environmental Clearance** | 458.59 | **458.59** | 443.25 | 443.25 |
| **Total** | | - | **84,750.56** | | **59,924.55** |

| | | | | |
|---|---|---|---|---|
| **OTHER INCOME** | | | | |
| Interest Income | - | | 229.91 | |
| Other non-operating income (net of expenses directly attributable to such income) | 184.13 | | 105.17 | |
| Other gains and losses | - | | 1.39 | |
| | | **184.13** | | **336.47** |

## ODISHA POWER GENERATION CORPORATION LIMITED
### Notes forming part of the financial statement

### 35. 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, 2019. 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 |
|---|---|---|---|---|---|---|---|
| **Interest on loan given** | | | | | | | |
| FY 2018-19 | | | | | | | |
| FY 2017-18 | 8.27 | | | | | | |
| **PF Contribution** | | | | | | | |
| FY 2018-19 | | | | | | 1,420.05 | |
| FY 2017-18 | | | | | | 951.74 | |
| **Employee Benefits expenses in respect of deputed employees under reciprocal sharing of resources** | | | | | | | |
| FY 2018-19 | | 2,417.97 | | | | | |
| FY 2017-18 | | 1,150.41 | | | | | |
| **Management Services Charges** | | | | | | | |
| FY 2018-19 | | 33.15 | | | | | |
| FY 2017-18 | | 31.72 | | | | | |
| **Remuneration** | | | | | | | |
| FY 2018-19 | | | | 22.12 | | | |
| FY 2017-18 | | | | 53.80 | | | |
| **Dividend paid** | | | | | | | |
| FY 2018-19 | | | | | | | |
| FY 2017-18 | | 138.61 | 693.33 | | | | 865.91 |
| **Equity share capital received** | | | | | | | |
| FY 2018-19 | | | 11,858.00 | | | | 12,342.00 |
| FY 2017-18 | | | 23,765.00 | | | | 24,735.00 |
| **Guarantee outstanding** | | | | | | | |
| FY 2018-19 | 6,279.94 | | | | | | |
| FY 2017-18 | 6,279.94 | | | | | | |
| **Outstanding receivable** | | | | | | | |
| FY 2018-19 | 158.43 | | | | | | |
| FY 2017-18 | 296.77 | | | | | | |
| **Outstanding payables** | | | | | | | |
| FY 2018-19 | | | | | | 265.40 | |
| FY 2017-18 | | | | | | 10.15 | |

## 36. 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, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Profit after tax** | 17,004.34 | 323.16 |
| Less: Amount to be paid for diluted portion (net of tax) | - | - |
| **Profit attributable to ordinary shareholders - for Basic & Diluted EPS** | **17,004.34** | 323.16 |
| Weighted average no. of Ordinary Shares for Basic & Diluted EPS | 15,844,755 | 11,000,053 |
| Nominal value of Ordinary Shares (₹) | 1,000.00 | 1,000.00 |
| Basic & Diluted Earnings per Ordinary Share (₹) | 107.32 | 2.94 |

## 37. Segment Reporting

The Group has more than one business segment but not reportable segment since generation from Mini Hydel Projects in terms of revenue is below 10% or more of combined revenue. In view of above fact, segment information required as per Ind AS 108 is not provided.

## 38. 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) ₹ 87,101 Lakh (Previous Year : ₹ 1,55,862.68 Lakh).

### II. Contingencies

**a. Contingent Liabilities:**

(₹ in Lakh)

| Particulars | Opening balance as on April 01, 2018 | During the year 2018-19 | | Balance as on March 31, 2019 |
|---|---|---|---|---|
| | | Additions | Reversal | |
| **a. Claims against the Company not acknowledged as debt** | | | | |
| (i) Income tax demands | 272.90 | - | - | 272.90 |
| (ii) Indirect tax demands | 15.90 | - | - | 15.90 |
| (ii) Claims of contractors & others | 1,047.88 | 15,396.69 | - | 16,444.57 |
| **b. Outstanding letter of credit and guarantees** | 5,723.75 | 2,495.15 | - | 8,218.90 |
| **c. Other money for which the Company is contingently liable** | 6,279.94 | | - | 6,279.94 |
| **Total** | **13,340.36** | **17,891.84** | - | **31,232.20** |

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

(ii) Claim of contractor includes demand of ₹ 871.38 Lakh raised by Main Dam Division Burla, towards Penalty against water drawal from Hirakud reservior with reference to demand No. MDD/9199 dtd 08.07.2013.In responses to same OPGC has written letter no 1861 dated 02.06.2014, letter no 1865 dated 20.06.2014, letter no 3021 dated 18.12.2018 to Principal secretary to GoO water Resource Department with a copy to Principal secretary to GoO Energy Department for waival of the same citing the reason of waival, In response of the same, Principal secretary to GoO Energy Department has forwaded letter no 5275 dtd 25.06.2014 and letter no 5539 dated 11.07.2019 on waival of the same to Principal secretary to GoO water Resource Department.

(iii) Claim of contractor includes ₹ 13,738.90 lakh raised by OGPTL and PGCIL against power transmission and relinquishment charges. OPGC has raised objection of all the charges before APTEL & CERC and the matter is under subjudice. As the matter is under dispute and no order received from the competetnt authority, the same is disclosed under contingent liability.

