OCPL
Odisha Coal and Power Limited

ANNUAL REPORT 2018-19

Odisha Coal and Power Limited

OCPL

Odisha Coal and Power Limited

Vision Statement

"To be a pioneering Coal Mining Company in the Country".

Mission Statement

"Production of coal with continuous Focus on Safety, efficiency and quality in an eco-friendly environment"

Core Values

- Putting Safety First
- Honouring Commitment
- Striving for Excellence
- Integrity and Transparency
- Collaboration and Team Work

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About OCPL

The Odisha Coal and Power Limited (OCPL) was incorporated on 20th January, 2015 as a wholly owned subsidiary company of Odisha Power Generation Corporation Limited (OPGC). Subsequently, Pursuant to the Government of Odisha (GoO) notification No. 1088 dated 4th February, 2015 and No. 1160 dated 6th February, 2015 OCPL was converted into Joint Venture Company by transferring 49% equity shares in favour of Odisha Hydro Power Corporation Limited (OHPC). Based on the application of OCPL for allocation of Manoharpur & Dip-side Manoharpur coal blocks, the Nominated Authority, Moc, GoI has allotted these coal blocks in favour of OCPL on 31st Aug 2015 to supply coal exclusively to the OPGC expansion power plants. The Shareholders Agreement (SHA) among OPGC, OHPC and OCPL was executed on 21st April. 2016

Odisha Coal and Power Limited

PERIPHERY DEVELOPMENT INITIATIVES

Back Ground:

With the core principal of giving back to the society, OCPL always been espousing highest standard of business ethics. The Company has institutionalized Social Responsibility program within its Business Process. The Company has been continuously striving for integrated and comprehensive development of local communities. In its Journey towards achieving sustainable development, the company has been undertaking Community Development progrem activities in the project affected and periphery villages since inceptions of the Company in 2015. OCPL implemented several development projects in the affected areas focusing on education, health, drinking water, infrastructure development and sports & culture. The Social Responsibility intervention envisaged fulfilling the development needs of the local communities and improving their standard of living through quality education, safe and potable drinking water, preventive and curative health care facilities and livelihood opportunities. All the programmes and activities undertaken are approved Sundargarh District Peripheral Development Society, Sundargarh.

The core principal of Social Responsibility program based on:

1. "Give Back" to society
2. Inclusive growth of host community
3. Participatory and Bottom-Up approach
4. Beyond compliance
5. Volunteering
6. Dovetailing and Partnership

Improvement of Quality Education:

Practical education of Science and Mathematics is always been the problem among the students of project

and periphery school of the project area. With this objective one Mini Science Center has been establish at Government High School of Hemgir through STEM learning. This Mini Science Centre is conceptualized with an objective to inculcate basic concepts of Science, engineering, mathematics at school level, thereby encouraging inclination of students/ learners towards science and technology. Models designed by STEM Learning Pvt. Ltd. help students in identifying and experiencing the actual products, which they learn from text books making it more practical oriented.

OCPL continuously support the local schools in the project area with different kind of program.

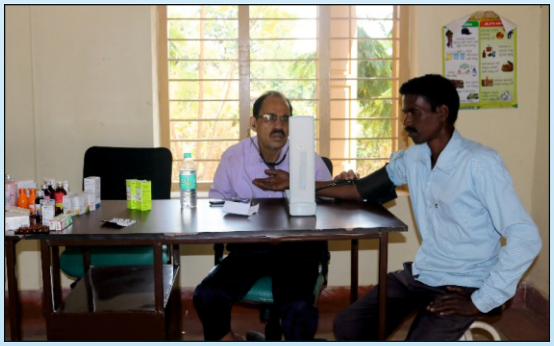
- Financial support being given to 12 village Education Committee (VEC) for engagement of 19 no of additional temporary school teachers in their schools. These teachers were selected by Village Education Committee with a recommendation of Local BEO (Block Education Officer) of Hemgir. These teachers have given an excellent support to their respective school in improving the education standard of the students in their respective schools, which is highly appreciated by their VEC, BEO of Hemgir.
- Financial Support provided to District Education Officer (DEO), Sundargarh for District level Science Exhibition.

- Organized Sishu Mohotsava Program in different school of the project area on occasion of 15th August & 26th January. The objective of the program is to facilitate the talent on the inner quality through cultural program, game & sports and extra curricular activities. In this occasion inter school competition has been organized on drawing, debate, essay writing and outdoor game.
- Final support has been given to Narayan High School of Sanghumuda for organize talent hunt Sishu Suravi Program.
- Started the Computer Literacy Program at Upper Primary School of Manoharpur by providing 03 no of Computer.
- With an approval of SDPDS (Sundargarh Distrit Periphery Development Society), financial support given to Panchayat High School of Hemgir for establishment One Computer Lab at Panchayat College of Hemgir.

Health Awareness Program:

Health is always being the major hindrances towards development of the poor families and communities at large in the project area of OCPL. Even though Govt. has ventured into many new health initiatives and short comings in health delivery systems and lack of proper coordination access to the community could not established. With a major Community Development Program, OCPL always organise different program.

- Health camps are organized on every week as part of our sustainable community Health programme for the project affected communities. Total 38 no of camps organized where 711 no of patients attended the camp out of which 319 are female. All the patients were provided with fee health check up and medicine.



- OCPL is continuously participate in the Pulse Polio and Dengue awareness drive program organised by local Hospital administration.

Skill Development

OCPL has effectively implemented the innovative Skill Development Training Programmes for youth empowerment, where the local youth is being motivated, trained and equipped to accomplish for a better future. With this background OCPL is providing 2 year full time training to local youth on electrician trade with the approval from SCTE & VT vide order no. 8131 dated 28th December 2016 with effective from August 2016.

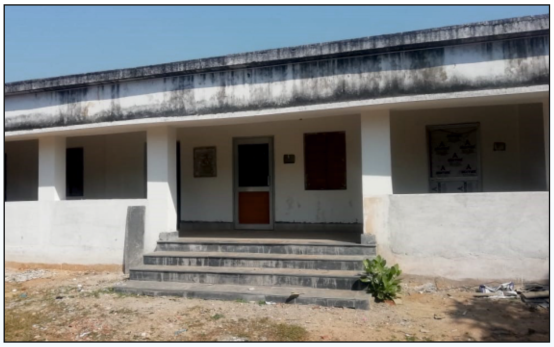
MITS (Majhighariani Institute of Technical Education) a professional group being engaged for operation of the ITI and the seat allotment has been framed as per the guideline of DTET with first priority being given to the land ousters candidates in OCPL Coal Mine area. Present student's strength is 18 (5th batch). Total 40 students has been already pass out from the institute. During training session at the ITI, campus recruitment has been organized by the OCPL with the support from MITS.

Promoting Rural Sports & Culture:

- Sports have been known for bringing in health and cognitive benefits to children as well as adults. Towards this objective, OCPL has been promoting rural sports in the nearby communities. It provides sports kits and actively supports various sport training events.
- OCPL is proving financial assistant to project villages for organizing different cultural events & sports in the area.
- Cultural programmes organized by the District administration are supported by the company through financial assistance.

Rural Infrastructure:

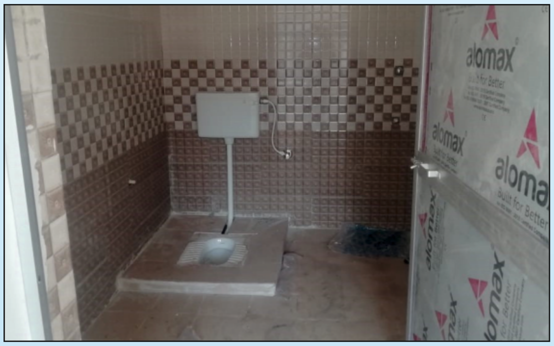
- OCPL is been working continuously for improvement of infrastructure in the project

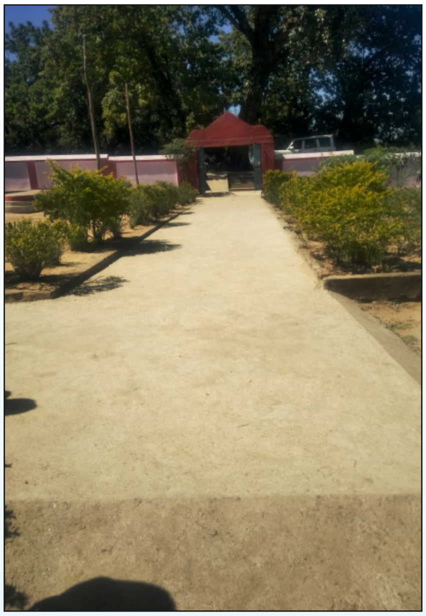


affected villages and periphery area. Following activities has been undertaken with an approval of SDPDS (Sundargarh District Periphery Development Society).

- Construction of students and staff toilet with water supply system at Panchayat college of Hemgir.
- Financial support is being provided to village committee of Sanghumuda village for construction of check dam at their village for preserving of water for summer season which is used for the cattle's.
- Repairing of Primary School and CC Road at village Chiletmunda.
- Development of guard wall at village Bandpali Road of Laikera Grampanchayat.
- Construction of Boundary wall at Rangiadhipa School.

Construction of Community Centre at village Kiripsira.





Drinking Water

Ensuring available and accessibility of safe and potable drinking water is another major Community Development initiative of OCPL. The company has been supplying safe and potable drinking water in the Periphery village through water tanker during the summer season for meeting drinking water requirements.

This drinking water intervention project is directly benefitting about 600 to 700 household having a population size of about 3000 to 4000 which mostly belong to the social-economically disadvantaged sections of the society.

NOTICE FOR THE 4TH ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Adjourned Annual General Meeting of the members of Odisha Coal and Power Ltd. will be held on **Monday, 20th January, 2020 at 4.00 PM** at the Registered Office of the Company at Zone-A, Ground 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

sd/-

(M.K. Tiwari)

COMPANY SECRETARY

Date - 20.01.2020
Zone - A, Ground Floor, Fortune Towers,
Chandrasekharpur,
Bhubaneswar - 751 023

Encl : 1) Copy of the Annual Accounts
2) Communication from C&AG of India

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.

