Odisha Coal and Power Limited

OCPL

ANNUAL REPORT
2016-17

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

Contents

About OCPL

Coal Handling Plant contract signing with McNally Bharat

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.

DIRECTORS' PROFILE

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

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

Mr. Vishal Kumar Dev, IAS, Director: Mr. Vishal Kumar Dev, IAS, at present the Commissioner-cum-Secretary to Govt., Tourism and Culture Department & Sports and Youth Services Department, Govt of Odisha. He is also the Chairman-cum-Managing Director of Odisha Hydro Power Corporation Limited. Mr. Dev is an alumnus of IIT- BHU, Varanasi; IIM, Lucknow and University of Sussex, UK. He served for about 03 years in prestigious Corporate Sector Organizations before joining Indian Administrative Service in 1996.

He is an able Administrator and strong believer in time bound work execution & completion. He has successfully handled important assignments in the past such as Municipal Commissioner, Cuttack as well as Bhubaneswar; CEO, OCAC & Director, IT; Vice-Chairman, Bhubaneswar Development Authority; CMD, The Industrial Development Corporation of Odisha Limited & Odisha Industrial Infrastructure Development Corporation; Commissioner-cum-Secretary to Govt., Industries Department and Women & Child Development Deptt., Govt. of Odisha. He has contributed significantly to the development of the IT/ITES Sector as well as to Industrial development of the State. Under his guidance, Odisha successfully hoisted the 22nd Asian Athletic Championship in July, 2017 at Bhubaneswar.

His interest areas include infrastructure development, Urban Management and e-Governance.

Mr. Indranil Dutta, Director : Mr Indranil Dutta is B.Tech (Hon's) in Mechanical Engineering from IIT, Kharagpur. He has a rich and varied experience of over 27 years of Commercial, Engineering, Project Services, Power Station Management, development and implementation of strategies for the profitability and efficient functioning of the Business Unit. He has worked in Tata Steel for more than a decade and also worked in Bharat Aluminium Company Ltd (Balco), before joining AES India in 2011. He is Managing Director, OPGC. Mr. Dutta was Director (Operations) of OPGC since April, 2011. He has competence at both strategic and the operational levels as commercially astute business leader.

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

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

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

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

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

Mr. Pravakar Mohanty, Director : Mr. Mohanty is a fellow member of the Institute of Cost Accountant of India (ICAI), M.Com and law graduate. He has an illustrious career span of more than 36 years in various PSUs in the field of finance & Management. Mr. Mohanty is presently serving as the Director (Finance), Odisha Hydro Power Corporation Limited (OHPC), a "Gold rated State PSU". Prior to OHPC, Mr. Mohanty served Neelachal Ispat Nigam Limited (NINL), a Central PSU, as its Director (Finance) for about two years. Mr. Mohanty starting his career 1984, he has made long journey in Industrial Development Corporation of Odisha Limited (IDCOL), the oldest PSU in Odisha, by serving it in different capacities in Finance & Corporate Planning Division for more than 30 years. Besides he has also handled the responsibility of remaining in charge of Managing Director of Konark Jute Limited, in two spells and also Director of Beach Sand Project of IDCOL. He is presently continuing as a member of Odisha State Productivity Council (OSPC) and nominated by Government of India as a member in the Appellate Authority under Ministry of Corporate Affairs, Government of India.

He has rich experience of teaching in professional Institutions and universities & addressed in many Seminars, Conferences, Workshop etc.

He has played an instrumental role in term loan financing of Rs. 1036 Cr. from Punjab National Bank and Union Bank of India to OCPL.

Mr. Sanjib Kumar Tripathy, Director : Mr. Tripathy presently serving as the Director (Operation) of Odisha Hydro Power Corporation"Gold rated State PSU". He is an alumnus of the prestigious National Institute of Technology, Rourkela (1982 B.Sc. Electrical Engineering Batch). He has completed his Master in Business Administration (HRD) from Indira Gandhi National Open University in 1997. He has also completed a certified course in Disaster Management from Indira Gandhi National Open University in 2004.

After joining the erstwhile Orissa State Electricity Board in 1982, he has served in Talcher Thermal Power Station (Angul), Load Dispatch Station (Angul), Upper Indravati Hydro Electric Project (Mukhiguda), Chipilima Hydro Electric Project (Sambalpur) and Hirakud Hydro Electric Project (Sambalpur), which gave him expertise on planning & engineering, construction, erection, commissioning, operation and maintenance of Thermal & Hydro Electric Projects. During this period he has made numerous significant contributions, which includes, commissioning of 2x110 MW Thermal Units at TTPS, construction, erection & commissioning of 4x150 MW Hydro Power House at Indravati and synchronization of Odisha Grid to Eastern Region Electricity Board (EREB) etc.

He is further associated with the Renewable Energy Development activities in the State through Green Energy Development Corporation of Odisha Ltd. (a wholly owned subsidiary of OHPC) in commissioning of 20 MW ground mounted Solar Plant at Manamunda (Boudh) and 4 MW Rooftop Solar project on Government buildings in Bhubaneswar & Cuttack. Upcoming projects include 275 MW Solar Park in Boudh & Sambalpur, 19 MW Solar Rooftop projects on Government buildings in 16 cities, 600 MW Pumped Storage Project at Indravati and few Small Hydro projects. He has been instrumental in formulation of the Odisha Renewable Energy Policy, 2016.

His long career spanning over 35 years has given him thorough insights of project planning & estimates, survey & feasibility study, financial viability analysis, contract & procurement, project implementation & construction, erection & commissioning, operation & maintenance, power system operation & management, power house renovation, modernization, up-gradation & automation, generation planning & monitoring, tariff and regulatory matters, safety & disaster management etc. in all spheres of the Electrical Industry, i.e. Generation, Transmission, Distribution, Grid Operation and Renewable Energy.

He has imparted many lectures & trainings to both power sector professionals & new entrants, which shows his keenness towards academics. He is affiliated with the Institute of Engineers (India) as Fellow since 2002 and conferred the title of Chartered Engineer (India) in 2003. He is a lifetime member of Odisha Engineering Congress and Solar Energy Society of India.

CEO' PROFILE

Dr. Kshirod Chandra Brahma, (Chief Executive Officer) : Dr. Kshirod Brahma is the Chief Executive Officer (CEO) (I/C) of OCPL. Dr. Brahma is having more than 30 years of rich multifunctional management experience in Change Management, Mine Development and Operations, Mine Planning & Design and Business Development in Mining and Power Sector. After obtaining Degree in Mining Engineering in 1987 from National Institute of Technology, Rourkela, he joined Coal India Limited and served around 20 years in its different subsidiary companies viz.South Eastern Coalfields Ltd. (SECL), Mahanadi Coalfields Ltd. (MCL) and CMPDIL. He later moved to Gujarat Industries Power Company Limited (GIPCL) as Head of Mines in 2006. He has acquired Master in Industrial Management (MIM), PGD in Environment & Ecology (PGDEE), LLB, PGD in Labour Laws & Personnel Management (PGDLL&PM), PGD in Information Technology (PGDIT) and Ph. D. in Mining Engineering. He has been granted a certificate by MoC, GoI, as a competent person to prepare Mining Plans for coal and lignite in the capacity of a Recognized Qualified Person (RQP). He has also acquired the First Class Mine Managers Certificate of Competency (Coal).He is a member/fellow with various professional bodies such as IE(I), MGMI, IIIE, ORSI, ISTE, AIMA, MEAI, IMMA, NIPM, ISTD, IAEM, SGAT & Institution of Valuers(IV). He has published & presented more than 25 papers in various national and international seminars, workshops and journals.

Peripheral Development Initiatives

The company, based on the needs identified by the communities and key stakeholders takes up peripheral developmental activities. Major proposals are executed with the approval of peripheral development society, Sundargarh. The key areas where the company invests its resources are education, skill education, community health, sports, culture, sustainable livelihoods and rural Infrastructure. The company executes the work either directly or through line departments of district administration.

Primary Education

- Financial support was given to 13 Village Education Committee (VEC) for engagement 18 no of additional school teachers in their schools. These teachers were selected by village education committee with a recommendation of local BEO (Block Education Officer). The idea of engaging additional teachers was to reduce the student teacher ratio.
- Sishu Mahotsava Program was organised in different schools of the project area on occasion of 15th August & 26th January, to identify the rural talents through cultural program, game & sports and extra-curricular activities. On this occasion inter school competition had been organised on drawing, debate, essay writing and outdoor game.