(iv) Other money for which the Group is contingently liable 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.

## 39. 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.

## 40 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, 2019

(₹ in Lakh)

| As at March 31, 2019 | 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 | | | | | 33,202.16 | 33,202.16 | 33,202.16 |
| Trade receivables | | | | | 34,835.41 | 34,835.41 | 34,835.41 |
| Loans | | | | | 1,181.71 | 1,181.71 | 1,181.71 |
| Other financial assets | | | | | 720.44 | 720.44 | 720.44 |
| **Total** | - | - | - | - | **69,939.72** | **69,939.72** | **69,939.72** |
| **Financial liabilities** | | | | | | | |
| Trade and other payables | | | | | 4,839.81 | 4,839.81 | 4,839.81 |
| Borrowings | | | | | 688,283.48 | 688,283.48 | 688,283.48 |
| Other financial liabilities | | | | | 46,250.53 | 46,250.53 | 46,250.53 |
| **Total** | - | - | - | - | **7,39,373.82** | **7,39,373.82** | **7,39,373.82** |

(₹ 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 | | | | | 3,636.63 | 3,636.63 | 3,636.63 |
| Borrowings | | | | | 5,48,040.93 | 5,48,040.93 | 5,48,040.93 |
| Other financial liabilities | | | | | 67,793.43 | 67,793.43 | 67,793.43 |
| **Total** | - | - | - | - | 6,19,470.99 | 6,19,470.99 | 6,19,470.99 |

**(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, 2019 and March 31 2018.

**(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.

**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.

**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.

**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, 2019 | | | | |
|---|---|---|---|---|---|
| | **Carrying amount** | **Contractual cash flows** | **Less than 1 year** | **Between 1 - 5 years** | **More than 5 years** |
| **Non- derivative financial liabilities** | | | | | |
| Borrowings including interest thereon | 6,95,537.63 | 6,95,537.63 | 6,886.50 | 1,54,929.53 | 5,33,721.60 |
| Trade payables | 4,839.81 | 4,839.81 | 4,839.81 | - | - |
| Other financial liabilities | 46,250.53 | 46,250.53 | 45,676.09 | 574.44 | - |
| **Total non- derivative financial liabilities** | **7,46,627.97** | **7,46,627.97** | **57,402.40** | **1,55,503.97** | **5,33,721.60** |

(₹ 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 | 5,53,949.67 | 5,53,949.67 | 5,523.58 | 1,14,358.29 | 4,34,067.79 |
| Trade payables | 3,636.63 | 3,636.63 | 3,636.63 | - | - |
| Other financial liabilities | 67,793.43 | 67,793.43 | 66,670.25 | 1,123.19 | - |
| **Total non- derivative financial liabilities** | **6,25,379.73** | **6,25,379.73** | **75,830.46** | **1,15,481.48** | **4,34,067.79** |

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.

## 41. Statement of net asset and profit and loss as required under Schedule III

| Name of entity | As % of consolidated net assets | Rs. In lakh | As % of consolidated Profit and loss | Rs. In lakh |
|---|---|---|---|---|
| Parent: Odisha Power Generation Corporation Limited Joint Venture (Equity Accounting) (India) | 100% | 312,232.94 | 100.87% | 16,688.31 |
| 1. Odisha Coal and Power Limited | 9.33% | 29,103.33 | -1.70% | (280.93) |

## 42. Previous year figures have been reclassified/ regrouped wherever necessery

## 43. Events after reporting period

(i) The Company borrowed by way of cash credit facility to the extent ₹ 50000 lakh from Union Bank Of India repayble on demand with interest thereon payble at the rate of one year MCLR on monthly rest or any other rate defined by regulatory authority. The said amount has been approved by BOD on 18.06.2019.

(ii) OPGC has declared commercial operation of both the Units,Unit # 3(660MW) on 03.07.2019 and Unit # 4 on 21.08.2019 after succesfully completion of trial run.

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

For and on behalf of the Board

| | | | |
|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- |
| **(Nilotpal Majumder)** | **(M. R. Mishra)** | **(Pravakar Mohanty)** | **(Indranil Dutta)** |
| Partner | Company Secretary | Director Finance | Managing Director |

FRN : 312063E
Membership No: 037287
Place : Bhubaneshwar
Date : 22.11.19

# Comments of the Comptroller and Auditor General of India under section 143(6) (b) read with section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statement of Odisha Power Generation Corporation Limited for the year ended 31 March 2019

The preparation of Consolidated Financial Statements of Odisha Power Generation Corporation Limited for the year ended 31 March 2019 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: 22 November 2019

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 2019. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors' report under Section 143(6)(b) of the Act.

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

Place: Bhubaneswar
Date: 26.02.2020

**Sd/-**
**PRINCIPAL ACCOUNTANT GENERAL**

# MANAGEMENT REPORT

OCPL

Odisha Coal and Power Limited

A Subsidiary Company

# DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 4th Annual Report on the project development, performance and operating result of the Company for the financial year 2018-19 together with the Audited Statement of Accounts and the Report of the auditors thereon. The comments of the Statutory Auditors and Comptroller and Auditor General of India U/s 143 (6) (b) of the Companies Act, 2013 on the said accounts also form a part of the report.