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 Rs.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 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 Rs. 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 Rs.750.00 Cr., divided into 75,00,00,000 Equity Shares of Rs.10/- each. The paid up Equity Share Capital of the Company stands at Rs.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 Rs.2143 Cr. for Manoharpur coal mine and Rs. 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 Rs. 1382 Cr. (based on the information/data available in the year 2011), which has been fully tied up with the Banks (Union Bank-Rs. 500 Cr. and Punjab National Bank-Rs. 536 Cr.) in the debt equity ratio of 75:25. So far, the equity contributions from the shareholders as on 31st March 2019 is Rs.300 Cr. from OPGC and OHPC. Rights issue has been made to the existing shareholders for remaining portion of equity contribution of Rs. 46 Cr. The banks have been approached to provide the balance term loan amounting to Rs. 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 Rs.8.84 Lakhs with no revenue from operation. The Company posted a net loss after tax of Rs.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.

CHAIRMAN

Annexure-I

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

A	**Conservation of energy**		
	(i)	The steps taken or impact on conservation of energy	• LED illuminaires have been provided in office buildings and for outdoor illumination. Air condition system provided in office buildings are all of BEE 5 star rating. OCPL is also committed to use energy efficient luminaires and appliances in all future projects. • All distribution transformers installed at site are BEE star rated. • Sizing & selection of electrical machines and drive units are being carried out in an optimized way to reduce energy consumption. • Office buildings & guest houses have been designed in a way to use maximum day -light and to reduce energy consumption. • Automatic power factor correction panels have been incorporated in design for all future projects. • Pool vehicle system and common bus services have been implemented in the site office for optimum use of vehicles and reduction of fuel consumption.
	(ii)	The steps taken by the company for utilising alternative sources of energy	• 9 KWP off grid roof top solar system has been commissioned in the guest house at site. • A 2.5 Kwp off grid roof top solar system and 2 Kwp off grid solar system have been commissioned respectively in the guest house and in the Magazine house. • OCPL is further planning to construct a 2x45 KWP grid connected solar power plant for the common facility loads of R&R colony- 1 &2 . • 8 nos of 15 W comprehensive solar street light systems have been installed in R&R colony-1. Work order for installation of additional 17 nos of 15 Kw systems in R&R colony-1 and 8 nos of 30 W systems in Magazine house has already been released.
	(iii)	The capital investment on energy conservation equipments	Rs. 23 Lakhs (Approx)
B	**Technology absorption**		
	(i)	The efforts made towards technology absorption	Nil
	(ii)	The benefits derived like product Improvement, cost.	Nil
	(iii)	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Nil
	(iv)	The expenditure incurred on Research and Development	Nil
C	**Foreign exchange earnings and outgo**		
	(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	U10100OR2015SGC018623
ii)	Registration Date	20th January 2015
iii)	Name of the Company	Odisha Coal and Power Limited
iv)	Category / Sub - Category of the Company	Company limited by Shares / State Government Company
v)	Address of the registered office and contact details	Zone -A, Ground Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar, ODISHA-751023
vi)	Whether Listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name and Description of main products / Services	NIC Code of the Product / Services	% to total turnover of the company
1	Coal Production	051	Nil
2			

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section

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

i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				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)									
d) Bodies Corp.		300000000	300000000	100.00		300000000	300000000	100.00	
e) Banks / FIs									
f) Any other									
Sub-total (A) (1) :-									
(2) Foreign									
a) NRIs Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any other									
Sub-total (A) (2) :-									
Total shareholdings of Promoter (A) = (A) (1) + (A) (2)		**300000000**	**300000000**	**100**		**300000000**	**300000000**	**100**	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c)Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1) :-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholdings									
holding nominal share capital upto									
Rs. 1 lakh									
ii) Individual shareholdings									
holding nominal share capital in									
excess of Rs. 1 lakh									
c) Others (specify)									
i) NRI									
ii) Clearing Member									
Sub-total (B) (2) :-									
Total Public Shareholding (B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for									
GDRs & ADRs (C)									
Grand Total (A+B+C)		**300000000**	**300000000**	**100.00**		**300000000**	**300000000**	**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 / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Odisha Power Generation Corporation Ltd.	153000000	51.00		153000000	51.00		Nil
2	Odisha Hydro Power Corporation Ltd.	147000000	49.00		147000000	49.00		Nil
	Total	**300000000**	**100.00**		**300000000**	**100.00**		

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

Sl No.	Shareholder's Name	No. of Shares	% of total shares of the company
1			
2			

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

Sl No.		Shareholding at the begining of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Top 10 Shareholders	**No of Shares**	**% of total shares of the company**	**No of Shares**	**% of total shares of the company**
a	At the begining of the year as on 01.04.2017	**NA**			
b	Changes during the year	**NA**			
c	At the end of the year as on 31.03.2018	**NA**			

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the begining of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 - 31.03.2019)	
	For Each of the Top 10 Shareholders	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2017	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2018	NA			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment Rs. in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38125.13	–		38125.13
ii) Interest due but not paid	–	–		–
iii) Interest accrued but not due	2001.68	–		2001.68
Total (i+ii+iii)	40126.81	–		40126.81
Change in Indebtedness during the financial year				
● Addition	30009.38	–		30009.38
● Reduction	–	–		–
Net Change	**30009.38**	–		**30009.38**
Indebtedness at the end of the financial year				
i) Principal Amount	63779.19	–		63779.19
ii) Interest due but not paid	–	–		–
iii) Interest accrued but not due	6356.99	–		6356.99
Total (i+ii+iii)	**70136.18**	–		70136.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors: NA

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

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

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

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure-III

Management reply to Statutory Auditor's Observations for the FY.2018-19

Sl No	Observation	Management Reply
1	The paid up share capital of the company amounting to Rs.300 Cr includes Rs.-248.95cr.- issued in contravention with section 62 (3) of the Companies Act, 2013 over the financial year 2016-17 and 2017-18.	Section 62 (1) (a) of the Companies Act, 2013 empowers "Board of Directors" to issue equity shares to existing shareholders in proportion with their present shareholding in the company. Further, Section 62 (1) (c) of the Companies Act, 2013 contain provisions for issue of shares to any persons (Other than existing shareholders of the company in proportion with their present shareholding) only through "Special Resolution" passed by members of the Company. Whereas, Section 62 (3) of the Companies Act, 2013 enumerates that equity shares can be issued by exercising options as attached with debentures or by conversation of loan into shares in the company but the terms of issue of such debentures or loan containing such an option requires prior approval of Shareholders by way of special resolution. The basic principle laid down in Section 62 (1) of the Companies Act, 2013 is that the existing Shareholders are only entitled for any issue of further shares by the Company. Here Board is having authority to issue shares to them. Whereas, if the company wants to issue shares to any person other than to the existing shareholders it should pass a special resolution. In the present Case: The OCPL Board issued equity shares on right basis to existing shareholders in proportion with their present shareholding under Section 62 (1) (a) of the Companies Act, 2013. The formalities required under aforesaid Section were duly complied with viz. issue of Offer Letter. Therefore, upon acceptance of the Offer Letter by the Shareholders with request to convert the inter-corporate loan into equity. The equity shares were allotted to them (existing shareholders). However, an opinion was obtained from M/s. Harison & Associates (Corporate Advisors) on the above issue. According to the opinion, there is no violation of Setion-62(3) of the Companies Act, 2013 in the case of OCPL.

Sl No	Observation	Management Reply
2	Attention is invited to note no 5 (regarding pending finalization of lease terms of forest land the amount spent is capitalized on the basis of physical possession held by the company under "Right to Use".	Attention is invited to Note no. 3.06 (2) of the Significant Accounting policies of the company which is reproduced as below. *"In case 'Forest Land' is diverted otherwise than leasehold basis (i.e no lease deed is envisaged to be executed), entire consideration paid/payable is to be capitalized as "Right to Use-Land" under "Intangible Assets". The same shall be amortized over the period of legal right to use or life of the coal mine, whichever is less. Amortization shall commence when the forest land is available for use.* *In case, the lease agreement is signed subsequent to the classification of land as 'Right to use', Land shall be reclassified as "Leasehold Land" and corresponding balances on the date of execution of lease agreement shall be transferred from Right to Use-Land to Leasehold Land and shall be dealt as per IND AS 17. The unamortized balance of leasehold land shall be amortized over the Mining lease period or the life of mines, whichever is lower".* The policies of the company w.r.t accounting of Forest Land is in line with the PSU's like NTPC, OMC etc. It is further to mention that the Forest Land acquired by the company is neither transferable nor leasable in favour of the company. Since, the land is in possession of the company and the same is available for use, the company has capitalized the Forest Land as "Right to use the Forest" as per its policy no.3.06.(2). Hence, the company has made correct accounting of the same.
3	Emphasis is given to note No.8 (ii) of notes to the accounts 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 company has capitalized the lease land on the basis of physical possession taken from the IDCO. It is pertinent to mention that the sub-lease deed between OCPL and IDCO for the leased out land has not yet been executed. Pending the execution of sub-lease deed, the registration cost & other documentation charges are not determinable.

Sl No	Observation	Management Reply
	the company & shall be amortized over the remaining period of useful life," which could alternatively have been capitalized with reasonable estimate.	Further, the expenditure towards registration cost would accrue only at the time of execution of lease deed and not on the date of physical possession taken over by the company. Hence, capitalization of registration charges and other documentation cost does not arise. The fact has been clearly mentioned vided note no.8(ii) of the financial statement.
4	No physical verification of fixed assets and impairment test of such assets have been conducted by the company during the year in view of accounting policy no. 3.03 and 3.06. Hence, the possible outcome of such tests is indeterminable.	The physical verification of the fixed assets of the company are done in a phased manner over a period of three years. The same is as per the policy no.3.06 of Notes to the financial statement of the company. The company has undertaken physical verification during the year 2016-17. Accordingly, the verification of assets due from the FY.2019-20. The above policies of the company have been adopted from its Holding company i.e OPGC Ltd.