- Various schools were supported by providing aids as per the request. Small infrastructural developmental jobs were taken up based on request of local administration. School helped during the financial year are Durubuga Primary School, Saragapalli Primary School etc.

Skill Education : Industrial Training Institute

An ITI has been set up to impart training the youth on electrician trade. This is a 2-year training course affiliated to SCTE & VT. Till date 40 students have passed out from this Institute. Presently 40 local students are undergoing training in different semesters. They are also eligible to appear NCVT examination and thus get dual certification.

Health

Health Check for the people of New R&R colony

Regular health camps were being organised. On every Saturday an outpatient clinic was being held at the R&R Colony Sukhabandha for the benefit of nearby localities. With a request from Rogi Kalyan Samiti of Hemgir, the toilet facilities at CHC, Hemgir were upgraded. All support was provided for the polio eradication drive program organised by administration.

Provision of Safe Drinking Water during the summer season

Providing safe drinking water through water tankers during peak summer season is an important activity. The company

Drinking water supply during summer season

has been supplying safe drinking water to six periphery villages Hemgir, Sarbahal, Durubuga, Katarbaga, Kiripsira, Ostali & Rangiadhipa. This drinking water intervention project is directly benefiting 600 to 700 households having a population size of about 3500 to 4000.

Promoting Rural Sports and Culture

The Company has been promoting rural sports in the nearby communities. It provides sports kits and actively supports various sport-training events in the area. All local tournaments organised by various local clubs are supported financially. The company participates in JATRA a platform offered by district administration Sundargarh, for promotion of local folk art and display/sell of local products.

Rural Infrastructure

OCPL is been working for improvement of infrastructure in the project affected villages and peripherial area. Following activities has been undertaken under Rural Infrastructure project.

- Financial support was provided to village committee of Sanghumuda village for construction of check dam at their village for preserving of water for summer season.
- Supported with 20 No of LED light for street lighting and under Swachhat Abhiyan 10 nos. of 110 Ltrs. capacity garbage bins have been provided for Hemgir town.
- On request of the Panchayat Samiti of Hemgir, 2.8 Kms of black top road has been taken up for construction from Hemgir to Beharamunda. The road will be completed in three financial years. 900mtrs has been completed.

Distribution of Steet light & Disposal bin to GP office of Hemgir

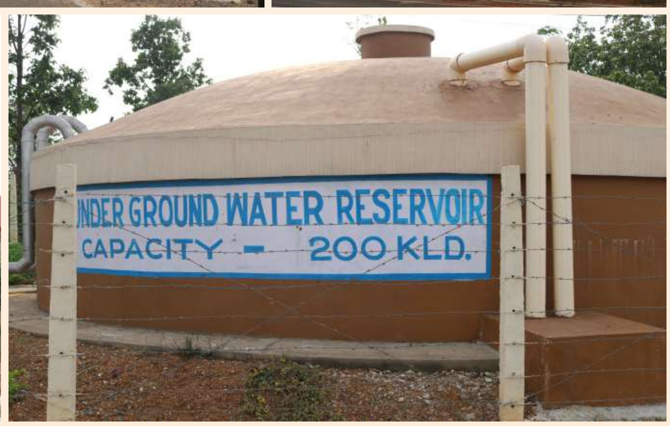
Rehabilitation & Resettlement

The company has declared a comprehensive R&R package for displaced families of Manoharpur project. The provisions of Odisha R&R Policy 2006 and its subsequent amendment's and modifications guide the R&R package. The broad based strategy was to address the major risks of involuntary displacement and turn it into as an opportunity for development.

Resettlement Colony

A model R&R colony has been constructed for the displaced families of village Manoharpur. It is located at Sukhabandh near Hemgir. The colony spreads over an area of Ac. 78.64.The colony was certified fit for habitation by the R&R Administrator cum Sub-Collector, Sundargarh. In the first, phase 241 houses are constructed along with required basic amenities and infrastructure for resettlement of Manoharpur village. The individual house unit has built up area of 1060 sqft. The other infrastructure provided are wide roads, parks and gardens, dispensary, school, anganwadi centre, community centre, kiosks, market place, women training centre, piped water supply with overhead tank, solar lights, sewage treatment plant and rain water harvesting structures. An area of Ac. 1.58 is allotted for the burial ground. A crematorium has been constructed over that land. The relocation of village Manoharpur is in progress.

The work for R&R colony – phase 2 for Ghumudshan village at Hemgir will begin shortly.




Collector, Sundargarh at R&R colony

Acclimatisation and Social Integration with Host Communities

Acclimatisation in the new habitat is an integral part of successful resettlement and rehabilitation. Efforts have been made to restore to cultural practises and traditional belief system of the displaced communities. The Gram Devi Pitha (place for tutelary deity) has been constructed and Gram Devi has been installed as per the norms and belief system of the displaced community. A temple has been constructed in the R&R colony. The temple Pratistha of Ram durbar along with other parsvadevatas (deities) were completed in a grand ceremony with lots of pomp and gaiety. The colony has also been provided with a Rahasa Mandap for continuation of their traditional cultural practises. The host community also participates in the programs organised by the colony residents. There is an overall improvement of the quality of life of the displaced.

Promotion of Sustainable Livelihood

Promotion of sustainable livelihood and enhancement of the skill and income of the project displaced families is a major thrust of the project. Company has engaged MART, an expert agency for promotion of sustainable livelihood among the displaced families. The project aimed at to impart required skill development and capacity building training to members of displaced families on various livelihood activities, provide handholding support to establish individual or group entrepreneurial activities. The agency is working with the families who have relocated to R&R colony. The initiatives has achieved satisfactory results. Number of families have acquired new skills and adopted new entrepreneurial activities and sources of livelihood like dairy, backyard poultry, food processing, mushroom cultivation, production units, trading & shops etc.

NOTICE FOR THE 2nd ANNUAL GENERAL MEETING

Notice is hereby given that the 2nd Annual General Meeting of the members of Odisha Coal and Power Ltd. will be held on **Wednesday**, **15th November, 2017 at 3.30 PM** at the Registered Office of the Corporation at Zone-A, Ground Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar to transact the following businesses:-

ORDINARY BUSINESS:

1) To receive, consider and adopt the audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year ending on that date together with Directors' Report and Auditors' Report thereon.

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

By order of the Board

Sd/-

(M. K. Tiwari)

Company Secretary

Management Report

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 2nd Annual Report on the project development, performance and operating result of the Company for the financial year 2016-17 together with the Audited Statement of Accounts and the Report of the auditors thereon. The comments of the Statutory Auditors and Comptroller and Auditor General of India U/s 143 (6) (b) of the Companies Act, 2013 on the said accounts also form part of the report.

PROJECT DEVELOPMENT HIGHLIGHTS

OCPL has been vigorously pursuing development of Manoharpur & dip-side Manoharpur coal blocks and considerable progress has been achieved. It is planned to produce coal initially from the Manoharpur coal block. The critical milestones viz. land acquisition of mine lease area is largely complete. Stage – I & II Forest Clearances, Environment Clearance and approval of Mining Plan & Mine Closure Plan are in place. Construction of R&R colony (Phase-I) and other infrastructural facilities including temporary mine office and transit guest house have been completed. Drilling at Dip-Side Manoharpur Coal Block for exploration has been completed and the draft Integrated Geological Report has been received from CMPDI.

The Efficiency Parameters stipulated in the schedule E of the Allotment Agreement mentions the time limit for individual milestones. During the development period any non compliance of the milestones in the Efficiency Parameters is liable to appropriation of Performance Security.

Performance Security and Upfront Payment

In compliance with the requirements of the Allotment Agreement, Performance Security in the form of Bank Guarantee (BG) for ₹ 153.92 Cr. has been submitted with the Nominated Authority, Ministry of Coal, Government of India on 24-10-2017 for a period of one year.