## PROJECT DEVELOPMENT HIGHLIGHTS

The Mine Operation started from Manoharpur coal mine from 01-11-2018 by removing top-soil and OB. It has been envisaged to transport the coal to EUP i.e. OPGC Power Plants through the dedicated MGR system being constructed by OPGC. Due to land acquisition issues in MCL command area, the construction of MGR system is getting delayed and is expected to be completed by 31-12-2020. As the coal evacuation arrangement is not in place, OCPL was not able to produce coal which may otherwise catch fire due to spontaneous heating. In such a scenario, OCPL approached to the Nominated Authority, Ministry of Coal and Coal India Limited (CIL) to sale the coal produced from Manoharpur mine to CIL/MCL at CIL notified price under the provisions of Allotment Agreement executed between OCPL and Nominated Authority, Ministry of Coal, Govt. of India. The Coal Controller, MoC, GoI on 25-11-2019 conveyed that OCPL may despatch excess coal produced from Manoharpur coal mine to Mahanadi Coalfields Limited (MCL) as per the agreement signed between them. Memorandum of Understanding was executed with MCL for sale of excess coal from Manoharpur coal mine, to be delivered at Kanika Sidings, on 11-12-2019. The coal despatch to Kanika Sidings started on 14-12-2019. The land acquisition for Manoharpur coal mine project is largely complete. All the Permits/ Clearances including Stage –I & II Forest Clearances, Environment Clearance and approval of Mining Plan & Mine Closure Plan including Mine Opening Permission etc. are in place. Construction of R&R colony (Phase-I) and other infrastructural facilities including temporary mine office and transit guest house have been completed. Construction of R&R colony (Phase-II) is largely completed.

The Efficiency Parameters stipulated in the schedule E of the Allotment Agreement mentions the time limit for individual milestones to be achieved. During the development period, any non-compliance of the milestones in the Efficiency Parameters is liable to appropriation of Performance Security submitted to the Nominated Authority, Ministry of Coal. All parameters of Manoharpur Coal Block have been achieved, whereas the targets w.r.t Dip-side of Manoharpur Coal Block has been delayed due to late receipt of corrigendum to the Allotment including the Co-ordinates of Manoharpur & Dip-side Manoharpur from the Nominated Authority, Ministry of Coal.

### Performance Security and Upfront Payment

In compliance with the requirements of the Allotment Agreement, Performance Security with Peak Rated Capacity of 8 MTPA, in shape of Bank Guarantee (BG) for ₹ 153.92 Cr. has been submitted with the Nominated Authority, Ministry of Coal, Government of India on 14-10-2019 for a period of one year. The latest BG submitted at the MoC is valid upto 26-10-2020.

The Mining Plan and Mine Closure Plan (Rev-III) of Manoharpur and Dip-side Manoharpur coal mine has been revised from 8 MTPA to 16MTPA and approved by the Ministry of Coal, Government of India on 26-09-2019. As per the provisions of Allotment Agreement, the Performance Security at the Peak Rated Capacity of 16 MTPA in shape of BG will be submitted after the receipt of the assessments of the amount by the Nominated Authority, MoC, GoI. The Nominated Authority has been informed about the approval of Mining Plan and Mine Closure Plan (Rev-III) with Peak Rated Capacity of 16 MTPA. No further communication has been received from the office of Nominated Authority till date. As a matter of advance action, the empanelled banks have been approached to provide the additional BG.

**Statutory Permits / Clearances:**

Your Company has obtained the following statutory permits / clearances:

| Manoharpur Coal Block | | |
|---|---|---|
| **Sl. No.** | **Permits/Clearances** | **Authority/Department** |
| 1. | Revised Mining Plan and Mine Closure Plan (Revision-II)-8MTPA | Ministry of Coal, Govt. of India |
| 2. | Stage-I & II Forest Clearance of Manoharpur coal mines in favour of OCPL | Ministry of Environment & Forest and Climate Change (MoEF & CC), Govt. of India (GoI) |
| 3. | Environment Clearance of Manoharpur coal mines in favour of OCPL | Ministry of Environment & Forest and Climate Change (MoEF & CC), Govt. of India (GoI) |
| 4. | Consent to Establish for Coal Mine in favour of OCPL | State Pollution Control Board, Odisha |
| 5. | Consent to Operate for Coal Mine in favour of OCPL | State Pollution Control Board, Odisha |
| 6. | Grant of 5.55 Cusecs of water from Hirakud back water | Department of Water Resources, Govt. of Odisha |
| 7. | Explosive License | Ministry of Commerce & Industry, Petroleum & Explosive Safety Organisation (PESO), GOI. |
| 8. | Non-Mineralisation Clearance in favour of OCPL | Directorate of Geology, Odisha |
| 9. | Permanent Power drawal from NTPC | Ministry of Power, Govt. of India |
| 10. | Power supply permission for R&R colony Phase-I at Sukhabandh | WESCO |
| 11. | Nalla Diversion Permission in favour of OCPL | Department of Water Resources, Govt. of Odisha |
| 12. | Road Diversion Permission in favour of OCPL | Department of Rural Development, Govt. of Odisha |
| 13. | Environment Clearance for R&R Colony in favour of OCPL | State Level Environment Impact Assessment Authority, Odisha / State Pollution Control Board, Odisha |
| 14. | Consent to Establish for R&R Colony in favour of OCPL | State Pollution Control Board, Odisha |
| 15. | Consent to Operate for R&R Colony of OCPL | State Pollution Control Board, Odisha |
| 16. | Site Specific Wildlife Conservation Plan for Coal Mine | Principal Chief Conservator of Forest & Chief Wildlife Warden, Odisha |
| 17. | Ownership of ITC Hemgir | Directorate of Technical Education and Training, Odisha, Cuttack |
| 18. | Mining Lease execution | Collector, Sundargarh, Govt. of Odisha |
| 19. | NOC for abstraction of Ground Water | Central Ground Water Authority, Govt. of India |
| 20. | Mine Opening Permission | Coal Controller's Organisation, Ministry of Coal, Govt. of India |