Annexure-IV

Management Replies to the observations of C&AG during Financial Audit for the year 2018-19

Sl No	Observations	Management Reply
1	**Comment on profitability:** **Statement of Profit & loss** **Finance cost (Note-22)- Nil** The above is understated by Rs.14.14 crore due to non-accounting of interest expense on borrowed capital used for acquisition of land after its capitalization. This has also resulted into understatement of loss for the year and overstatement of Capital work in progress to the same extent.	The leasehold land has been capitalized provisionally pending the execution of lease deed between IDCO and OCPL. Physical possession of the land has been handed over to OCPL by IDCO during the year 2017-18. The cost of land as pointed out in the observation also includes cost of Rehabilitation and Resettlement of the Project Displaced Families (PDF's). It is pertinent to mention that the Principal asset i.e coal mine is still under construction and not ready for its commercial operation as of now. *As per para 17 of 'Ind AS-23' An entity shall begin capitalizing borrowing cost of a qualifying asset on the commencement date. The commencement date is the date when the entity first meets all the following conditions.* *a)It incurs expenditure for the asset;* *b)It incurs borrowing cost and* *c)It undertakes activities that are necessary to prepare the assets for its intended use or sale.* *The intended use of coal mine land shall begin when the commercial operation of coal mine starts and the interest on borrowing capital till the date of undertaking the activities that are necessary to prepare the assets for its intended use or sale as stated above.* The borrowings have been made by OCPL for the development and construction of the project infrastructure facilities for smooth operation of the coal mines and not specifically for acquisition of land. The borrowed funds have been utilized for land as well as for preoperative expenditures and for mine development activities. Since, the commercial operation has not yet started, the borrowing cost have been shown under the head CWIP and the same shall be allocated to all the assets in a systematic manner on the date of COD. Since, the mine has not reached its commercial operation date (COD), any borrowing cost accrued till the COD shall be capitalized to the project.

Sl No	Observations	Management Reply
2	**Balance Sheet** Non-current assets Other non-current assets (Note-8): Rs.390.48 crore The above is understated by Rs.42.05 crore due to non-capitalization of borrowing cost on acquisition of land capitalized during the year. This has also resulted in overstatement of Capital work in progress by the same amount. Further, other expense is understated by Rs.1.40 crore with corresponding understatement of loss to the same extent due to non-accounting of amortization of land on the above amount.	Borrowing cost is capitalized as per the provisions laid down in Ind AS -23. The relevant provisions are reproduced below: Paragraph 8: An entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Paragraph 9: Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Paragraph 14: To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalizes during a period shall not exceed the amount of borrowing costs it incurred during that period. From above it is seen that borrowing cost eligible for capitalization is to be determined by applying a capitalization rate to the expenditures on that asset. The loans availed and utilized for acquisition of land, construction and acquisition of other qualifying assets which are not completed and pre-operative expenses. So, interest on loan are to be capitalized by adopting capitalized rate which is

Sl No	Observations	Management Reply
		the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the relevant period. OCPL has provisionally capitalized the lease land in the books of accounts on the basis of physical possession of the land. However, the lease deed between OCPL and IDCO is yet to be executed. It is also submitted that in the absence of determination of capitalization rate, even if interest on borrowed capital capitalized on the same, the amortization would have been made which ultimately became a part of the Expenditure During Construction (EDC) under the head CWIP. Hence, practically it will have no impact on the financial statement. The fact of non-capitalization has been disclosed in the accounts vide note-5 (ii) which is as follows. “Interest during construction (IDC) attributable to qualifying assets already capitalized / capitalized during the year, will be allocated on a systematic basis on the date of commencement of commercial operation (COD)”. Once the commercial production commences, the IDC shall be allocated on a systematic basis to the principal asset and to other assets already capitalized.
3	**Comment on Statutory Auditors' Report** A reference is invited to Independent Auditors' Report paragraph 3 where in it was commented that, Emphasis is given to note no. 8(ii) of notes to the accounts 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 company & shall be amortized over the remaining period of	No Comment

Sl No	Observations	Management Reply
	useful life," which could alternatively have been capitalized with reasonable estimate". In this regard it is emphasized that lease deed between OCPL and IDCO regarding land was not executed yet. The expenditure towards stamp duty and registration charges would accrue only at the time of execution of lease deed. Hence, capitalization of registration charges and other documentation cost in the accounts of OCPL for the year ended 31st March 2019 does not arise. The comment is deficient to this extent.	

Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of The Companies Act, 2013 on the Financial Statements of Odisha Coal and Power Limited for the year ended 31 March 2018.

The preparation of finaicial statements of Odisha Coal and Power LImited for the year ended 31 March 2018 in accordance with the financial reporting farmework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their audit Report dated : 29 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Odisha Coal and Power Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selecting examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors' report.

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

Sd/-
YASHODHARA RAY CHAUDHURI
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar
Date : 19.09.2019

ANIL MIHIR & ASSOCIATES

Chartered Accountants

Independent Auditor's Report

To the Members of Odisha Coal and Power Limited
CIN-U10100OR20155GC018623

We have audited the accompanying standalone financial statements of Odisha Coal and Power Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's reponsi-bilities for the audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the 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 opinion.

Key audit matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors 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 Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsitent 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 those facts which are as under:

1. The paid up share capital of the company amounting to Rs. 300 Cr includes Rs.248.95 Cr 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 (regarding pending finalization of lease terms of forest land the amount spent is capitalized on the basis of physical possession held by the company under "right to use".

3. Emphasis is given to note No.8 (ii) of notes to the accounts 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 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 company during the year in view of accounting policy no. 3.06 and 3.07. Hence the possible outcome of such tests is indeterminable.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The boards of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and 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 exitst. 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has 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 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 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 financial statements,

including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Ministry of Corporate Affairs, we enclose in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the said order.

2. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

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

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

   c. The standalone financial statements dealt with by this report are in agreement with the books of account;

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

   e. On the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

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

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

1. As per our information and explanations the Company has no pending litigations as on the date of the financial year end.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date : 04/10/2019
Place: Bhubaneswar

For Anil Mihir & Associates
Chartered Accountants
Firm's Registration No.303038E

[CA Mihir Kumar Sahu, FCA]
Partner, Membership No. 053968

ANNEXURE - A to the Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has not conducted physical verification of Fixed Assets during the year in view of its policy. Such policy requires the physical verification of fixed assets once in a block of three years. In our opinion, this periodicity of physical verification is not reasonable having regard to the size of the Company and the nature of its assets. This physical verification should be done at least once in a year.

(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 for the cases mentioned in point no.2 & 3 of this auditor's report.

(ii) The Company has not started commercial operation. Accordingly, it does not hold any physical inventories. Thus, this paragraph of the Order is not applicable to the Company.

(iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(viii) The Company has availed term loans from Union bank of India and Punjab national bank. The same is under construction/ moratorium period. Hence no repayment is period has started. Accordingly there is no irregularity in repayment.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of sections 197 read with Schedule V to the Act.

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

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

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

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

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

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968

Place : Bhubaneswar
Date : 04/10/2019

ANNEXURE - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Odisha Coal and Power Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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.

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968

Place: Bhubaneswar
Date: 04/10/2019

ANNEXURE - C to the Auditors' Report

Directions under section 143 (5) of the Companies Act, 2013

Referred to our report of even date

Particulars	Remarks
Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	According to the information and explanations given to us, the company is in the process of acquiring land. The company holds clear title deeds for the land already acquired. The revenue village wise position of land applied, sanctioned and allotted to the company for government land, private land and forest land are enclosed herewith and marked as *Annexures – C1, C2 and C3.*
Whether here are any cases of waiver/write off of debits/loans/interest etc. If yes, the reasons there for and amount involved.	To the best of our knowledge and according to the explanations and information given to us, there are no cases of waiver/write off of debts/loans/interest etc. during the period under audit.
Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	To the best of our knowledge and according to the information and explanations given to us, there are no inventories lying with the third parties poi

Sector Specific Additional Directions

Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case of land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company is under acquisition of land for mining purpose. No such cases come across.
Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, The cases of deviation may be detailed,	The settlement of land is done through IDCO. No deviations found during the process of audit.
Whether the Company has an effective system for recovery of revenue as per contractual terms and revenue is properly accounted for the books of accounts in compliance with the applicable Accounting Standard.	The company is under preoperative stage. Hence no revenue recognised.

How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	Not Applicable
In case of thermal power projects, compliance of the various pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and complemented.	Not Applicable as this is not a power generating Company.
Has the company entered into revenue sharing agreements with private parties for extraction of coal pitheads and it adequately projects the financial interest of the company.	The company has not entered into any revenue sharing agreement during the period of audit.
Does company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. Are properly recorded in the books of accounts?	The operation of the company has not yet been started. Hence this clause is not applicable
How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable as this is not a power generating Company
In the case of hydroelectric projects the water discharge is as per policy/guidelines issued a by the state government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	Not Applicable as this is not a power generating Company

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968

Place: Bhubaneswar
Date: 04/10/2019

ANNEXURE - C1 (Status of Land Acquisition)