Statutory Permits / Clearances:

Your Company has obtained the following statutory permits / clearances till 31st October, 2017:

Manoharpur Coal Block		
Sl. No.	Permits/Clearances	Authority/Department
1.	Revised Mining Plan and Mine Closure Plan (Revision-I)	Ministry of Coal
2.	Forest Clearance of Manoharpur coal mines in favour of OCPL	Ministry of Environment & Forest and Climate Change (MoEF & CC)
3.	Environment Clearance of Manoharpur coal mines in favour of OCPL	Ministry of Environment & Forest and Climate Change (MoEF & CC)
4.	Consent to Establish for Coal Mine in favour in favour of OCPL	State Pollution Control Board, Odisha
5.	Grant of 5.55 Cusecs of water from Hirakud back water	Department of Water Resources, GoO
6.	Explosive License	Ministry of Commerce & Industry, Petroleum & Explosive Safety Organisation (PESO)

7.	Non-Mineralisation Clearance in favour of OCPL	Directorate of Geology, Odisha
8.	Permanent Power drawal from NTPC	MOP
9.	Power supply permission for R&R colony Phase-I at Sukhabandh	WESCO
10.	Nalla Diversion Permission in favour of OCPL	Department of Water Resources, GoO
11.	Road Diversion Permission in favour of OCPL	Department of Rural Development, GoO
12.	Environment Clearance for R&R Colony in favour of OCPL	State Level Environment Impact Assessment Authority, Odisha / State Pollution Control Board, Odisha
13.	Consent to Establish for R&R Colony in favour of OCPL	State Pollution Control Board, Odisha
14.	Consent to Operate for R&R Colony of OCPL	State Pollution Control Board, Odisha
15.	Site Specific Wildlife Conservation Plan for Coal Mine	Principal Chief Conservator of Forest & Chief Wildlife Warden, Odisha
16.	Ownership of ITC Hemgir	Directorate of Technical Education and Training, Odisha, Cuttack
17.	Mining Lease execution	Steel& Mines Dept , Govt of Odisha

Dip-Side Manoharpur		
1.	Prospecting License (PL) deed execution	Govt. of Odisha
2.	PL Registration	Collector, Sundargarh
3.	Permission for drilling of boreholes in forest area	Forest & Environment Department, GoO

Mining Plan

OCPL has the approved mining plan & mine closure plan (Revision-I) in place. For adoption of new technology in the coal mining area, OCPL has submitted the mining plan & mine closure plan (Revision-II) with the Ministry of Coal (MoC), GoI for its approval.

Drilling of Dip-Side Manoharpur Coal Block

Manoharpur coal block is an explored one with a total net geological reserves of 181.68 Million Tonnes (MT) of coal. Dip side of Manoharpur block was a regionally explored block at the time of allotment of coal blocks with a total indicated reserves of 350 MT of coal.

Detailed exploratory drilling in Dip-Side Manoharpur Coal Block has been undertaken and completed in the FY 2016-17. Drilling of 79 boreholes (26801 meterage) were conducted and the draft Integrated Geological Report has been received from CMPDI in October, 2017. The total geological reserve of dip side Manoharpur coal block comes to approximately 725 MT of coal.

Land and R & R

Private Land:

Out of the total area of 1039 Ac., allotment of an area of 1035.70 Ac.in favour of Odisha Coal and Power Limited has been completed by IDCO. The balance are in process at various levels.

Government Land:

Out of the total area of 1041 Ac., allotment for an area of 874.47 Ac.in favour of Odisha Coal and Power Limited has been completed. The balance are in process at various levels.

Forest Land:

Possession of 491 Ac. out of 495 Ac. of forest land has been taken over by OCPL. The balance 4 Ac. land is pending due to stay order of the Hon'ble High Court of Odisha on account of FRA compensation matter. In addition to the above 141.04 Ac. of forest land has been transferred from OPGC to OCPL.

Rehabilitation and Resettlement:

The shifting of displaced families of village Manoharpur to rehabilitation and resettlement colony at Sukhabandh (Hemgir) is in progress. Out of 244 DFs 97 have already shifted to R&R colony till the end of October, 2017. The RoR (Patta) of house plots allocated to DFs in the R&R colony has been handed over by the administration. The Annuity Scheme has been implemented through LIC. The Company has also engaged MART, an expert agency for promotion of sustainable livelihood among DFs. The agency has been imparting skill development and capacity building training and promoting various livelihood and entrepreneurial activities. The construction work of R&R colony – Phase 2 at Hemgir for Sanghumuda village will begin in the current year.

Significant and Material Order Passed by the Regulators or Court or Tribunal impacting the going concern status and Company Operations in future

OCPL had received the 1st show cause notice from the Nominated Authority, MoC, GoI, on 28th April, 2016 for the delay in obtaining the Prospecting License (PL) for Dip-side Manoharpur Coal Block. OCPL responded with the reasons and justifications for delay which are not attributable to OCPL and requested the Nominated Authority to drop the show cause notice.

Second show cause notice was received from the Nominated Authority on 17th July, 2017 for delay in achievement of milestone of "Completion of exploration and preparation of Geological Report (GR)" in respect of Dip-Side Manoharpur Coal Block. OCPL vide letter dated 29th July, 2017 explained the reasons of delay which was due to the delay in issuance of co-ordinates by the Nominated Authority and requested the Nominated Authority, Ministry of Coal, GoI to drop the show cause notice . No response on the matter has been received from the Nominated Authority till date.

Major Contracts and Agreement

Coal Handling Plant (CHP): Letter of Award (LoA) has been issued to the McNally Bharat Engineering Company Limited for construction of CHP within a period of 810 days from the date of signing of Agreement.

Mine Operator (MO): Request for Qualification (RFQ) process has been completed and the Request for Proposal (RFP) has been issued to 5 (five) qualified bidders.

R&R Colony (Phase-II) : LoI has been issued to M/s Shree Balaji Engicons Pvt. Ltd. 6th November, 2017 for construction of the colony.

Project Target-Project Schedule:

Allotment Agreement has been signed with the Nominated Authority, Ministry of Coal specifying the time line to start the mine operation after 44 months i.e. May 2019 from the zero date (i.e. 31st August 2015).

Capital Structure

The Authorised Share Capital of the Company is ₹ 750.00 crore, divided into 7,50,00,0000 Equity Shares of ₹ 10/- each. The paid up Equity Share Capital of the Company stands at ₹200.00 crore. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited (OPGC) and Odisha Hydro Power Corporation Limited (OHPC) in the ratio of 51:49.

Long Term Financing

The project cost of Manoharpur coal mine has been approved by the Board amounting to ₹ 1382 crores. The revised mine plan and cost estimate for the project is under preparation by CMPDI. So far the equity contributions from the shareholders as on 31st March 2017 is ₹ 200 crores from OPGC and OHPC. The debt portion is proposed to be financed through Financial Institutions/ Commercial Banks. Sanction of an amount of ₹ 500 crores towards debt portion of Project cost has been received from the Union Bank of India in FY 2016-17

FINANCIAL RESULTS/HIGHLIGHTS

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

The following summarised financial results are furnished below at Table no-1 for easy appreciation of the financial health of the company.

Particulars	Amount in ₹ lakhs for FY 2016-17	Amount in ₹ lakhs for FY 2015-16 (15 months)
Revenue from Operations	--	--
Other income	18.79	6.82
Total Income	18.79	6.82
Cost of material consumed	--	--
Employee benefit expenses	2519.78	--
Other Cost	1821.88	86.76
Depreciation & Amortization expenses	134.62	--
Less: Expenditure (other than interest) transferred to capital work in progress	(4261.98)	--
Total Expenses	214.31	86.76
Profit before Exceptional items	(195.51)	(79.94)
Less: Exceptional items	--	--
Profit/(Loss) before tax	(195.51)	(79.94)
Less: Tax expenses	20.01	--
Profit/(Loss) after Tax	(215.51)	(79.94)
Less: Any appropriations, if any	--	--
Balance carried to Balance Sheet	(215.51)	(79.94)

REVIEW OF OPERATIONS

During the year under review, the Total Income was ₹ 18.79 Lakhs with no revenue from operation. The Company posted a net loss after tax of ₹ 215.51 Lakhs.

DIVIDEND

The Board did not recommend any dividend during the financial year under review.

TRANSFER TO RESERVES

The Board did not recommend any amount for transfer to reserve.

UNSECURED LOAN

Inter-corporate loan from Odisha Power Generation Corporation Limited and Odisha Hydro Power Corporation Limited stands at ₹4.62 crores and ₹55.47 crores respectively as on 31st March, 2017.