| | | |
|---|---|---|
| **Dip-Side Manoharpur Coal Block** | | |
| 1. | Prospecting License (PL) deed execution | Collector, Sundargarh, Govt. of Odisha |
| 2. | Permission for drilling of boreholes in forest area | Forest & Environment Department, Govt. of Odisha |
| 3. | Mining Lease Application | Dept. of Steel & Mines, Govt. of Odisha |
| 4. | Mining Plan & Mine Closure Plan (rev-III) at a PRC of 16 MTPA | Ministry of Coal, Govt. of India |
| 5. | Land Acquisition under CBA (A&D) Act, 1957 Section 3, 4 (1) & 7(1) notification | Ministry of Coal, Govt. of India |

**Mining Plan**

OCPL has obtained the approval of Mining Plan & Mine Closure Plan (Revision-III) on 26th September, 2019 with the peak rated capacity of 16 MTPA for Manoharpur and Dip-side Manoharpur coal mine.

**Progress of Dip-Side Manoharpur Coal Block**

Exploration completed and Geological Report prepared. Environment Clearance application filed on 11-12-2018 and Forest Clearance application filed on 14-12-2018. The Mining Plan (Rev-3) (including Mine Closure Plan) of Manoharpur and Dip-side Manoharpur coal mines approved on 26-09-2019. Notification under Sec (3), 4(1) & 7(1)of the CBA (A&D) Act, 1957 published for for Dip-side Manoharpur Coal Block.

**Land and R & R**

**Private Land:**

Out of the total area of 1039.51 Ac., allotment of an area of 1037.24 Ac.in favour of Odisha Coal and Power Limited is complete. The balance are in process at various levels.

**Government Land:**

Out of the total area of 1040.94 Ac., alienation for an area of 1031.12 Ac.in favour of Odisha Coal and Power Limited has been completed. The balance is in process.

**Forest Land:**

Possession of 491 Ac. out of 495 Ac. of forestland is taken over by OCPL. The balance 4 Ac. land is pending due to stay order of the Hon'ble High Court of Odisha because of FRA compensation matter. In addition to the above 141.04 Ac. of forestland has been transferred from OPGC to OCPL.

**Rehabilitation and Resettlement:**

Two villages namely Manoharpur and Ghumudasan are required to be displaced for operation of Manoharpur Coal Mine. The shifting of displaced families of village Manoharpur to rehabilitation and resettlement colony at Sukhabandh (Hemgir) is completed. The RoR (Patta) of house plots allocated to Dispalced Families (DFs) in the R&R colony are handed over by the administration. The Annuity Scheme is implemented through LIC of India ltd. The Company has also engaged MART, an expert agency for promotion of sustainable livelihood among DFs. The agency has been imparting skill development and capacity building training and promoting various livelihood and entrepreneurial activities among the DF's. Group Income generating activities are executed through Self-help groups (SHG's). The construction work of R&R colony – Phase 2 at Hemgir for Ghumudasan village is largely complete and 122 dwellings are being made. The relocation of village has started from 2nd August 2019. Until date, 78 families have taken possession of the houses at R&R colony Hemgir, Phase -2 and 73 families have shifted to the colony.

**Significant and Material Order Passed by the Regulators or Court or Tribunal impacting the going concern status and Company Operations in future**

OCPL has received 4 Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. OCPL is pursuing with the Nominated Authority to consider 10-12-2015 & 22-03-2016 as the zero date for obtaining Prospecting License and completion of exploration and preparation of Geological Report (GR) respectively and drop the Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. MoC informed OCPL that the Scrutiny Committee in its 8th meeting held on 24-09-2018 has recommended that the delay in achievement of milestones of Efficiency

Parameters of dip-side Manoharpur may not be attributed to OCPL. The Committee has suggested to consider 10-12-2015 as zero date for obtaining Prospecting License and 22-03-2016 as the zero date for preparation of GR.