Status of Manoharpur Coal Mine Private Land as on 31.03.2019

Sl. No.	PURPOSE	VILLAGE	LA CASE NO.	TOTAL AREA Acres	Leave Deed Executed Between Collector & IDCO	Date of Registration in favour of IDCO	Lease Deed Executed in favour of OCPL	Date of Registration in favour of OCPL	Possession Handed Over to IDCO	Date of Possession handed over to IDCO	Allotment in favour of OCPL	Date of Allotment
A	COAL MINE	Manoharpur	01/10	497.17	497.17	25th Oct 2017	-	-	497.17	27th Dec 2013	497.17	29th Dec 2016
			02/10	29.78	29.78		-	-	29.78	27th Dec 2013	29.78	
		Ghumudasan	03/10	93.59	93.59		-	-	93.59	29th April 2016	93.59	
			04/10	3.16	3.16		-	-	3.16	20th July 2016	3.16	
		Dulinga	05/10	105.72	105.72		-	-	105.72	29th April 2016	105.72	
			06/10	32.34	32.34		-	-	32.34	29th April 2016	32.34	
		kathphali	07/10	14.46	14.46		-	-	14.46	27th Dec 2013	14.46	
		Paramanapur	08/10	0.47	0.47		-	-	0.47	27th Dec 2013	0.47	
	SUB-TOTAL			**776.69**	**776.69**		**-**	**-**	**776.69**		**776.69**	
B	Addl. Land for Coal Mine	Ghumudasan	70/12	125.54	125.54	17th May 2017	-	-	125.54	20th July 2016	125.54	11th Sep 2017
		Dulinga	71/12	55.96	55.96	25th Oct 2017	-	-	55.96	20th July 2016	55.96	29th Dec 2016
		Kathphali	72/12	12.85	12.85		-	-	12.85	29th April 2016	12.85	
		Manoharpur	73/12	11.06	11.06		-	-	11.06	29th April 2016	11.06	
	SUB-TOTAL			**205.41**	**205.41**		**-**	**-**	**205.41**		**205.41**	
C	Mine Left Out	Manoharpur	ST Land	0.88	-	-	-	-	-	-	-	
		Ghumudasan		1.22	-	-	-	-	-	-	-	
		Dulinga		0.09	-	-	-	-	-	-	-	
		Dulinga	Direct Purchase	3.50	-	-	3.50	24th May 2018	-	-	3.50	Direct Purchase
		Manoharpur		0.42	-	-	0.34	24th May 2018	-	-	0.34	
		Ghumudasan		0.32	-	-	0.32	24th May 2018	-	-	0.32	
		Sub-Total		**6.43**	-	-	4.16		-	-	**4.16**	
D	Transfer of Pvt. Land from OPGC to OCPL	Ghumudasan	From OPGC to OCPL	45.51							45.51	11th Sept 2017
		Sarbahal		5.47							5.47	
	SUB-TOTAL			**50.98**							**50.98**	
	GRAND TOTAL			**1,039.51**	**982.10**	**NA**	**4.16**		**982.10**	**NA**	**1,037.24**	

Note: The registration lease deed in favour of OCPL for the aforesaid leased land (excluding 'C') is under process.

Forest Land status as on 31.03.2019

Sl. No.	NAME OF VILLAGE	Diverted Forest Land	Possession obtained	Possession Date	Possession Date
1.	Manoharpur	390.71	211.79	7.30.2016	7.30.2016
2.			174.84	1.07.2017	1.07.2017
3.	Dulanga	15.01	15.01	7.30.2016	7.30.2016
4.	Kathahali	31.89	26.97	7.30.2016	7.30.2016
5.			4.92	1.07.2017	1.07.2017
6.	Ghumudasan/Sanghumunda	24.5	24.5	7.30.2016	7.30.2016
7.	Durubaga	14.63	14.63	7.30.2016	7.30.2016
8.	Paramanandapur	13.61	13.61	7.30.2016	7.30.2016
9.	Reserve forest	5.00	5	5.31.2016	5.31.2016
	TOTAL(Acre)	**495.35**	**491.27**		

Odisha Coal and Power Limited
OCPL

Status of Govt. Land as on 31.03.2019

MONOHRPUR COAL MINE GOVERNMENT LAND-SUNDARGARH							
PROJECT	VILLAGE	Applied (Ac.)	Sanctioned (Ac.)	LEASE WITH IIDCO	POSSESSION TO IIDCO	ALLOTMENT TO OCPL (PP)	ALLOTMENT TO OCPL (LEASE)
Coal Mine	Manoharpur	385.80	385.65	346.66	346.66	38.99	346.66
	Dulinga	173.77	172.94	162.46	162.46	10.48	162.46
	Ghumudasan	52.53	52.53	50.83	50.83	1.70	50.83
	Paramanandpur	3.05	3.05	2.89	2.89	0.16	2.89
	Kathapali	105.79	105.71	105.71	105.71	Nil	105.71
	Durubaga	5.01	5.01	2.30	2.30	2.71	2.30
SUB TOTAL		**725.95**	**724.89**	**670.85**	**670.85**	**54.04**	**670.85**
R & R colony	Sukhabandha	77.07	77.07	77.07	77.07	Nil	37.77
	Hemgir	102.90	102.90	102.90	102.90	Nil	86.90
SUB TOTAL		**179.97**	**179.97**	**179.97**	**179.97**	Nil	**124.67**
Addl. Coal mine	Manoharpur	7.02	7.02	7.02	7.02	Nil	7.02
	Dulinga	26.15	26.15	26.04	26.04	0.11	26.04
	Ghumudasan	28.72	28.72	28.72	28.72	0.06	26.03
SUB TOTAL		61.89	61.89	61.78	61.78	0.17	59.09
Sub Station	Sarbahal	15.08	15.08	15.08	15.08	15.08	15.08
Magazine	Lalkera	2.13	2.13	2.13	NA	NA	
ITC	Kamalaga	4.00	4.00	4.00	NA	NA	-
Office	Hemgri	2.00	2.00	2.00	NA	NA	-
Approach Road to R&R Colony	Sukhabandha	2.08	-	-	-	-	-
Inter Connectivity Road	Sukhabandha	0.76	-	-	-	-	-
	Hemgir	2.61	-	-	-	-	-
Cremation Ground for R&R Colony	Sukhabandh	1.57	1.57	1.57	NA	NA	1.57
Left Out Govt. Land Coal Mines	Ghumudasan	2.36	-	-	-	-	-
Mine Colony	Sarbahal	9.20	8.25	-	-	-	-
Mine Colony_MO	Lalkera	9.55	9.55	-	-	-	-
MGR Land transfer from OPGC to OCPL	Ghumudasan	13.52	13.52	13.52	13.52	-	13.52
	Sarbahal	8.27	8.27	8.27	8.27	-	8.27
SUB TOTAL		73.13	64.37	46.57	36.87	-	38.44
GRAND TOTAL		1,040.94	1,031.12	959.17	949.47	54.21	893.05

Note: The registration of lease deed in favour of OCPL for the aforesaid leased land and is under process.

Odisha Coal and Power Limited
OCPL

Balance Sheet as at March, 31, 2019

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
1.	ASSETS			
	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		**103,628.05**	**73,239.10**
	Note forming part of the financial statements	1-27		

In terms of our report attached — **For and on behalf of the Board**

For Anil Mihir & Associates
Chartered Accountants
Mihir Ku. Sahu
Partner
M.N: 053968
(F.R.N: 303038E)

Indranil Dutta
Director

Pravakar mohanty
Director

Manish Tiwari
Company Secretary

AK. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place : Bhubaneswar
Date : 09/10/2020

Odisha Coal and Power Limited
OCPL

Statement of Profit and Loss for the period ended March 31, 2019

(Rupees 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		246.90	306.72
	(b) Deferred tax\	15	-	(16.89)
	(c) Taxes of earlier years			
	Total tax expense		246.90	289.82
VII	**Loss for the Period (V-VI)**		(280.94)	(305.68)
VIII	**Other comprehensive income / (Losses)**			
	(A) (I) Items that will not be reclassified to profit and loss		-	-
	(II) Income tax relating to items that will not be reclassified to profit and loss		-	-
	(B) (I) Items that will be reclassified to profit and loss		-	-
	(II) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses) for the period		-	-
IX	**Total Comprehensive (Income / (Losses) for the period (VII+VIII) (Comprising Loss and Other Comprehensive Income for the period)**		(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 and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Director

Pravakar Mohanty
Director

Mihir Ku. Sahu
Partner
M.N: 053968
(F.R.N: 303038E)

Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place: Bhubaneswar
Date: 04.10.2019

Statement of Cash Flow for the Year ended March 31, 2019

(Rupees 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		
Adjustments for:	(34.04)	(15.86)
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 equivalent	(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 Rs. Nil (March 31, 2018: Rs. 4,900 lakhs) into equity share capital.
(ii) The company has undrawn borrowing of Rs.33,463.82 lakh (March, 2018: Rs.63,473.19 lakh) from Banks as at the reporting date to settle its capital commitments and future operating activities.
(iii) Figures in brackets represents cash outflows/incomes as the case may be.
(iv) Reconciliation of cash and cash equivalent: Refer note-9 "cash and cash equivalent".
(v) Reconciliation between the opening and closing balance in the Balance sheet for liabilities arising from financing activity.

Particulars	Non-current borrowings
Opening balance as at 1st April, 2018	40,126.81
Cash flows 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
M.N: 053968
(F.R.N: 303038E)

For and on behalf of the Board

Indranil Dutta
Director

Pravakar Mohanty
Director

Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place: Bhubaneswar
Date: 04.10.2019

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

(Rupees 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

(Rupees in Lakhs)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
20,000.00	-	30,000.00

B. Other Equity

(Rupees in Lakhs)

	Reserves and Surplus	
	General Reserve	**Retained earnings**
Balance as at April 1, 2017	-	(310.05)
Loss for the year		(305.68)
Other Comprehensive 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 Comprehensive 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 and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Director

Pravakar Mohanty
Director

Mihir Ku. Sahu
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M.N: 053968
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Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place: Bhubaneswar
Date: 04.10.2019

Notes to the Financial Statements for the year 2018-19

1. General Information	The Odisha Coal and Power Limited ("OCPL" / "the Company") incorporated on January 20, 2015 with its registered office at Bhubaneswar, Odisha, India. Subsequently Odisha Power Generation Corporation Ltd (OPGC) and Odisha Hydro Power Company Ltd (OHPC) holds 51% and 49% of share capital of the Company respectively pursuant to the Government of Odisha Notification No. 1088 dated 4th February, 2015 and No. 1160 dated 6th February, 2015. The Company files application for allotment of Manoharpur and Dip-side Manoharpur Coal Block under the provisions of The Coal Mines (Special Provisions) Second Ordinance, 2014 and is declared as the successful allottee of the said coal blocks on 24th March, 2015. Manoharpur coal block is an explored coal block with a total reserve of 181MT and Dip-side Manoharpur coal block is a regionally explored block with a total reserve of 350 MT. On 30th March 2015 to be precise, it signed the Allotment Agreement with the Nominated Authority, Ministry of Coal (MoC), Government of India. Allotment Order of Manoharpur & Dip-side Manoharpur Coal blocks is issued on 31st Aug 2015 to OCPL by the Nominated Authority for supply of coal exclusively for OPGC expansion Power Project (Unit 3, 4, 5 & 6), 4 units of 660 MW each at Ib-Thermal Power Station, Banaharpali, Jharsuguda, Odisha. OCPL is operating primarily in mining and supply of coal.
2. Statement of Compliance	In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standars) Rules, 2015 (as amended) with effect from 1 April, 2016. These financial statements for the year ended March 31, 2019 are the financial statements prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and the Companies Act, 2013 (to the extent notified and applicable). These financial statements were authorized for issue by the Board of Directors on 30.09.2019
3. Significant Accounting Policies	The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.
3.01. 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 financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.