GENERAL

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

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

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

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

OCPL is in the process of developing the risk management practices to address various developmental and operational risks. The Company has standard operating processes for various developmental activities at present in order to mitigate and prevent risk arising out of various activities and operations. OCPL is currently carrying out coal mine developmental works and plans for its operation shortly for which permits and clearances from different State and Central Govt. agencies is being applied for. However, the Policy of Government may impact OCPL's development as well as operational strategy when any change in law is promulgated by Govt.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

Mr. Pravakar Mohanty (DIN 01756900), Director (F), OHPC was appointed as Director on 6th December, 2016 as OHPC nominee in place of Mr. B. K. Behera. Mr. Hemant Sharma, IAS (DIN 01296263), Chairman OPGC was appointed as Chairman OCPL on 20th January, 2017 in place of Mr. Rajesh Verma, IAS. Mr. Vishal Kumar Dev, IAS, (DIN 01797521) CMD, OHPC and Mr. Sanjib Kumar Tripathy (DIN 07915634), Director (O) (I/C) were appointed as Director w.e.f. 12th September, 2017 in place of Late Shital Kumar Jena and Mr. A.K. Mishra as OHPC nominee Directors respectively.

The sad demise of Shri Shital Kumar Jena was an irreparable loss to OCPL. The Board place on records their appreciation for the valuable services rendered by him during his tenure as Director.

The Directors also place on record their appreciation for the valuable services rendered by Mr. Rajesh Verma, IAS, Mr. B.K. Behera, and Mr. A K Mishra during their tenure as Director of the Company.

STATUTORY AUDITORS

M/s Anil Mihir and Associates have been appointed as the Statutory Auditors of the Company by Comptroller and Auditor General (C&AG) of India for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2016-2017 and comments of C&AG of India u/s 143 (6) (b) of the Companies Act,2013 are enclosed as a part of the report.

INTERNAL AUDIT

The Board of Directors of the Company has appointed, after recommendations of the Audit Committee, M/s SAPSJ and Associates, Cost Accountants as internal auditors for conducting Internal Audit. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control system in the company, its compliances with operating systems, accounting procedures and policies at Corporate and Site Office of the company and reports the same at end of financial year to the Audit Committee and Board.

MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT

The comments of the statutory auditors and management's reply on each of the observations are placed at Annexure – III which form a part of the Directors' Report.

MANAGEMENT COMMENTS ON C&AG OF INDIA REVIEW

Review of the Accounts for the year ended 31st March, 2017 by the Comptroller and Auditor General (C&AG) of India is furnished at Annexure – IV which also forms a part of this report. Your Directors are pleased to inform that the C&AG of India has given NIL comments on the Annual Accounts of the Company.

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

OCPL has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013 except for inter-corporate loans and advances from Odisha Power Generation Corporation Limited and Odisha Hydro Power Corporation Limited under a well defined policy duly approved by the Board of Directors. Particulars of such arrangements are placed in Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 as **Annexure -V**

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

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

INTERNAL CONTROL

The Company has a well-placed, proper and adequate Internal Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. M/s Jalan & Associates, 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.

CORPORATE SOCIAL RESPONSIBILITY

OCPL's vision of sustainable growth drives equally both business decisions as well as Corporate Social Responsibility (CSR) initiatives for OCPL. OCPL works in the core sectors of Education, Community Health, Sustainable Livelihood Management, Rural Infrastructure Development, Skill Development and support to rural sports training. The requirements under section 135 of the Companies Act are not met by OCPL from either Net Worth, or Turn over or from Net Profit point of view. Hence, there is no statutory requirement of having a CSR committee for OCPL.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had held Nine Board meetings during the financial year under review.

AUDIT COMMITTEE

As a measure of good Corporate Governance your company has volunteered to adopt governance norms of the corporate administration and in order to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board in its 19th Meeting held on 2nd July, 2016 comprising of three Directors to review the adequacy and effectiveness of internal audit and to monitor the implementation of internal audit recommendations including those relating to strengthening of company's control system against unscrupulous, unethical and fraudulent transactions.

H.R.D. & MANPOWER PLANNING

Your Company believes in empowering the manpower through excellence and team work along its vision and mission with development and operation of its core areas. The company has prepared a statutory and non-statutory requirement of manpower taking into consideration of lead time for training and external hiring.

Need based training has been imparted to the workforce to narrow down the performance gaps.

INDUSTRIAL RELATIONS

Your Company has maintained a healthy, cordial and harmonious industrial relations at all the levels during the year under report. Your Directors wish to place on record their sincere appreciation for the excellent team spirit with which the entire team of the company worked at site and corporate office and made commendable contribution to the all-round progress of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

ACKNOWLEDGEMENT

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

Your Directors also place on record their appreciation on the continued co-operation and support received from OPGC, OHPC, IDCO, MCL, Union Bank of India, Punjab National Bank, ICICI Bank, State Bank of India, Yes Bank, REC, PFC, Auditors, Advocates, Solicitors, business associates and shareholders during the year and look forward to continuance of the mutually support relationship in future.

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

We also acknowledge the constructive suggestions received from Government of India, Government of Odisha, C&AG of India, Statutory Auditors and Internal Auditors.

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

For and on behalf of the Board of Directors

Sd/-

CHAIRMAN

Annexure - I

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

A	**Conservation of energy**		
	(i)	the steps taken or impact on conservation of energy	● LED illuminaires have been provided in office buildings and for outdoor illumination. Air condition system provided in office buildings are all of BEE 5 star rating. OCPL is also committed to use energy efficient luminaires and appliances in all future projects. ● All distribution transformers installed at site are BEE star rated. ● Sizing & selection of electrical machines and drive units are being carried out in an optimized way to reduce energy consumption. ● Office buildings & guest houses have been designed in a way to use maximum day -light and to reduce energy consumption. ● Automatic power factor correction panels have been incorporated in design for all future projects.
	(ii)	the steps taken by the company for utilising alternative sources of energy	● A 2.5 KWP Grid connected roof top solar system has been installed in the guest house at site. ● Steps have been taken to install a 9 KWP Grid connected solar system at site office by publishing an open tender to appoint a construction agency. ● OCPL is further planning to construct a 500 KWP grid connected solar power plant for the common facility loads of R&R colony.
	(iii)	the capital investment on energy conservation equipments	₹ 20 Lakhs (Approx)
B	**Technology absorption**		
	(i)	the efforts made towards technology absorption	Nil
	(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
	(iii)	in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	Nil
	(iv)	the expenditure incurred on Research and Development	Nil
C	**Foreign exchange earnings and outgo**		**Nil**
	(i)	The foreign exchange earned (actual inflows)	Nil
	(ii)	The foreign exchange outgo (actual outflows)	Nil

Annexure - II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U10100OR2015SGC018623
ii)	Registration Date	20th January 2015
iii)	Name of the Company	Odisha Coal and Power Limited
iv)	Category / Sub - Category of the Company	Company limited by Shares / State Government Company
v)	Address of the registered office and contact details	Zone -A, Ground Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar, ODISHA-751023
vi)	Whether Listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.		50000	50000	100.00		200000000	200000000	100.00	
e) Banks / FIs									
f) Any other									
Sub-total (A) (1) :-									
(2) Foreign									
a) NRIs Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any other									
Sub-total (A) (2) :-									
Total shareholdings of Promoter									
(A) = (A) (1) + (A) (2)		50000	50000	100		200000000	200000000	100	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c)Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1) :-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholdings holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholdings holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
i) NRI									
ii) Clearing Member									
Sub-total (B) (2) :-									
Total Public Shareholding									
(B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for									
GDRs & ADRs (C)									
Grand Total (A+B+C)		50000	50000	100.00		200000000	200000000	100.00	

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Odisha Power Generation Corporation Ltd.	25500	51.00		102000000	51.00		Nil
2	Odisha Hydro Power Corporation Ltd.	24500	49.00		98000000	49.00		Nil
	Total	**50000**	**100.00**		**200000000**	**100.00**		

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

Sl No.	Shareholder's Name	No. of Shares	% of total shares of the company
1	Odisha Power Generation Corporation Ltd.	101974500	Nil
2	Odisha Hydro Power Corporation Ltd.	97975500	Nil
	Total	**199950000**	**Nil**