**Major Contracts and Agreement**

**Coal Handling Plant:**

OCPL is constructing an 8.0 MTPA Coal Handling Plant (CHP) at the village premises of Ghumudasan & Sarbahal of Sundargarh District, outside the mining lease area of Manoharpur Coal Mines. The Run-off-Mine (ROM) coal from the open cast mine shall be received through a Receiving Pit and shall be transported by a series of conveyors to Over Ground Bunker of 30,000 MT capacity and then to Rapid Loading System (RLS) from where the coal of (-) 100 MM size shall be loaded on to the wagons of OPGC for despatch to its Thermal Power Plant at ITPS. Construction of the CHP has been awarded to M/s McNally Bharat Engineering Co. Ltd. (MBECL) through EPC mode with a contract value of ₹ 514.00 Cr. excluding GST. This contract value includes construction of the CHP, other infrastructural facilities and O&M for first two years after completion of the project with supervision of O&M in the third year. Construction of the CHP started on 10.01.2018 and scheduled completion date is 30.03.2020.

**Appointment of Mine Operator for development, operation and maintenance of Manoharpur Coal Mine project:**

BGR Mining & Infra Limited has been appointed as the Mine Operator on 10-07-2018 for a period of 10 years which can be extended by further two years on mutually agreed basis.

**Construction of R&R Colony at Hemgir, Sundergarh:**

Construction of R&R Colony (Ph-II) at Hemgir, Sundergarh has been awarded to M/s Shree Balajee Engicons Pvt. Ltd. for 122 nos houses for the project displaced families. The construction work is largely completed.

**Manoharpur Township Project**

Contract awarded to M/s Diversified Energy Solution Pvt. Ltd. for construction of Manoharpur Township Project for accommodation of own employees of OCPL. Construction work is under process.

**Project Target-Project Schedule:**

Allotment Agreement was signed with the Nominated Authority, Ministry of Coal specifying the time line to start the mine operation within 44 months i.e. May 2019 from the zero date (i.e. 31st August 2015). However, OCPL has already commenced mining operations since 1st November, 2018 which is well within the scheduled timeline. Coal production from Manoharpur Coal Block commenced on 10th October, 2019 and coal despatch to Kanika siding of MCL on 14-12-2019.

**Capital Structure**

The Authorised Share Capital of the Company is ₹ 750.00 Cr., divided into 75,00,00,000 Equity Shares of ₹ 10/- each. The paid up Equity Share Capital of the Company stands at ₹ 346.00 Cr. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited (OPGC) and Odisha Hydro Power Corporation Limited (OHPC) in the ratio of 51:49.

**Long Term Financing**

OCPL Board in its 42nd meeting held on 31-05-2019 has approved the revised project cost of ₹ 2143 Cr. for Manoharpur coal mine and ₹ 230.71 Cr. towards land and R &R cost for part of the Dip-side Manoharpur coal mine to be sourced through equity/internal accruals for which separate and specific Board approval will be sought for.

The earlier approved project cost for Manoharpur coal mine was ₹ 1382 Cr. (based on the information/data available in the year 2011), which has been fully tied up with the Banks (Union Bank- ₹ 500 Cr. and Punjab National Bank- ₹ 536 Cr.) in the debt equity ratio of 75:25. So far, the equity contributions from the shareholders as on 31st March 2019 is ₹ 300 Cr. from OPGC and OHPC. Rights issue has been made to the existing shareholders for remaining portion of equity contribution of ₹ 46 Cr. The banks have been approached to provide the balance term loan amounting to ₹ 571 Cr. as per revised project cost.

**FINANCIAL RESULTS/HIGHLIGHTS**

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

The following summarised financial results are furnished as follows for easy appreciation of the financial health of the Company.

| Particulars | FY. 2018-19 (Amount in Lakhs) | FY. 2017-18 (Amount in Lakhs) |
|---|---|---|
| Revenue from Operations | -- | -- |
| Other income | 8.84 | 4.31 |
| **Total Income** | **8.84** | **4.31** |
| Cost of material consumed | -- | -- |
| Employee benefit expenses | 939.44 | 761.87 |
| Other expenses | 2180.28 | 922.53 |
| Depreciation & Amortization expenses | 241.33 | 209.82 |
| Less: Expenditure transferred to capital work in progress | (3318.17) | (1874.06) |
| **Total Expenses** | **42.88** | **20.17** |
| Profit before Exceptional items | (34.04) | (15.86) |
| Less: Exceptional items | -- | -- |
| **Profit/(Loss) before tax** | **(34.04)** | **(15.86)** |
| Less: Tax expenses | 246.90 | 289.82 |
| **Profit/(Loss) after Tax** | **(280.94)** | **(305.68)** |
| Less: Any appropriations, if any | -- | -- |
| **Balance carried to Balance Sheet** | **(280.94)** | **(305.68)** |

## REVIEW OF OPERATIONS

During the year under review, the Total Income was ₹ 8.84 Lakhs with no revenue from operation. The Company posted a net loss after tax of ₹ 280.94 Lakhs.

## DIVIDEND

The Board did not recommend any dividend during the financial year under review.

## TRANSFER TO RESERVES

The Board did not recommend any amount for transfer to reserve.

## UNSECURED LOAN

During the year under review the Company has not availed any inter-corporate loan from OPGC and OHPC.