3.02. Adoption of New and Revised Standards	**Standards and / or amendments issued but not yet effective:** I) Ind AS 116, Leases : The Ministry of Corporate Affairs (MCA) on 30th March, 2019 issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notified IND AS 116 "Leases" which replaces the existing standard IND AS-17, Leases and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e the lessee and the lessor. Ind AS-116 introduces a single accounting model and requires the lessee to recognize asset and liabilities for all leases with a term more than twelve month, unless the underlying asse is of low value. "The effective date of adoption of Ind AS, 116 is for the accounting period begning on ... after April 1, 2019". The company is currently evaluating the effect of this new standard or the financial statement". ii) Ind AS 12, Appendix-C, Uncertainty over Income Tax Treatments: On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which 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 filling 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 effective date of adoption of Ind AS 12, Appendix-C is for the accounting period beginning of on after April 1, 2019". The company is currently evaluating the effect of this amendment on the financial statement. iii) Amendment to Ind AS 12, Income taxes: On 30th March, 2019, this Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, In connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. "The effective date of adoption of the amendment is for the accounting period beginning on or after April 1, 2019". The implication of the amendment is insignificant to the company. The company has successfully implemented all the applicable amendments in the Ind AS from April 1, 2018.
3.03. 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 judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other source. Actual results may differ from these estimates.

	The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. Significant judgements and estimates relating to the carrying amount of assets and liabilities. While evaluating/assessing useful lives of property, plant and equipment, impairment of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies. Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note-4.
3.04. Cash and cash equivalent.	Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and unrestricted for withdrawal and usage.
3.05. Cash Flow Statement	Cash flow is reported using the indirect method, where by profit / (loss) before extra-ordinary items and tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.
3.06. Property, Plant and Equipment	**Tangible Assets:** Property, plant and equipment held for use in the production or / and supply of goods or services, or for administrative purposes, are measured at cost, less any subsequent accumulated depreciation and impairment loss, if any. Such cost comprises purchase price (net of recoverable taxes, trade discount and rebate etc.) borrowing cost, and any cost directly attributable to bringing the assets to its location and working condition for intended use. Expenditure incurred on development of freehold land and leasehold land are capitalized as part of the cost of the land. Deposits, payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land. 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. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts. **Intangible Assets:** 1) 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.

2) In case 'Forest Land' is diverted otherwise than leasehold basis (i.e no lease deed is envisaged to be executed), entire consideration paid/payable is to be capitalized as “Right to Use-Land” under “Intangible Assets”. The same shall be amortized over the period of legal right to use or life of the coal mine, whichever is less. Amortization shall commence when the forest land is available for use.

In case, the lease agreement is signed subsequent to the classification of land as 'Right to use', Land shall be reclassified as “Leasehold Land” and corresponding balances on the date of execution of lease agreement shall be transferred from Right to Use-Land to Leasehold Land and shall be dealt as per IND AS 17. The unamortized balance of leasehold land shall be amortized over the Mining lease period or the life of mines, whichever is lower.

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.

Capital work-in-progress :

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

Capital expenditure on assets not owned by the company and related to the business of the Company is reflected as a distinct item in capital work-in-progress till the period of completion and thereafter under property, plant and equipment.

Expenses incurred relating to project, net of income earned during project development stage prior to its intended use are considered as pre-operative expenses and disclosed under Capital work-in-Progress.

Depreciation & Amortization:

Depreciation is provided on a straight line basis over the useful lives of the assets as prescribed under Schedule II of the Companies Act 2013 or as ascertained based on internal assessment and independent technical evaluation that the useful lives as best represent the period over which Company expects to use these assets.

Particulars	Useful lives
Building	Over the period of 30 years
Furniture & Fixtures and Electrical Equipment’s	Over a period of 10 years
Office and Other Equipment’s	Over a period of 5 years
Vehicles	Over a period of 8 years
Computers & Software’s	Over a period of 3 years

Land is not depreciated. Premium paid on leasehold land including land development and rehabilitation expense are amortized over the lease period.

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

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

Tangible Assets:

Particulars	Depreciation / amortization
Tools and Tackles	Over a period of five years

Intangible Assets

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

The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate, accounted for on a prospective basis. Each component of an item of property, plant and equipment 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 by the Company in a phased manner over a period of three years and the discrepancies noticed, if any, are accounted for in the year in which such differences are found.

Disposal and de-recognition of assets

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

3.07. 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.

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

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

	When an impairment loss subsequently reverses, the carrying amount of asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if there had no impairment loss been recognized for the asset (or a cash generating unit) in prior year. A reversal of an impairment loss is recognized in the statement of profit and loss immediately.
3.08. Foreign currencies Transactions	The financial statements of the Company are presented in Indian rupees ("INR"), which is the functional currency of the Company and the presentation currency for the financial statements. 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 one liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary items are measured at historical cost. Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise
3.09. Employee Benefits	Employee benefits, Inter-alia includes short term employee benefits, provident fund, gratefully, compensated absences and other terminal benefits. In terms of arrangements with OPGC, the company has to make payment for liability towards gratuity, leave benefits (including compensated absences) and other terminal benefit etc. for the period of service rendered by the employees posted on secondment basis from OPGC to OCPL and as per the valuation done by actuary of OPGC.
3.10. Provisions and Contingent Liabilities and Contingent Assets	**Provisions:** Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. 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 the jurisdiction and the risks specific to that liability. **Contingent Liabilities and Assets:** Contingent liabilities are possible obligations that arise from past events and whose existence of which will be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required to settle the obligations, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the possibility of any outflow in settlement is remote. Contingent liabilities are disclosed on the basis of judgment of the management / Independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

3.11. Leases	The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. **The Company as lessee.** **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. **Finance Lease :** Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease. **The Company as lessor** **Operating Lease –** Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term. **Finance lease –** When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as an unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.
3.13. Financial Instruments	3.13. 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 instrument (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 liability are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

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

	De-recognition of financial assets The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the assets 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 loses (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. **De-recognition of financial liability** The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. **Offsetting financial instruments** Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
3.14. 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 substantially ready for their intended use. A qualifying asset is an asset that necessarily takes a substantial period or time to get ready for their intended use. The company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.
3.15. Borrowing Cost	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 period in which the company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income. Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or

	losses already incurred or for the purpose of providing immediate financial support with no 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 income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.
3.16. Tax Expenses	Tax expense for the year comprises current and deferred tax. Current tax: The tax currently payable is based 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 assets is realized or the liabilities is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the each reporting period.
3.17. Revenue recognition and other income	Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for estimated rebates and other similar allowances. **Sales of Coal** The Company derives revenue principally from sale of coal. The Company recognizes revenue when all the following criteria are satisfied: i) significant risks and rewards of ownership has been transferred to the customer; ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained; iii) the amount of revenue can be measured reliably: iv) It is probable that the economic benefits associated with the transaction will flow to the company; v) recovery of the consideration is probable; and

	Other Incomes: Interest recoverable on advances to suppliers as well as warranty claims/ liquidated damages is recognised when there is no significant uncertainty about collectability exists or accepted by other party. **Income from dividend and interest** Dividend Dividend income from investments is to be recognized when the right to receive the dividend is established. Interest 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 discount estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.
3.18. Exceptional Items	Exception items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the company.
3.19. Exceptional Items	Prior period income/ expenses and prepaid expenses of items not exceeding Rs. 0.50 lakh in each case are charged to natural head of account in the current year. Previous year figure has been regrouped/re-arranged wherever it is necessary.
4. Critical accounting judgements and key sources of estimation uncertainty	
	In the application of the company's accounting policies, which are described in Note-2, the management of the Company is required to make judgements, estimated and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimated and associated assumptions are based on historical experience and other factors that the 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 judgements in applying accounting policies:** The following are the critical judgements, apart from those involving estimations (see point ii below), that the management have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements **1. 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 have confirmed the company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is Rs. 851.05 lakhs (March 31,2018: Rs. 530.01 lakhs). Details of these assets are set out in note 24.

	ii. Key sources of estimation uncertainty: The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at eh 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 is 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 occurence 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 marks for identical assets or liabilities that the Company can access at the measurement date; • Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and • Level 3 inputs are unobservable inputs for the asset or liability.

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

(Rupees in Lakhs)

Particulars	As at March 31,2019	As at March 31,2018
Carrying amounts of :		
Freehold Land	80.79	74.90
Buildings	926.08	818.59
Furniture & Fixtures	79.51	68.16
Vehicle	2.95	3.63
Office and other Equipments	160.52	86.68
Total (A)	1,249.85	1,051.96
Capital work-in-progress	52,261.71	29,243.55
Total (B)	52,261.71	29,243.55

5 (i). Other Intangible assets

Particulars	As at March 31,2019	As at March 31,2017
Software	14.17	21.95
Mining Lease Right	1,675.94	1,735.57
Right to use Forest Land	2,916.13	3,019.90
Total (C)	4,606.25	4,777.42
Grand Total (A+B+C)	58,117.80	35,072,92

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipment's	Other Intangible Assets	Total
Cost							
Balance as at April 1, 2018	74.90	879.64	82.23	5.73	125.50	5006.23	6174.22
Additions	5.89	139.70	20.21	-	103.41	(1.16)	268.05
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2019	80.79	1,019.33	102.44	5.73	228.91	5005.07	6442.27

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipment's	Intangible Assets	Total
Accumulated depreciation and impairment							
Balance as at April 1, 2018	-	61.04	14.07	2.10	38.82	228.81	344.84
Elimination on disposals of assets	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	32.21	8.85	0.68	29.57	170.02	241.33
Balance as at March 31, 2019	-	93.25	22.93	2.78	68.39	398.82	586.18

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and Equipment's	Intangible Assets	Total
Carrying amount							
Balance as at April 1, 2018	74.90	818.59	68.16	3.63	86.68	4777.42	5829.38
Additions	5.89	139.70	20.21	-	103.41	(1.16)	268.05
Disposals	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	32.21	8.85	0.68	29.57	170.02	241.33
Balance as at March 31, 2019	80.79	926.08	79.51	2.95	160.52	4606.25	5856.10

I. Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. Based on the assessment, the Company did not recognise any impairment charge during the year ended March 31, 2019.