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

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the begining of the year (As on 01.04.2016)		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	NA			

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 - 31.03.2017)	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2016	NA			
b	Changes during the year	NA			
c	At the end of the year as on 31.03.2017	NA			

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		12568.21		
ii) Interest due but not paid		37.34		
iii) Interest accrued but not due				
Total (i+ii+iii)		12605.55		12605.55
Change in Indebtedness during the financial year				
● Addition		13398.91		
● Reduction		-19995.00		
Net Change		-6596.09		-6596.09
Indebtedness at the end of the financial year				
i) Principal Amount		6009.46		6009.46
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		6009.46		6009.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors: NA

Sl. No.	Particulars of Remuneration	Name of Directors: Mr. Shital Kumar Jena					Total Amount
1	**Independent Directors**						
	a) Fee for attending Board/Committee meetings						
	b) Commission						
	c) others, please specify						
	Total (1)						
2	**Other Non-Executive Directors**						
	a) Fee for attending Board/Committee meetings						82,800
	b) Commission						
	c) others, please specify						
	Total (2)						
	Total (B) = (1+2)						**82,800**
	Total Managerial Remuneration (A+B)						
	Overall ceiling as per the Act						

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD NA

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

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / 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 Comment

Sl. No.	Comment	Management reply
1	A. By virtue of clause no 5.7 of the shareholding agreement the Govt of Odisha vide letter no 9597 dated 28th December 2016 directed to the OCPL to make an approved payment of ₹ 258.44 crores only to OPGC duly verified and certified by the statutory Auditors on account of expenditure incurred by OPGC for development of Manoharpur and Dip-side Manoharpur coal blocks. Over and above the approved sum the OCPL has provided the interest on PFC loan utilised for development of the above mines amounting to ₹ 10.24 crores for the FY 2015-16 ₹ 11.18 crores for FY 2016-17 as claimed by the OPGC ltd as expenses incurred for the project. For this additional sum of interest on PFC loan claimed by OPGC although approved by the Board of Directors of OCPL the same is yet to be approved by the Govt. Of Odisha. In view of the aforesaid clause of Share Holders Agreement, pending approval of interest claimed, the other liabilities has been overstated by ₹21.42 crores (10.24 crores in the P.Y.) and the Expenditure during construction period under CWIP is over stated by the same amount in respective years.	The coal blocks were primarily allocated to OPGC which had incurred a sum of ₹258.44 crores on development of coal mines up to 31st March, 2015. Subsequently the coal blocks were de-allocated by virtue of the order of the Hon'ble Supreme Court of India and reallocated to OCPL. As per the Shareholder's Agreement the expenditure incurred by OPGC along with all the liabilities, as the prior allottee, was transferred to OCPL based on statutory Auditors certification and Govt. of Odisha approval on 28th December, 2016. The sum of ₹ 258.44 crores includes liabilities of ₹ 0.78 crores and PFC loan of ₹ 79.66 crores which was exclusively taken to meet expenditure on development of coal mine and the same is interest bearing as well. The Board of OCPL in its 26th meeting held on 30th March 2017, further in 30th meeting held on 12th September, 2017, has already approved for repayment of PFC loan along with interest accrued thereon. Thus, it is clearly evident that there is a probability of outflow of resources which will be required to settle the obligation in future. Further, we invite reference to 'IND AS 37' which states a 'provision' is a liability of uncertain timing or amount. And a 'liability' is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. Further a provision is recognized when a) the

		entity has a present obligation as a result of a past event, b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and c) a reliable estimate can be made of the amount of the obligation. Since, all the criteria for recognition of a provision are satisfied, the management has accounted the interest on PFC loan in the books of accounts although it has not discharged the liability as on the Balance sheet date.
	B. OPGC has claimed ₹ 51.69 lakhs from the company towards cost of land which the company has exhibited in the contingent liabilities note no.2 (ii) but the same is yet to be approved by the Govt. Of Odisha.	This is with regard to a land payment made by OPGC for development of coal mine as a prior allottee in addition to ₹ 258.44 crores. OPGC as a prior allottee had acquired Land by making payment to IDCO for coal mine. In addition to the transfer of ₹ 258.44 crores a further claim of ₹ 51.69 lakhs towards land has been made by OPGC which was subsequently identified and the same is yet to be decided by the Management / Board and hence the same has not been accounted in the books pending the approval from competent authority it has been treated as a contingent liability. According to para 28 of Ind As-37 a contingent liability is disclosed as required by para 86 unless the possibility of an outflow of resources embodying economic benefit is remote. As per the internal assessment it is estimated that the possibility of outflow of resources with regard to the demand by OPGC is not remote. Hence, the same has been exhibited as contingent liability in the notes to account. Once there will be a probability of future outflow towards the claim after getting the approval from competent authority, the same shall be provided in the books of account as a provision / liability. In our view the treatment of above is in line with the Ind AS.

<table>
<tr>
<td rowspan="7">2</td>
<td colspan="5">The company has allotted following equity shares against conversion of inter corporate loans.</td>
<td rowspan="7">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).

Therefore, In the present allotment of OCPL, Section 62 (3) is not attracted.</td>
</tr>
<tr>
<td>Date of issue</td>
<td>No of shares issued</td>
<td>Total value of shares (₹)</td>
<td>Issued to</td>
<td>Remarks</td>
</tr>
<tr>
<td>2.7.2016</td>
<td>5,09,74,500 of ₹ 10 each.</td>
<td>50,97,45,000</td>
<td>OPGC Ltd</td>
<td>Shares allotted against conversion of Inter corporate loan.</td>
</tr>
<tr>
<td>2.7.2016</td>
<td>4,89,75,500 of ₹ 10 each.</td>
<td>48,97,55,000</td>
<td>OHPC Ltd</td>
<td>Shares allotted against conversion of Inter corporate loan.</td>
</tr>
<tr>
<td>30.03.17</td>
<td>5,10,00,000 of ₹ 10 each</td>
<td>51,00,00,000/-</td>
<td>OPGC Ltd</td>
<td>Shares allotted against conversion of Inter corporate loan.</td>
</tr>
<tr>
<td>30.03.17</td>
<td>49,00,000 of ₹ 10 each</td>
<td>49,00,00,000/-</td>
<td>OHPC Ltd</td>
<td>Shares allotted against conversion of Inter corporate loan</td>
</tr>
<tr>
<td colspan="5">The above allotment of shares against inter corporate loans are not in accordance to the provisions of sec 62(3) of the Companies Act 2013.
Provisions of sec 62 (3) states that “Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting”.
Whereas in the case of OCPL no such prior special resolution were passed in a general meeting for raising such loan against which equity shares were issued.</td>
</tr>
</table>

3	A) Attention is invited to note no 9 (ii) regarding pending finalisation of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the company.	The forest land on which physical possession though has been taken is for a period which shall be coterminous as per mining lease period as per the Govt. of India circular in this regard. And the mining lease has not been signed as on the date of 31st March, 2017. Further, the allotment of land is pending lease procedures on fixation of land premium. Attention is invited to "IND AS 17" on accounting of Leases "The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease". As at this date: a lease is classified as an operating lease or a financial lease. Since, the recognition criteria of lease is not satisfied on the date due to pending lease procedures the same has been shown as capital advances. Once the lease and lease premium shall be fixed the same shall be treated in line with the "Ind AS 17" and be amortized over the mining lease period.
	B) CWIP includes an amount of ₹ 61.66 crores towards construction of R & R colony , shifting and other incidental expenses which shall be capitalised as already completed and handed over which are occupied by the displaced people, this should have been capitalised being completed and utilised.	₹61.66 crores has been incurred towards construction of R& R colony and certain development expenses for the displaced families of Manoharpur area villages. Further, the shifting process to the colony and handing over the colony along with land is in process. Only 84 families out of 244 have been shifted to the colony as on March, 2017. Such expenditures are directly attributable to acquisition of Land in coal mine areas and exclusively incurred for the said purpose. Hence, the same is treated to be a part of land cost. Once the Lands qualify for recognition in the books (currently shown under Capital Advances) the R&R expenses shall be capitalized to the Land.