## GENERAL

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.

## MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

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

**STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

OCPL is in the process of developing the risk management practices to address various developmental and operational risks. The Company has standard operating processes for various developmental activities at present in order to mitigate and prevent risk arising out of various activities and operations. OCPL is currently carrying out coal mine developmental works and its operation has just been commenced for which permits and clearances from different State and Central Govt. agencies are in place. However, the Policy of Government may impact OCPL's development as well as operational strategy in case of any change in law as may be promulgated by Govt.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

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

**EXTRACT OF ANNUAL RETURN**

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

**DIRECTORS**

Mr. Chandan Saha Prashad (DIN 08478500) was appointed as Director on 30th July, 2019 as OPGC nominee in place of Mr. Rajendra Shrivastav. Mr. Bishnupada Sethi, IAS (DIN 02268656), Chairman OPGC was appointed as Chairman OCPL on 25th September, 2019 in place of Mr. Hemant Sharma, IAS. Mr. Sangram Keshari Swain, OAS (DIN 07995967) was appointed as Director on 30th September, 2019 as nominee of OHPC in place of Mr. Vishal Kumar Dev, IAS, ex-CMD, OHPC.

The Board placed on the record the appreciation for the valuable services rendered by Mr. Hemant Sharma, IAS as Chairman & Mr. Vishal Kumar Dev, IAS and Mr. Rajendra Shrivastav as Directors of the Company.

**STATUTORY AUDITORS**

M/s Anil Mihir and Associates have been appointed as the Statutory Auditors of the Company by Comptroller and Auditor General (C&AG) of India for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2018-2019 and comments of C&AG of India u/s 143 (6) (b) of the Companies Act,2013 are enclosed as a part of the report.

**INTERNAL AUDIT**

The Board of Directors of the Company has appointed, after recommendations of the Audit Committee, M/s SAPSJ and Associates, Cost Accountants as internal auditors for conducting Internal Audit. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control system in the company, its compliances with operating systems, accounting procedures and policies at Corporate and Site Office of the company and reports the same at end of financial year to the Audit Committee and Board.

**MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT**

The comments of the statutory auditors and management's reply on each of the observations are placed at **Annexure–III** which form a part of the Directors' Report.

**MANAGEMENT COMMENTS ON C&AG OF INDIA REVIEW**

Review of the Accounts for the year ended 31st March, 2019 by the Comptroller and Auditor General (C&AG) of India is furnished at **Annexure–IV** which also forms a part of this report.

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

OCPL has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013.

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

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

**INTERNAL FINANCIAL CONTROL**

The Company has a well-placed, proper and adequate Internal Financial Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. M/s Jalan & Associates, Charted Accountants have been appointed for assessment and evaluation of the Internal Financial Control systems of the Company and have found the same in order.

## ENVIRONMENT, HEALTH & SAFETY (EHS)

Environmental Management refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.

Environment, Health & Safety plan for CHP construction work has been approved and in place. Safety Management Plan for Manoharpur Coal Mine Project has been prepared and submitted with Directorate General of Mines Safety, Ministry of Labour & Employment, Govt. of India. M/s Bureau Veritas has been appointed as a consultant to develop EHS policy of OCPL. Meanwhile, OCPL has completed 4.4 million safe man hours cumulatively in all its operations & construction sites.

## CORPORATE SOCIAL RESPONSIBILITY

OCPL's vision of sustainable growth drives equally both business decisions as well as Corporate Social Responsibility (CSR) initiatives for OCPL. OCPL works in the core sectors of Rural Infrastructure, Sustainable Livelihood Management, Education, Community Health, training and skill development and support to Rural sports. The Projects / Activities are decided through a participatory approach of all Key Stakeholders. All the projects have an approval of Collector to avoid duplicity and wasteful expenditure.

## NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had held seven Board meetings during the financial year under review.

## AUDIT COMMITTEE

As a measure of good Corporate Governance your company has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling its oversight responsibilities, an Audit Committee has been constituted by the Board in its 19th Meeting held on 2nd July, 2016 to review the adequacy and effectiveness of internal audit and to monitor the implementation of internal audit recommendations including those relating to strengthening of company's control system against unscrupulous, unethical and fraudulent transactions.

## H.R.D. & MANPOWER PLANNING

Your Company believes in retaining and nurturing a highly motivated work force to drive the Company along with its vision & mission, the values and work culture that foster operational excellence through team work. The Company has prepared a statutory and non-statutory requirement of manpower taking into consideration of lead time for training and external hiring. A dedicated team of 17 deputed employees from OPGC are working for the development and operation of the coal mine. During the year under report 23 person with requisite skill sets were inducted in the regular cadre to meet part of the manpower requirements of the Company. To support the project construction plan short term contract based recruitment on the CTC structure was resorted to and during the year 29 persons have joined in the Project Roll.

The Management provides continuous emphasis on development of the skill set of its people through training. Need based training has been imparted to the employees to narrow down the performance gaps. Employees are being regularly sponsored for undertaking trainings, attend seminars and workshops conducted by reputed Govt. and private Institutes to keep them updated about the recent developments in their respective sectors.