II. CWIP includes an amount of Rs.4291.41 Lakh (March 31, 2018: Rs. 2,796.05 Lakh) towards borrowing costs net off of investment income earned from borrowings, pending allocation on qualifying assets. Interest during construction (IDC) attributable to qualifying assets already capitalized/capitalized during the year, will be allocated on a systematic basis on the date of commencement of commercial operation (CoD).

III. The right to use Forest land under intangible asset represents the amount deposited i.e Rs. Nil (March, 2018: 3014.94 lakh) with MOEF (and other directly attributable expenditure) towards forest diversion as approved under stage-II forest clearance to use the forest at coal bearing area. The total capitalized forest diversion consists of 495.35 acre out of which the company is in possession of 491.27 acre and the balance 4.08 acre is in subjudice at Hon'bel Highcourt of Odisha, the possession of which is yet to be obtained.

IV. Depreciation and amortisation expenses of Rs. 241.33 lakhs (March 31, 2018: Rs. 209.82 lakhs) has been capitalised during the year under Capital-in-Progress (CWIP) as Expenditure incurred during Construction.

V. The term loan taken from Union Bank India (UBI) and Punjab National Bank (PNB) is secured through equitable mortgage on all present, future immovable properties. immovable properties for details refer Note-14 (ii).

VI. Details of Capital Work in progress is disclosed hereunder:

(Rupees in Lakhs)

Particulars	As at March 31, 2018	Addition/ (Capitalised) during the year	As at March 31, 2019
Construction of R & R colony phase-II	142.74	2093.95	2236.68
Construction of Admin Building	12.70	-	12.70
Road, Bridges & culverts (not owned by company)	1354.49	57.76	1412.25
Construction of Coal Handling Plant & other infrastructures	186.02	9039.23	9225.26
Construction of Explosive Magazine House	74.70	(74.70)-	
Construction of Mine Township complex	-	135.43	135.43
Construction of Water pipe-line	3907.51	1222.61	5130.11
Development of Coal Mines	8916.31	2934.31	11850.61
Consultancy for coal Mines	2159.84	1051.42	3211.26
Power, supply & Lighting -CM*	674.69	293.19	967.89
Up-front Fees	4658.72	1552.91	6211.63
Statutory Clearance Fees & Expenses	31.35	21.25	52.60
Technical studies, survey & soil	51.87	4.59	56.46

Investigations			
Geological report Fees	425.44	-	425.44
Drilling & Exploration	871.10	-	871.10
Other mine-development expenses	43.27	10.95	54.23
Pre-operative Expenses	14649.09	7609.58	22258.66
Employee benefit expenses (Refer Note-21)	3544.53	939.44	4483.97
Finance Cost (Refer Note-22)	8208.98	4383.16	12592.14
Interest income on short term investment	(155.53)	(91.75)	(247.28)
Depreciation and Amortisation	344.84	241.33	586.18
Expenses			
Administrative & Other expenses (Refer Note-23)	2706.27	2137.40	4843.66
Total	**29,243.55**	**23,018.16**	**52,261.71**

* Power, Supply & lightings-CM as at March 31, 2019 includes Rs.816.19 lakh towards construction of 33KV single circuit line from OPTCL substation of Remja to sarbahal, upgradation of existing 33KV Arayan feeder of WESCO and diversion of power lines from Manoharpur coal mine area, the ownership of which is not owned by the company.

Notes forming part of the financial statements

6. Loans Non Current

Particulars	As at March 31, 2019	As at March 31, 2018
a) Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	37.95	13.38
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
b) Loans to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances		
c) Loans to employees		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances		
Total	**37.95**	**13.38**

The unsecured security deposits are interest free deposits.

7. Other Financial assets- Non current

Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with Bank		
(i) In Deposit Account:		
Mine Closure ESCROW deposit	379.43	-
b) Others	-	-
Total	379.43	-

i. Mine Closure Escrow Deposit: The balances with banks under "Mine closure escrow deposit" represents the annual mine closure cost deposited in Escrow account as per the approved mine closure plan and guidelines of MoC, GoI for preparation of mine closure.

ii. The deposit in Escrow has been made in the form of fixed deposit for a period less than 5 years, the withdrawal l from which is subject to the terms & conditions of the Escrow agreement executed between Union Bank of India (being the Escrow agent), OCPL, and the Coal Controller's Organisation, Moc.

iii. The above includes an amount of Rs. 8.27 lakh (March, 2018: Nil) as interest accrued on Escrow account deposits during the current financial year.

Notes forming part of the financial statements

8. Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Prepayments (Leasehold Land)	31,605.99	30,200.06
Capital Advances:		
a) Advance against land acquisitions	928.96	607.29
Advance to contractors	4585.08	1956.58
Input Tax credit (GST)	1906.51	456.37
Others	21.99	43.48
Total	**39048.53**	**33263.79**

'i. Leasehold land includes development cost on land and rehabilitation & resettlement express. Amortisation expenses i.e lease rental expense of Rs.1,089.88 lakhs (March 31, 2018: Rs.92.21 lakhs) has been capitalised during the year as pre-operative expenditure under the head CWIP.

ii. The lease land of the company is generally acquired through Odisha Industrial development corporation (IDCO) as per the prescribed procedure in this regard. 'Prepayment leasehold land includes the cost of 828.54 acre of Govt. Land and 982.10 acre of private land on which physical possession has been obtained from IDCO. However, the lease deed (sub-lease) with IDCO is yet to be executed as on the reporting date. Pending the lease deed execution and finalization of lease period, the company has capitalized the land in possession and amortized over the expected lease period of 30 years. 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 with IDCO. Pending the execution of leasing the same shall be recognised as and when incurred by the company & shall be amortized over the remaining period of useful life.

iii. Capital advance includes the leasehold Govt. Land (including land development expenses) on which possession from the land acquisition authority i.e IDCO is yet to be obtained. It also includes advance paid to IDCO towards 50.98 acre of Govt. land on which fresh application has been made for allotment in favour of OCPL. Pending the allotment, possession and leasing procedure from IDCO, the same has not been capitalized as on the reporting date.

iv. Advance to contractor includes Rs.3,000 lakh paid to M/s BGR Mining & Infra Ltd as financial assistance (FA) to meet its project related expenditure requirements in relation to the operation stage of Manoharpur Coal Mine & to meet other expenditure necessary during the operational stage of mining services under MSA. The FA carries an interest rate of 9.5% which is 1% higher than the maximum rate of interest payable by OCPL on its borrowings. The FA is secured by irrevocable Bank guarantee equivalent to 112.5% of the amount disbursed. Since, the FA shall be recovered in 36 Instalments from the Mining fee payable as per the MSA and considering the nature of transaction, the same has been classified under “Other Non-current” asset instead of financial asset-Non-current. It also includes Rs.54.72 lakh as interest accrued on above advances during the year.

v. Other assets represents, prepaid amount towards statutory clearance fees & fees for various licences.

vi. The company has taken land under operating leases, the lease deed of which is yet to be executed. The following is the summary of future minimum lease rentals under non-cancellable operating lease.

Operating Lease:

Particulars	Minimum lease rentals	
	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	1,132.35	1044.52
Later than 1 year not later than 5 years	5,661.74	5222.58
Later than 5 years	25,944.25	24976.20
Total Minimum lease rentals	**32,738.34**	**31,243.30**

The above indicates the amortization/lease rentals in respect of Govt. and Private land acquired under lease.

9. Cash and Cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
(1) Unrestricted Balance with banks		
(i) Current Accounts	5.98	14.41
(ii) Deposits with original maturity up to three months	426.55	499.99
Cash and cash equivalents as per balance sheet	432.53	514.40
(2) Earmarked Balances with banks		
(i) Current Accounts	-	-
(ii) Deposit Accounts	-	-
Total	-	-
Total Cash and Cash Equivalents	**432.53**	**514.40**

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

10. Others

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on loans and deposits	0.72	2.23
Other receivables	0.43	-
TOTAL	**1.15**	**2.23**

Interest accrued on loans and deposits primarily relates to short Term Deposits.

11. Current tax assets and liabilities

Particulars	AS at March 31, 2019	As at March 31, 2018
Current tax assets		
Tax refund receivables	13.18	15.10
Advance Tax-TDS	-	0.49
TOTAL	**13.18**	**15.59**
Current tax liabilities		
Provision for income Tax	-	-
TOTAL	13.18	15.59

12. Other Current assets

Particulars	AS at March 31, 2019	As at March 31, 2018
Prepayments (Leasehold Land)	1,132.35	1,044.57
Advances to employees	0.41	0.41
Advances to suppliers	4,411.16	3,274.63
Others*	53.56	37.17
TOTAL	**5,597.48**	**4,356.78**

* **Other assets represents, prepaid amount towards insurance premium, statutory fees, guarantee commission and others for the period relating to financial year 2019-20. It also Includes Rs.1.31 lakh (March, 2018: 1.93 lakh) towards security deposit made to various parties as at the reporting date.**

13. Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	30,000.00	30,000.00
TOTAL	30,000.00	30,000.00
Authorised Share Capital		
750,000.000 nos. of equity shares of Rs.10/ - each (Previous Year: 750,000.000 nos. of eq uity shares of Rs.10/- each)	75,000.00	75,000.00
Issued and Subscribed capital Comprises:		
300,000.000 nos. of equity shares of Rs.10/ - each (Previous year: 300,000.000 nos. equity shares of Rs.10/- each)	30,000.00	30,000.00
Total	**30,000.00**	**30,000.00**

Notes

(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	Rs. Lakhs	No. of Shares	Rs. Lakhs
Ordinary shares of Rs.10 each				
At beginning of the year	300,000,00	30,000.00	200,000,00	20,000.00
Shares allotted during the year	-	-	100,000,00	10,000.00
	300,000,00	**30,000.00**	**300,000,00**	**30,000.00**

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 Rs. 10 each)	% of Total Shares	No. of Share Held (face value of Rs. 10 each)	% of Total Shares
Odisha Power Generation Corporation Limited	153,000,000	51.00%	153,000,000	51.00%
Odisha Hydro Power Corporation Limited	147,000,000	49.00%	147,000,000	49.00%

(ii) The Corporation has only one class of shares referred to as equity share having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Corporation, the holders of equity shares will be entitled to receive any of the remaining assets of the corporation, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) The company has made fight issue of equity shares for Rs. Nil (March, 2018: Rs. 10,000 lakh) during the current financial year.