Financials

Anil Mihir & Associates
Chartered Accountants

Independent Auditor's Report

To
The Members of
Odisha Coal and Power Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Odisha Coal and Power Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 34(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

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

Auditors Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements . The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments ; the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Observation

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

   B) OPGC has claimed ₹ 51.69 lakhs from the company towards cost of land which the company has exhibited in the contingent liabilities note no. 27 (ii) but the same is yet to be approved by the Govt of Odisha.

2. The company has allotted following equity shares against conversion of inter corporate loans.

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

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

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

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

Emphasis of Matters

3. A) Attention is invited to note no 9 (ii) regarding pending finalisation of lease terms of forest land the amount spent is shown as capital advance although physical possession is held by the company.

   B) CWIP includes an amount of ₹ 61.66 crores towards construction of R & R colony, shifting and other incidental expenses which shall be capitalised as already completed and handed over which are occupied by the displaced people, this should have been capitalised being completed and utilised.

Report on Other Legal and Regulatory Requirements

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

2. As required by the Directions issued by the Comptroller and Auditor General of India in terms of subsection (5) of section 143 of the act, we give in **Annexure - C** a statement on the matters specified in the aforesaid Directions.

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

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

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

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

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

   (e) As per notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, Section 164 (2) of the Companies Act, 2013 is not applicable to the company

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure - B**"; and

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

i. As explained to us, there is no pending litigation having financial impact to be disclosed by the company .

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long - term contracts.

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

iv. The Company has provided requisite disclosures in its standalone Ind AS financial Statements as to holdings as well as dealings in Specified Bank Notes during the period From 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company . Refer Note 2.27 to the standalone Ind AS financial statements.

For Anil Mihir & Associates
Chartered Accountants
FRN-303038E

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

Place : Bhubaneswar
Date : 12/09/2017

Annexure - A to the Auditors' Report

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

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

(b) The Company has conducted physical verification of Fixed Assets during the year by external agency M/s SAPSJ & Associates Cost Accountants and there is not any material discrepancy found as per the report submitted by them. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

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

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

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

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

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

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

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

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

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

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

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

(viii) The Company does not have any loans or borrowings outstanding from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

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

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

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

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

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

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

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

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

For Anil Mihir & Associates
Chartered Accountants
FRN-303038E

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

Place : Bhubaneswar
Date : 12/09/2017

Annexure-B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactons 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 t he financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Anil Mihir & Associates
Chartered Accountants
FRN-303038E

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

Place: Bhubaneswar
Date: 12/09/2017

Annexure - C to the Auditors' Report

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

Referred to our report of even date

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

Sector Specification Additional Directors

Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case of land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	The Company is under acquisition of land for mining purpose. No such cases come across.
Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases, The cases of deviation may be detailed,	The settlement of land is done through IDCO. No deviations found during the process of audit.
Whether the Company has an effective system for recovery of revenue as per contractual terms and revenue is properly accounted for the books of accounts in compliance with the applicable Accounting Standard .	The company is under preoperative stage. Hence no revenue recognised.
How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	Not Applicable
In case of thermal power projects, compliance of the various pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and complemented.	Not Applicable as this is not a power generating Company.

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

For Anil Mihir & Associates
Chartered Accountants
FRN-303038E

Place : Bhubaneswar
Date : 12/09/2017

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

ANNEXURE - C1

Status of Land Acquisition

Status of private land acquisition as on 13.09.2017

MANOHARPUIR COAL MINE PRIVATE LAND UPDATES· SUNDARGARH									
PURPOSE	VILLAGE	LA CASE NO.	TOTAL AREA APPLIED	Lease Deed Executed Between Collector &IOCO	Date of Registration In favour of IOCO	Possession Handed Over to IOCO	Date of Possession handed over to IOCO	Allottment In favour ofOCPL	Date of Allottment
			Acres						
COAL MINE	Manoharpur	01/10	497.17	497.17	25th Oct 2017	497.17	27th Dec 2013	497.17	29th Dec 2016
		02/10	29.78	29.78		29.78	27th Dec 2013	29.78	
	Ghumudasan	03/10	93.59	93.59		93.59	29th April 2016	93.59	
		04/10	3.16	3.16		3.16	20th July 2016	3.16	
	Dullnga	05/10	105.72	105.72		105.72	29th April 2016	105.72	
		06/10	32.34	32.34		32.34	29th April 2016	32.34	
	Kathphall	07/10	14.46	14.46		14.46	27th Dec 2013	14.46	
	Paramananpur	08/10	0.47	0.47		0.47	27th Dec 2013	0.47	
SUB-TOTAL			776.69	776.69		776.69		776.69	
Addi.Land for Coal Mine	Ghumudasan	70/12	125.54	125.54	17th May 2017	125.54	20th July 2016	125.54	-
	Dulinga	71/12	55.96	55.96	25th Oct 2017	55.96	20th July 2016	55.96	29th Dec 2016
	Kathphall	72/12	12.85	12.85		12.85	29th April 2016	12.85	
	Manoharpur	73/12	11.06	11.06		11.06	29th April 2016	11.06	
SUB-TOTAL			205.41	205.41		205.41			
Mine Left Out	Manoharpur	ST Land	0.88	-	-	-	-	-	
	Ghumudasan		1.22	-	-	-	-	-	
	Dullnga	Direct Purchase	3.59	-	-	-	-	-	
	Manoharpur		0.42	-	-	-	-	-	
	Ghumudasan		0.32	-	-	-	-	-	
SUB-TOTAL			6.43	-	-	-	-	2.62	Direct Purchases

Transfer of Pvt land from OPGC to OCPL	Ghumudasan	From OPGCto OCPL	45.51	-	-	-	-	-	-
	Sarbahal		5.47	-	-	-	-	-	-
Sub-Total			50.98	.	.	.	Transfer fromOPGC	50.98	11.09.2017
GRAND TOTAL			**1,039.51**	**982.10**	**NA**	**982.10**	**NA**	**1,035.70**	**NA**

Status of Govt. Land Acquisition as on 13.09.2017

MANOHRPUR COAL MINE GOVERNMENT LAND, SUNDARGARH							
PROJECT	VILLAGE	APPLIED (Ac.)	SANCTIONED (Ac.)	LEASE WITH IIDCO	POSSESSION TOIIDCO	ALLOTTMENT TO OPCL (PP)	ALLOTMENT TOOCPL (LEASE)
Coal mine	Manoharpur	385.80	385.65	346.66	346.66	38.99	346.66
	Dulinga	173.77	172.94	162.46	162.46	8.62	162.46
	Ghumudasan	52.53	52.53	50.61	50.61	1.70	50.61
	Paramanandpur	3.05	3.05	2.89	2.89		2.89
	Kathapali	105.79	105.71	105.71	105.71	Nil	105.71
	Durubaga	5.01	5.01	2.30	2.30	2.71	2.30
SUBTOTAL		**725.95**	**724.89**	**670.63**	**670.63**	**52.02**	**670.63**
R & R Colony	Sukhabandha	77.07	37.77	37.77	37.77	Nil	37.77
	Hemgir	102.90	102.90	102.90	102.90	Nil	-
SUBTOTAL		179.97	179.97	140.67	140.67	Nil	37.77
Addl. Coal mine	Manoharpur	7.02	7.02	3.68	3.68	Nil	3.68
	Dullnga	26.15	26.15	23.90	23.90	-	23.90
	Ghumudasan	28.72	26.09	3.23	3.23	-	-
SUBTOTAL		**61.89**	**59.26**	**30.81**	**30.81**		**27.58**
Sub Station	Sarbahal	15.08	15.08	15.08	15.08	-	15.08

Magazine	Laikera	2.13	2.13	2.13	NA	NA	2.13
ITC	Kamaiaga	4.00	4.00	4.00	NA	NA	-
Office	Hemgir	2.00	2.00	2.00	NA	NA	-
Approach Road to R & R Colony	Sukhabandh	2.08	-	-	-	-	-
Inter Connectivity Road	Sukhabandh	0.76	-	-	-	-	-
	Hemgir	2.61	-	-	-	-	-
Cremation Ground for R & R Colony	Sukhabandh	1.57	1.57	1.57	NA	NA	1.57
Left Out Govt Land Coal Mines	Ghumudasan	2.36	-	-	-	-	-
Mine Colony	Sarbahal	9.20	-	-	-	-	-
Mine Colony MO	Lalkera	9.55	-	-	-	-	-
MGR Land transfer from OPGC to OCPL	Ghumudasan	13.52	-	-	-	-	-
	Sarbahal	8.27	-	-	-	-	-
SUBTOTAL		**73.13**	**72.78**	**72.78**	**72.78**	**72.78**	**72.78**
GRAND TOTAL		**1.040.94**	**988.90**	**866.89**	**857.19**	**52.02**	**827.54**