## 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.

During 2018-19, 2 applications were received under the RTI Act, 2005 which were replied within the time allowed under the 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.

**INDUSTRIAL RELATIONS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

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

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

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

**ACKNOWLEDGEMENT**

The Board of Directors gratefully acknowledge and place on record their appreciation for the support, guidance and co-operation extended to the Company by Department of Energy, Department of Steel & Mines, Department of Revenue & Disaster Management, Department of Public Enterprise and Forest & Environment Department, etc. of the Govt. of Odisha and Ministries of the Govt. of India particularly the Ministry of Coal, Ministry of Environment & Forest and Climate Change and Coal Controller's Organisation.

Your Directors also place on record their appreciation on the continued co-operation and support received from OPGC, OHPC, IPICOL, IDCO, CIL, MCL, Union Bank of India, Punjab National Bank, ICICI Bank, State Bank of India, AXIS Bank, Yes Bank, REC, PFC, Auditors, Advocates, Solicitors, business associates, shareholders and stakeholders during the year and look forward to continuance of the mutually support relationship in future.

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

We also acknowledge the constructive suggestions received from Government of India, Government of Odisha, C&AG of India, Statutory Auditors and Internal Auditors.

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

For and on behalf of the Board of Directors

**Sd/-**
**CHAIRMAN**

# ODISHA COAL & POWER LIMITED

## Balance Sheet as at March 31, 2019

(₹ in Lakhs)

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | Non-current assets | | | |
| | (a) Property, Plant and Equipment | 5 | 1,249.85 | 1,051.96 |
| | (b) Capital work-in-progress | 5 | 52,261.71 | 29,243.55 |
| | (c) Other Intangible assets | 5 (i) | 4,606.25 | 4,777.42 |
| | (d) Financial Assets | | | |
| | (i) Loans | 6 | 37.95 | 13.38 |
| | (ii) Other financial assets | 7 | 379.43 | - |
| | (e) Other non-current assets | 8 | 39,048.53 | 33,263.79 |
| | **Total Non - Current Assets** | | **97,583.71** | **68,350.10** |
| 2 | Current assets | | | |
| | (a) Financial Assets | | | |
| | (i) Cash and cash equivalents | 9 | 432.53 | 514.40 |
| | (ii) Bank balances other than (i) above | | - | - |
| | (iii) Others | 10 | 1.15 | 2.23 |
| | (b) Current Tax Assets (Net) | 11 | 13.18 | 15.59 |
| | (c) Other current assets | 12 | 5,597.48 | 4,356.78 |
| | Total Current Assets | | 6,044.34 | 4,889.00 |
| | **TOTAL ASSETS** | | **103,628.05** | **73,239.10** |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share capital | 13 | 30,000.00 | 30,000.00 |
| | (b) Other Equity | 14 | (896.67) | (615.74) |
| | **Total equity** | | **29,103.33** | **29,384.26** |
| | **LIABILITIES** | | | |
| 1 | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | i) Borrowings | 15 | 70,136.18 | 40,126.81 |
| | (b) Deferred tax liabilities (Net) | 16 | 556.73 | 309.83 |
| | **Total Non-current liabilities** | | **70,692.91** | **40,436.64** |
| 2 | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Other financial liabilities | 17 | 3,680.47 | 3,322.90 |
| | (b) Other current liabilities | 18 | 151.34 | 95.30 |
| | (c) Current Tax Liabilities (Net) | | - | - |
| | **Total Current liabilities** | | **3,831.81** | **3,418.20** |
| | **TOTAL EQUITY AND LIABILITIES** | | **1,03,628.05** | **73,239.10** |
| Notes forming part of the financial statements | | 1-27 | | |

In terms of our report attached.

**For Anil Mihir & Associates**
Chartered Accountants

**Mihir Ku. Sahu**
Partner
(F.R.N: 303038E)
Place : Bhubaneswar
Date :04.10.2019

For and on behalf of the Board

**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 Profit and Loss for the Period Ended March 31, 2019

(₹ in Lakhs)

| | Particulars | Notes | Period ended March 31, 2019 | Period ended March 31, 2018 |
|---|---|---|---|---|
| I | Revenue from Operations | 19 | - | - |
| II | Other Income | 20 | 8.84 | 4.31 |
| III | **Total Income (I + II)** | | **8.84** | **4.31** |
| IV | **Expenses** | | | |
| | (a) Employee Benefit expense | 21 | 939.44 | 761.87 |
| | (b) Finance costs | 22 | - | - |
| | (c) Depreciation and amortization expense | 5 | 241.33 | 209.82 |
| | (d) Other expenses | 23 | 2,180.28 | 922.53 |
| | Less : Expenditure transferred to capital work in progress | | (3,318.17) | (1,874.06) |
| | **Total expenses (IV)** | | **42.88** | **20.17** |
| V | Loss before tax (III - IV) | | (34.04) | (15.86) |
| VI | Tax Expense: | 10 | | |
| | (a) Current tax | | - | - |
| | (b) Deferred tax | 15 | 246.90 | 306.72 |
| | (c) Taxes of earlier years | | - | (16.89) |
| | **Total tax expense** | | **246.90** | **289.82** |
| VII | **Loss for the Period (V -VI)** | | **(280.94)** | **(305.68)** |
| VIII | **Other Comprehensive Income / (Losses)** | | | |
| | (A)<br>(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)<br>(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)** | | **(280.94)** | **(305.68)** |
| X | Earnings per equity share:- Basic and diluted (Rs) | 26 | (0.09) | (0.12) |
| XI | **Notes forming part of the financial statement** | 1-27 | | |

In terms of our report attached.