14. Other equity

Particulars	AS at March 31, 2019	As at March 31, 2018
Retained earnings	(896.67)	(615.74)
Total	**(896.67)**	**(615.74)**

(i) Retained Earnings

Particulars	AS at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	(615.74)	(310.05)
Loss attributable to owners of the Company	(280.94)	(305.68)
Balance at the end of the period	(896.67)	(615.74)

15. Borrowings:

Particulars	AS at March 31, 2019	As at March 31, 2018
Secured borrowings – at amortised cost		
Union Bank of India (UBI)	39,535.69	34,720.19
Punjab National Bank (PNB)	30,600.50	5,406.62
Total	**70,136.18**	**40,126.81**

(i) Term loan of Rs.50,000 lakhs and Rs.53,600 lakhs has been obtained from Union Bank of India (UBI) and Punjab National Bank (PNB) respectively for development of Manoharpur Coal Mines at Sundargarh district.

(ii) Security:

The term loans including interest and other charges have been secured by way of pari-passu basis through equitable mortgage by way of hypothecation of all tangibles, movable plants/machinery/other assets, both present and future including Book Debts and immovable property situated at Manoharpur or other places along with Building in favour of UBI and PNB. However, the mortgage is yet to be created by the company.

(iii) Repayment:

(a) The term loan from UBI has been facilitated for a period of 18 years (including 3 years of moratorium from the month of first disbursement) with 15 years of repayment period. The repayment shall be in 60 quarterly instalment after the moratorium period. The first repayment shall due on 31.05.2020 and subsequent quarterly instalment due on last day of August, November and February months.

(b) The term loan from PNB shall be repaid in 60 quarterly instalments starting from 3 year after the first disbursement. Interest after the moratorium period is to be paid as and when charged to the account in respect of each of the above loan.

(iv) Interest:

a) Interest on term loan obtained from UBI is served @ 8.35% p.a. (March, 2018: 8.50% p.a) which is 1 year MCLR effective from May, 2018. The interest is to be reset after one year from the first disbursal and shall be applied for the following months. The interest rate has been reset to 8.60% p.a w.e.f 18-05-2019.

b) The interest is served on monthly rest and calculated on daily reduction balance basis by UBI.

c) Interest on term loan obtained from PNB is served @ 8.50% p.a (March, 2018: 8.15% p.a) which is 1 year MCLR rate w.e.f 26-12-2018. The interest is to be reset after 1 year from the first disbursal and so on.

d) The maturity profile of the borrowing (including interest) is as follows.

Contractual Maturities	AS at March 31, 2019	As at March 31, 2018
Not later than 1 year or payable on demand	-	-
Later than 1 year not later than 5 years	39,683.60	21,873.30
Later than 5 years	79,367.20	29,895.30
Total repayable	**119,050.80**	**51,768.60**

16. Deferred Tax Balance (Rupees in Lakhs)

Particulars	As at March 31,2019	As at March 31, 2018
Deferred Tax Assets	-	-
Less : Deferred Tax Liabilities	556.73	309.83
Net Defer Tax Asset / (Liability)	(556.73)	(309.83)

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

(Rupees in Lakhs)

	Opening Balance as at April 1, 2018	Deferred tax expense / (income) recognised in Profit and loss	Deferred tax expense / (income) recognised OCI)	Deferred tax expense / (income) recognised in other equity)	Closing balance as at March 31, 2019
Deferred tax assets					
Provision	-	-	-	-	-
Total	-	-	-	-	-
Deferred tax liabilities					
Property, Plant and equipment and Intangible assets	(309.83)	(246.90)	-	-	(556.73)
Total	(309.83)	(246.90)	-	-	(556.73)

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

(Rupees in Lakhs)

	Opening Balance as at April 1, 2017	Deferred tax expense / (income) recognised in Profit and loss	Deferred tax expense / (income) recognised OCI)	Deferred tax expense / (income) recognised in other equity)	Closing balance as at March 31, 2018
Deferred tax assets					
Total	-	-	-	-	-
Deferred tax liabilities					
Property, Plant and equipment and Intangible assets	-	309.83	-	-	(309.83)
Total	-	309.83	-	-	(309.83)

(ii) The Company has not recognized deferred tax assets arising from the carry forward of unused tax losses as the operation of the company is yet to be started and there is no strong evidence that future taxable profit is available to recover such assets.

(iii) The company has recognized taxes at the tax rate of 25.17% (March 31,2018 : 27.82%) as per the Income Tax Act, 1961 and as applicable to the entity on estimated basis.

17. Other Financial Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Creditors	2,545.80	1305.00
Payable to related party (OPGC)	158.08	296.77
Security & retention money deposits	300.59	217.40
Other payables	676.01	1503.72
Total	**3680.47**	**3322.90**

(i) Payable to related party includes Rs. 41.38 lakh (March, 2018: 39.73 lakh) towards reimbursement of Gratuity, Rs.47.48 lakh (March, 2018: 83.88 lakh) towards Leave pay, one time pension, & terminal TA of deputed employees and Rs.69.22 lakh (March, 2018: 173.16 lakh) towards other employee benefits, administrative expenses, and other expenditures incurred by OPGC towards development of coal mines.

(iii) Other payable represents sundry creditors and provision for goods/services other than capital creditors including employee benefit expenses payable as on the reporting date. It also includes amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006". This has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under.

(Rupees in Lakhs)

Description	As at March 31, 2019	As at March 31, 2018
i. The principal amount remaining unpaid to supplier as at the end of the year	-	-
ii. The Interest due thereon remaining unpaid to supplier as at the end of the year	-	-
iii. The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) by without adding the interest specified under this Act	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year.	-	-

18. Other Current Liabilities

Description	As at March 31, 2019	As at March 31, 2018
Other statutory dues payable	151.34	95.30
	151.34	**95.30**

Other statutory dues payables primarily includes liabilities towards royalty income tax deducted as source, BOCW cess, employer & employee contribution to CMPF and CMPS etc.

19. Revenue from Operations

Description	As at March 31, 2019	As at March 31, 2018
(a) Sale of coal	-	-
	-	-

Other statutory dues payables primarily includes liabilities towards royalty income tax deducted as source, BOCW cess, employer & employee contribution to CMPF and CMPS etc.

19. Revenue from Operations

Description	As at March 31, 2019	As at March 31, 2018
(a) Sale of coal	-	-
	-	-

The commercial operation of the company is yet to start.

20. Other income

	Description	As at March 31, 2019	As at March 31, 2018
a)	Interest Income		
	i) Interest from Bank Deposits at amortised Cost	37.03	94.10
	ii) Interest from Advances & others	54.72	-
	iii) Interest on Tax refunds	0.42	-
b)	Other Non-operating income:		
	Sale of Scrap	-	-
	Sale of Tender Form	5.40	3.62
	Misc. Income	3.02	0.69
	Less: amount included in the cost qualifying assets	(91.75)	(94.10)
	Total	**8.84**	**4.31**

21. Employee Benefit Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	875.18	703.79
Contribution to provident and other funds	9.02	3.37
Contribution to Gratuity	41.38	39.73
Reimbursement Expenses to Employees	9.38	4.25
Staff Welfare expenses	4.48	10.72
Total	939.44	761.87
Less : Capitalised as preoperative expenses	(939.44)	(761.87)
Total	**-**	**-**

(i) Employees working in the company are deputed from OPGC on secondment basis during the reporting period. In terms of arrangements with OPGC, the company liability towards gratuity, leave benefits (Including compensated absences) etc. for the period of service rendered in the company w.r.t. the OPGC employees posted on secondment paid / payable is accounted on the basis of demand raised by OPGC based on liability determined by independent actuary appointed by OPGC.

Employee benefit includes an amount of Rs.41.38 lakhs towards gratuity (March 31, 2018: Rs.39.73 lakhs) and Rs.35.12 lakhs towards EL & Half pay leave (March 31, 2018: Rs.13.35 lakhs), paid/payable to OPGC as per the above arrangement with the Company. Accounting policies related to the same is provided in Note-3.09.

(ii) The employee benefit expenses also includes Rs.9.63 lakh towards one time pension (March 31, 2018: Rs.42.87 lakh) and Rs.2.72 lakh towards terminal TA in lelu of retirement/superannuation (March 31, 2018: Rs.27.67 lakh) payable to OPGC for its employees posted on secondment basis.

(iii) Further, it includes an amount of Rs.90.00 lakh (March, 2018: Rs.74.00 lakh) towards provision for variable pay of the employees under specific performance management system of the company.

(iv) The Company has capitalised the entire employee benefit expenses of Rs.939.44 lakhs (March 31, 2018: Rs761.87 lakhs) as preoperative expenses. Refer Note-5 for details of the same.