Forest Land Status as on 6.9.17			
Name of the VIllage	**Diversified land In Ac.**	**Possession Taken**	**Balance Area**
Dulinga	15.01	15.01	
Parmanandpur	13.61	13.61	
Durubaga	14.63	14.63	
Manoharpur	390.71	390.71	
Ghumudasan	24.5	24.5	
Kathapali	31.89	27.81	4.08
Resver Forest	5	5	
Total	**495.35**	**491.27**	**4.08**

Balance Sheet as at March 31, 2017

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	6	993.59	8.47
	(b) Capital work-in-progress	6	26,550.60	9,496.64
	(c) Intangible assets	6 (i)	10.28	0.82
	(d) Financial Assets			
	(i) Loans	7	13.23	13.03
	(e) Other non-current assets	8	24,285.09	4,621.36
	Total Non - Current Assets		51,852.79	14,140.32
2	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	9	917.39	743.58
	(ii) Bank balances other than (i) above	9	0.10	0.10
	(iii) Others	10	3.06	-
	(b) Current Tax Assets (Net)	11	-	0.49
	(c) Other current assets	12	297.19	71.47
	Total Current Assets		1,217.74	815.64
	TOTAL ASSETS		53,070.54	14,955.96
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	13	20,000.00	5.00
	(b) Other Equity	14	(310.04)	(94.53)
	Total equity		19,689.96	(89.53)
	LIABILITIES			
1	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	15	3.12	-
	Total non-current liabilities		3.12	-
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	6,009.46	12,568.21
	(ii) Other financial liabilities	17	27,235.52	2,384.20
	(b) Other current liabilities	18	121.25	93.08
	(c) Current Tax Liabilities (Net)	11	11.24	-
	Total Current Liabilities		33,377.47	15,045.49
	TOTAL EQUITY AND LIABILITIES		53,070.54	14,955.96
	Notes forming part of the financial statements	1-28		

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968 (F.R.N.: 303038E)

Place : Bhubaneswar
Date : 12/09/2017

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Statement of Profit and Loss for the period ended March 31, 2017

(₹ in Lakhs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations	19	-	-
II	Other Income	20	18.79	1.95
III	Total Income (I + II)		18.79	1.95
IV	Expenses			
	(a) Employee Benefit expense	21	2,519.78	262.87
	(b) Finance costs	22	-	-
	(c) Depreciation and amortization expense	6	134.62	0.40
	(d) Other expenses	23	1,821.88	292.67
	Less : Expenditure (other than interest) transferred to capital work in progress		(4,261.98)	(459.46)
	Total expenses (IV)		214.31	96.48
V	Loss before tax (III - IV)		(195.51)	(94.53)
VI	Tax Expense:	11		
	(a) Current tax		16.89	-
	(b) Deferred tax		3.12	-
	Total tax expense		20.01	-
VII	Loss for the period (V -VI)		(215.51)	(94.53)
VIII	Other Comprehensive Income / (Losses)			
	(A) (i) Items that will not be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
	(B) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses)		-	-
IX	Total Comprehensive Income / (Losses) for the period (VII+VIII) (Comprising Loss and Other Comprehensive Income for the period)		(215.51)	(94.53)
X	Earnings per equity share:- Basic and diluted (Rs)	26	(0.29)	(189.06)
XI	Notes forming part of the financial statement	1-28		

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)
Place : Bhubaneswar
Date : 12/09/2017

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Statement of Cash Flow for the years ended March 31, 2017

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) Cash flows from operating activities:		
Loss before taxes	(195.51)	(94.53)
Adjustments for:		
Depreciation and amortisation of non-current assets	-	-
Operating profit before working capital changes	(195.51)	(94.53)
Movements in working capital:		
(Increase)/ decrease in loans and othe financial assets	(3.06)	(0.10)
(Increase)/decrease in other assets	(235.13)	(71.47)
Increase/ (decrease) in other payables	28.17	93.08
Increase/ (decrease) in other liabilities	1,336.02	809.85
Cash generated from operations	**930.49**	**736.82**
Taxes Paid	(5.17)	(0.49)
Net cash flow from operating activities	**925.32**	**736.33**
(B) Cash flows from investing activities:		
Payments for purchase of fixed assets	(17,989.58)	(9,123.82)
Payments to acquire financial assets	(0.20)	(13.03)
Advance payments against leasehold land	(19,654.32)	(4,621.37)
Net cash used in Investing Activities	**(37,644.10)**	**(13,758.21)**
(C) Cash flows from financing activities:		
Issue of shares (conversion of loan of related parties)	19,995.00	5.00
other finance by related parties	23,456.33	1,192.24
Repayment of loan to related parties	(6,558.74)	12,568.22
Net cash flow from financing activities	**36,892.59**	**13,765.46**
Net Increase/(decrease) in cash or cash equivalents	**173.81**	**743.58**
Cash and cash equivalents at the beginning of the year	**743.58**	**-**
Cash and cash equivalents at the end of the year	**917.39**	**743.58**
Notes forming part of the financial statement	Note No. 1-28	

(I) Repayment of loan includes conversion of loan of ₹ 19,995 lakhs in to equity during the FY 2016-17 (FY 2015-16: Nil)

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)
Place : Bhubaneswar
Date : 12/09/2017

Sd/-
Indranil Dutta
Director (OCPL)

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Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Statement of Changes in Equity for the years ended March 31, 2017

A. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016
5.00	-	5.00

(Rupees in Lakhs)

Balance as at April 1, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
5.00	19,995.00	20,000.00

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus	
	General Reserve	Retained earnings
Balance as at April 1, 2015	-	-
Loss for the year		(94.53)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		**(94.53)**
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2016	**-**	**(94.53)**
Loss for the year		(215.51)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		**(215.51)**
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2017	**-**	**(310.04)**
Notes forming part of the financial statement	Note No. 1-28	

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Sd/-
Mihir Ku. Sahu
Sr. Partner
M.N.: 053968
(F.R.N.: 303038E)

Place : Bhubaneswar
Date : 12/09/2017

Sd/-
Indranil Dutta
Director (OCPL)

Sd/-
Pravakar Mohanty
Director (OCPL)

Sd/-
Manish Tiwari
Company Secretary

Sd/-
A. K. Pattjoshi
Head Finance

Sd/-
K. C. Brahma
CEO

Notes to the Financial Statements for the year 2016-17

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 (OPGCL) and Odisha Hydro Power Company Ltd (OHPC) holds 51% and 49% of share capital of the Company respectively pursuant to the Government of Odisha Notification No. 1088 dated 4th February, 2015 and No. 1160 dated 6th February, 2015. The Company files application for allotment of Manoharpur and Dip-side Manoharpur Coal Block under the provisions of The Coal Mines (Special Provisions) Second Ordinance, 2014 and is declared as the successful allottee of the said coal blocks on 24th March, 2015. Manoharpur coal block is an explored coal block with a total reserve of 181MT and Dip-side Manoharpur coal block is a regionally explored block with a total reserve of 350 MT. On 30th March 2015 to be precise, it signed the Allotment Agreement with the Nominated Authority, Ministry of Coal (Moe), Government of India. Allotment Order of Manoharpur & Dip-side Manoharpur coal blocks is issued on 31st Aug 2015 to OCPL by the Nominated Authority for supply of coal exclusively for OPGC expansion Power Project (Unit 3, 4, 5, & 6), 4 units of 660 MW each at Ib Thermal Power Station, Banaharpali, Jharsuguda, Odisha. OCPL is operating primarily in mining and supply of coal.
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 Standards) Rules, 2015 (as amended) with effect from 1April, 2016. As per the notification, the opening balance sheet date is April 01, 2015. However as the company was incorporated on January 20, 2015, hence the 1st accounting year i.e. January 20, 2015 to March 31, 2016 is considered as the 1st financial year under Ind AS for comparative purpose. As the 1st accounting year of the Company is ended on March 31, 2016, the 1st time transition options provided under Ind AS 101 is not applicable and hence the Company has not availed any optional and mandatory exemptions/exceptions provided under Ind AS 101. These financial statements for the year ended March 31, 2017 are the Company's first financial statements prepared in accordance with Ind AS. Prior to adoption of Ind AS, the Company had been preparing its financial statements in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ('together referred to as "Indian GAAP") for the period up to and including the year ended 31 March 2016.
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 Company has adopted all the applicable Ind AS and the Company has transited from Indian GAAP which is its previous GAAP with necessary disclosures.