**For Anil Mihir & Associates**
Chartered Accountants

**Mihir Ku. Sahu**
Partner
(F.R.N: 303038E)
Place : Bhubaneswar
Date :04.10.2019

For and on behalf of the Board

**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 Cash Flow for the Year Ended March 31, 2019

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| **(A) Cash flows from operating activities:** | | |
| Loss before taxes | (34.04) | (15.86) |
| Adjustments for: | | |
| Depreciation and amortisation of non-current assets | - | - |
| **Operating profit before working capital changes** | **(34.04)** | **(15.86)** |
| Movements in working capital: | | |
| (Increase)/ decrease in loans and other financial assets | 1.08 | 0.93 |
| (Increase)/decrease in other assets | (6,703.77) | (36,706.68) |
| Increase/ (decrease) in other payables | 56.04 | (25.95) |
| Increase/ (decrease) in other financial liabilities | (883.22) | (424.74) |
| **Cash generated from operations** | **(7,563.91)** | **(37,172.31)** |
| Taxes Paid | 2.41 | (9.94) |
| **Net cash flow from operating activities** | **(7,561.50)** | **(37,182.25)** |
| **(B) Cash flows from investing activities:** | | |
| Payments for purchase of fixed assets | (21,804.08) | (6,654.52) |
| Payments to acquire financial assets | (24.57) | (0.15) |
| Payments against leasehold land* | (321.68) | 23,668.39 |
| Bank balances other than cash & cash equvalent | (379.43) | - |
| **Net cash used in Investing Activities** | **(22,529.75)** | **17,013.72** |
| **(C) Cash flows from financing activities:** | | |
| Proceeds from issue of shares | - | 5,100.00 |
| Issue of shares by way of conversion of inter-company loan | - | 4,900.00 |
| Other finance by related parties | - | (24,351.81) |
| Repayment of loan to related parties | - | (6,009.46) |
| Proceeds from long term borrowings from banks | 30,009.38 | 40,126.81 |
| **Net cash flow from financing activities** | **30,009.38** | **19,765.54** |
| **Net Increase/(decrease) in cash or cash equivalents** | **(81.88)** | **(402.99)** |
| **Cash and cash equivalents at the beginning of the year** | **514.40** | **917.39** |
| **Cash and cash equivalents at the end of the year** | **432.53** | **514.40** |
| **Notes forming part of the financial statement** | Note No. 1-27 | |

(i) Repayment of loan includes conversion of inter-company loan of ₹ Nil (March 31, 2018: ₹ 4,900 lakhs) into equity share capital.
(ii) The company has undrawn borrowing of ₹ 33,463.82 lakh (March, 2018: ₹ 63,473.19 lakh) from Banks as at the reporting date to settle its capital committmets and future operating activities.
(iii) Figures in brackets represents cash outflows/incomes as the case may be.
(iv) Reconciliation of cash and cash equvalent: Refer note-9 “cash and cash equvalent”.
(v) Reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activity.

| Particulars | Non-current borrowings |
|---|---|
| Opening balance as at 1st April, 2018 | 40,126.81 |
| Cashflows during the year | 25,654.06 |
| Non cash changes due to: | |
| -Interest on borrowings compounded | 4355.31 |
| -Transaction cost on borrowings | - |
| **Closing balance as at 31st March, 2019** | **70,136.18** |

In terms of our report attached.

**For Anil Mihir & Associates**
Chartered Accountants

**Mihir Ku. Sahu**
Partner
(F.R.N: 303038E)
Place : Bhubaneswar
Date :04.10.2019

For and on behalf of the Board

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, 2019

### A. Equity Share Capital

(₹ in Lakhs)

| 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 |

(₹ in Lakhs)

| Balance as at April 1, 2018 | Changes in equity share capital during the year | Balance as at March 31, 2019 |
|---|---|---|
| 30,000.00 | - | 30,000.00 |

### B. Other Equity

(₹ in Lakhs)

| | Reserves and Surplus | |
|---|---|---|
| | **General Reserve** | **Retained earnings** |
| Balance as at April 1, 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)** |
| Loss for the year | | (280.94) |
| Other Comphrehensive Income/ (Losses) | | - |
| **Total Comprehensive Income/ (Losses)** | | **(280.94)** |
| Transfer of profits of the year to General Reserve | - | - |
| **Balance as at March 31, 2019** | **-** | **(896.67)** |
| **Notes forming part of the financial statement** | Note No. 1-27 | |

In terms of our report attached.

**For Anil Mihir & Associates**
Chartered Accountants

**Mihir Ku. Sahu**
Partner
(F.R.N: 303038E)
Place : Bhubaneswar
Date :04.10.2019

For and on behalf of the Board

**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)

# 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**
**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