22. Finance Costs

(Rupees in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest Expense		
Interest on and loans from related parties9	-	861.66
Interest on term loans obtained from Banks		
i) Union Bank of India	3044.34	1940.06
ii) Punjab National Bank	1310.97	61.62
(b) Other Financing cost		
Guarantee Commission	27.84	26.81
Total Finance Cost	**4383.16**	**2890.15**
Less : amount included in the cost of qualifying assets	**(4383.16)**	**(2890.15)**
Total	**-**	**-**

23. Other Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment to Auditors	3.90	2.48
Director Sitting Fees	-	-
Filling fees	0.39	0.70
Professional & consultancy fees	3.59	4.27
Training, Seminar & Conference Expenses	3.74	3.59
Other administrative expenses	31.26	9.13
Total (A)	42.88	20.17
Tendering & Publicity Expenses	6.06	4.87
Bank Charges	0.02	0.01
Liasoning expenses	2.45	2.12
Communication Expenses	22.97	17.68
Community Socio cultural activity Expenses	20.62	0.32
Consultancy & Professional Fees	216.66	217.21
Courier Charges	0.64	0.18
Electricity Charges	13.85	9.45
Environment & Safety relate Expenses	4.17	1.06
Vehicle Hire and Fuel Charges	112.10	76.28
Survey & Investigations	1.36	-
Insurance Charges	0.54	0.60
Legal Fees	40.39	56.44
Project Meeting and Hospitality Expenses	6.65	7.28
Miscellaneous Expenses	1.43	4.63
Project Office and other maintenance Expenses	36.19	28.31
Periphery Development & CSR Expenses	159.21	95.82
Printing & Stationary Expenses	13.23	10.39
Rate, Cess & Taxes	115.03	80.67
Lease rental expense	1089.88	92.21
Recruitment Expenses	4.93	4.30
Project office Rent Expenses	31.92	32.42
Watch & ward expenses	42.68	33.55
Transit House Expenses	53.54	43.90
R&R mentainance expenses	71.49	4.66
Travelling Expenses	69.39	78.01
Total (B)	**2137.40**	**902.36**
Total (A+B)	**2180.28**	**922.53**
Less : Capitalised as preoperative expenses (C)	2137.40	902.36
Total (Net)	**42.88**	**20.17**

Payment to Auditors Includes payment to Statutory Auditor as Audit fees for Rs.1.70 lakhs (March 31, 2018: Rs.1.70 lakhs), rs.0.60 lakh towards certification fees and Rs.0.30 lakhs (March 31, 2018: 0.30 lakh) towards tax filling fees.

24. Financial Instruments

(i) Capital Management:- The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity and other short term & long term borrowings. The Company's policy is aimed at combination of short term and long term bowworings.

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

(ii) Disclosure on Financial instruments

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

The details of significant accounting policies. Including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.13 to the financial statements.

(a) Financial assets and liabilities

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2019.

(Rupees in Lakhs)

As at March 31, 2019	Amortised cost	Derivative Instruments other than in hedging relationship	Equity Instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying value	Total fair Value Financial assets
Financial assets						
Cash and bank balance	432.53	-	-	-	432.53	432.53
Loans	37.95	-	-	-	37.95	37.95
Other financial assets	380.58	-	-	-	380.58	380.58
Total financial assets	**851.05**				**851.05**	**851.05**
Financial liabilities						
Borrowings	70136.18	-	-	-	70,136.18	70,136.18
Other financial liabilities	3680.47	-	-	-	3,680.47	3,680.47
Total financial liabilities	**73816.66**	**-**	**-**	**-**	**73,816.66**	**73,816.66**

As at March 31, 2018	Amortised cost	Derivative Instruments other than in hedging relationship	Equity Instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying value	Total fair Value Financial assets
Financial assets						
Cash and bank balance	514.40	-	-	-	514.40	514.40
Loans	13.38	-	-	-	13.38	13.38
Other financial assets	2.23	-	-	-	2.23	2.23
Total financial assets	**530.01**				**530.01**	**530.01**
Financial liabilities						
Borrowings	40,126.81	-	-	-	40126.81	40126.81
Other financial liabilities	3322.90	-	-	-	3322.90	3322.90
Total financial liabilities	**43499.71**	**-**	**-**	**-**	**43449.71**	**43449.71**

25. Related Party transaction

OCPL is controlled by the Odisha Power Generation Corporation Ltd. (OPGC). OPGC holds 51% ownership interest in the Company including and as on March 31,2019 and balance 49% ownership interest is held by Odisha Hydro Power Corporation (OHPC) who has significant influence over the Company. The Company's related parties principally consist of its holding company OPGC, OHPC and Government of Odisha. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. (Rupees in Lakhs)

Nature of Transactions	OPGC	OHPC	Key Management Personnel Dr. K.C. Brahma, CEO (I/C)	Relatives of Key Management Personnel	Government of Odisha
Mining Lease stamp duty					
FY 2018-19					-
FY 2017-18					1,789.00
Finance provided					
FY 2018-19	-	-	-	-	-
FY 2017-18	5,100.00	4,900.00	-	-	-
Interest on loan given					
FY 2018-19	-	-	-	-	-
FY 2017-18*	589.61	272.05	-	-	-
Transfer of Assets (Net Liabilities)					
FY 2018-19	-	-	-	-	-
FY 2017-18	51.53	-	-	-	-
Remuneration					
FY 2018-19	-	-	55.55	-	-
FY 2017-18			47.35	-	-
Remuneration					
FY 2018-19	7,849.92	7,542.08	-	-	-
FY 2017-18	7,849.92	7,542.08	-	-	-

* It includes interest on PFC loan available by OPGC for development of coal blocks. During the year Rs. Nil (March, 2018 : Rs. 10,916.29 lakh) has been repaid as prepayment to OPGC on account of PFC loan and interest thereon till September 25,2017.

26. Earning per share (EPS)

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

(Rupees in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit or (Loss) after tax	(280.94)	(305.68)
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit or (Loss) attributable to ordinary shareholders for Basic & Diluted EPS	(280.94)	(305.68)
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	3000.00	2512.33
Nominal value of Ordinary Shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per Ordinary Share (Rs.)	(0.09)	(0.12)

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

(i) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital capital contracts and not provided for (net of advances) Rs.54,953.69 lakhs (March 31, 2018: Rs.53.727.98 lakhs).

(ii) Contingencies

OPGC and OHPC has submitted guarantees to Axis Bank Ltd. for issuance of performance bank guarantee on behalf of OCPL of Rs.15,392 lakhs in favour of the Nominating Authority, Ministry of Coal, Government of India.

In terms of our report attached

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Director

Pravakar Mohanty
Director

Mihir Ku. Sahu
Partner
M.N: 053968
(F.R.N: 303038E)

Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place: Bhubaneswar
Date: 04.10.2019

सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC AND REVENUE SECTOR AUDIT)
ODISHA, BHUBANESWAR**

To

**The Chief Executive Officer,
Odisha Coal and Power Limited
Bhubaneswar,**

Sub: Comments of the Comptroller & Auditor General of India Under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha Coal and Power Limited for the Financial Year 2018-19.

Sir,
I enclose Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act. 2013 on the accounts of Odisha Coal and Power Limited for the Financial Year 2018-19.

Three copies of the Annual Reports placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours Faithfully

PRINCIPAL ACCOUNTANT GENERAL

Annexure-1

Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of The Companies Act, 2013 on the Financial Statements of Odisha Coal and Power Limited for the year ended 31 March 2019.

The preparation of financial statements of Odisha Coal and Power 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, is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report date: 04 October 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 Coal and Power Limited for the year ended 31 March 2019. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A, Comment on profitability

Statement of profit & loss Expenses

Finance Cost (Note-22)-Nil

1. The above is understated is by `14.14 crore due to non-accounting of interest expenses on borrowed capital used for acquisition of land after its capitalization. This has also resulted in understatement of loss for the year and overstatement of capital work-in-progress to the same extent.

B. Comment of financial position

Balance Sheet

Non-Current Asset

Other Non-Current Assets (note-8): Rs. 390.48 crore

2. The above is understand by ` 42.05 crore due to non-capitalization of borrowing cost on acquisition of land capitalized during the year. This has also resulted in overstatement of capital work-in-progress by the same amount. Further other expenses is understated by ` 1.40 crore with corresponding understatement of loss to the same extent due to non-accounting of amortization of land on the above amount.

C. Comment on Statutory Auditors report.

3. A reference is invited to Independent Auditors Report paragraph 3 where in it was commented that, Emphasis is given to note no. 8(ii) of notes to the accounts 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 company & shall be amortized over the remaining period of useful life." which could alternatively have been capitalized with reasonable estimate". In this regard it is emphasized that lease deed between OCPL and IDCO regarding land has not been executed yet. The expenditure towards stamp duty and registration charges would accrue only at the time of execution of lease deed. Hence, capitalization of registration charges and other documentation cost in the accounts of OCPL for the year ended 31st March 2019 dows not arise. The comment is deficient to this extent.

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

PRINCIPAL ACCOUNTANT GENERAL

Place: Bhubaneswar
Date: 06.01.2020

Board of Directors

1.	Mr. Bishnupada Sethi, IAS	Chairman
2.	Mr. Sangram Keshari Swain, OAS	Director
3.	Mr. Indranil Dutta	Director
4.	Mr. Pravakar Mohanty	Director
5.	Mr. Chandan Saha Prashad	Director
6.	Mr. Sanjib Kumar Tripathy	Director

Senior Management

Sl.	Name	Designation
Head Office		
1	Dr. Kshirod Ch. Brahma	Chief Executive Officer (I/c.)
2	Abodh Kumar Pattjoshi	Head of Finance
3	Saroj Kumar Kar	AGM (Mechanical)
4	A Kanungo	AGM (Commercial & Contracts)
5	Manish Tiwari	Company Secretary
Site Office		
1	Gandharba Dehury	Head of Mines
2	Santosh Satpathy	Chief of Infra
3	Bimal Jena	GM (Electrical)
4	Nihar Ranjan Satpathy	AGM (Mines)
5	Dr. Vishy Jagannath	DGM (CSR & R/R)

OCPL
Odisha Coal and Power Limited
CIN - U 10100OR2015SGC018623
(A Government Company of the State of Odisha)
Zone - A, Ground Floor, Fortune Towers, Chandrasekharpur
Bhubaneswar - 751023, Odisha, India