	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 issued but not yet effective: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April, 2017. Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.
3.03. 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 sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. Significant judgements and estimates relating to the carrying amount of assets and liabilities, while evaluating/assessing useful lives of property, plant and equipment, impairment of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies. Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in 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:** Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Intangible assets having finite useful lives are amortized over their estimated useful lives, whereas intangibles assets having indefinite useful lives is not amortized. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. **Subsequent expenditure:** Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. **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 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 oftime 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 and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing at the end of the reporting period. Non-monetary items are measured at historical cost.Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.
3.09. Employee Benefits	Employee benefits, inter-alia includes short term employee benefits, provident fund, gratuity, compensated absences and other terminal benefits. In terms of arrangements wit OPGC, the company has to make payment for liability towards gratuity, leave benefits (including cmpensated absences) and other terminal benefit etc. for the period of service rendered by the employees posted on secondment basis from OPGC to OPCL and as per the valuation done by actuary of OPGC.

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 that 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 a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for accordingly. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. **The Company as lessee.** **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. **Finance lease:** Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

	The Company as lessor **Operating lease -** Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term. **Finance lease -** When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as an unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.
3.13. Financial Instruments	Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities. **Financial assets at amortized cost** Financial assets are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding **Financial assets at fair value through other comprehensive income (FVTOCI)** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give·rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding. **Financial assets at Fair value through Profit or loss (FVTPL)** Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss. **Financial liabilities and equity instruments issued by the Company Financial Liabilities** Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Other financial liabilities are measured at amortized cost using the effective interest method.

Equity instruments

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

Compound instruments

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

Financial guarantee contract liabilities

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

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance 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 assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for their intended use. The Company considers a period of twelve months or more as a substantial period of time. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.
3.15. Accounting for Government grants / Grants-in-Aid	Government grants are recognized when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income. Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support 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 other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.16. Tax Expenses	Tax expense for the year comprises current and deferred tax. **Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period **Deferred tax** Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of the each reporting period.
3.17. 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.

	<u>Income from dividend and interest</u> **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 discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
3.18. Exceptional items	Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.
3.19. Restatement of material error / omissions	Prior period income/expenses and prepaid expenses of items not exceeding ₹ 0.50 lakh in each case are charged to natural head of accounts in the current year. Previous year figure has been regrouped/re-arranged wherever it is necessary.
4. Critical accounting judgments 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 judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant .Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. **Critical judgments in applying accounting policies** The following are the critical 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 **I. Financial assets at amortized cost** The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows. The carrying amount of these financial assets is ₹ 933.78 lakhs (March 31, 2016: ₹ 756.71 lakhs). Details of these assets are set out in note 24

ii. **Key sources of estimation uncertainty:**

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

a. **Impairment of investments**

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

b. **Provisions**

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

c. **Contingent liabilities**

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

d. **Fair value measurements and valuation processes:**

For financial reporting purposes, fair value measurements are categorized into Levell, 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 1inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Reconciliation between previous GAAP and Ind AS

5 (i) Equity reconciliation

(₹ in Lakhs)

Particulars	Note	As at March 31, 2016
Equity under previous GAAP		**(74.94)**
Increase in loss due to adjustments	5(ii)	(14.59)
Equity under Ind AS		**(89.53)**

(89.53)

5 (ii) Total comprehensive income reconciliation

Particulars	Note	For the period ended March 31, 2016
Net income under Previous GAAP		**(79.94)**
Interest income adjustments	(a)	(4.87)
Prior period adjustments	(b)	(1.05)
Adjustment of revenue expenses charged to CWIP	(c)	(8.67)
Profit for the year under Ind AS		**(94.53)**
Other comprehensive income		-
Total comprehensive income under Ind AS		**(94.53)**

(94.53)

5 (iii) Reconciliation of statement of cash flow

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

Notes to reconciliations between Previous GAAP and Ind AS

(a) Interest income adjustments

Interest income adjustments represents investment income on the temporary investment (interest on fixed deposits) of borrowed funds obtained specifically for the purpose of obtaining a qualifying asset . These adjustments have resulted in decrease in equity and increase in net loss under Ind AS by ₹ 4.87 lakhs for the year ended March 31, 2016.

(b) Prior period adjustments

Expenses pertains to FY 2015-16 but not accounted for due to error or omission the adjustment of which has resulted in decrease in equity and increase in net loss under Ind AS by ₹ 1.05 lakhs for the year ended March 31, 2016 .

(c) Adjustment of revenue expenses charged to CWIP

These are the expenses which would have been charged to revenue adjustment of which has resulted in decrease in equity and increase in net loss under Ind AS by ₹ 8.67 lakhs for the year ended March 31, 2016.

Notes forming part of the financial statements

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

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Carrying amounts of :		
Freehold Land	9.74	-
Buildings	846.45	-
Furniture & Fixtures	73.71	4.81
Vehicle	4.31	
Office and other Equipments	59.38	3.65
Total (A)	**993.59**	**8.47**
Capital work-in-progress	26,550.60	9,496.66
Total (B)	**26,550.60**	**9,496.66**

6 (i). Intangible assets

Software	10.28	0.82
Total (C)	**10.28**	**0.82**
Grand Total (A+B+C)	**27,554.47**	**9,505.95**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Cost							
Balance as at April 1, 2016	-	-	4.90	-	3.77	1.02	**9.69**
Additions	9.74	879.64	75.36	5.73	76.00	82.75	**1,129.20**
Disposals	-	-	-	-	-	-	**-**
Balance as at March 31, 2017	**9.74**	**879.64**	**80.26**	**5.73**	**79.77**	**83.77**	**1,138.89**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Accumulated depreciation and impairment							
Balance as at April 1, 2016	-	-	0.08	-	0.12	0.20	**0.40**
Elimination on disposals of assets	-	-	-	-	-	-	**-**
Depreciation & amortisation for the year	-	33.19	6.46	1.42	20.26	73.28	**134.62**
Balance as at March 31, 2017	**-**	**33.19**	**6.54**	**1.42**	**20.39**	**73.48**	**135.02**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixtures	Vehicle	Office and other Equipments	Software	Total
Carrying amount							
Balance as at April 1, 2016	-	-	4.81	-	3.65	0.82	**9.28**
Additions	9.74	879.64	75.36	5.73	76.00	82.75	**1,129.20**
Disposals	-	-	-	-	-	-	**-**
Depreciation & amortisation for the year	-	33.19	6.46	1.42	20.26	73.28	**134.62**
Balance as at March 31, 2017	**9.74**	**846.45**	**73.71**	**4.31**	**59.38**	**10.28**	**1,003.87**

(i) Building includes Transit guest house of ₹ 609.17 lakhs completed on April 30, 2016 and Mining office of ₹237.27 lakhs completed on May 15, 2015 was capitalised during the current year.

(ii) Property, plant and equipment (including Capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. Based on the assessment, the Company did not recognise any impairment charge during the year ended March 31, 2017.

(iii) ₹ 5,218.39 (March 31, 2016: ₹ 1,870.90 lakhs) of borrowing costs has been capitalised during the year on qualifying assets

(iv) Manoharpur and Dipside Manoharpur Coal Blocks (the Coal Blocks) were initially alloted to Odisha Power Generation Corporation Ltd (OPGC). As per the decision of Hon'ble Supreme Court of India the allotment of Coal Blocks to OPGC were cancelled. The Coal Blocks are then alloted to the Company by the Nominating Authority, Ministry of Coal, Govt of India vide allotment letter No.103/25/2015/NA dated 24.03.2015 and allotment agreement has been executed on 30.03.2015.

An amount of ₹ 17,754,.75 lakhs (net off liabillties for security deposit & retention money from contractor ₹ 78.08 lakhs, accumulated depreciation ₹ 44.51 lakhs and borrowings of ₹7,966.33 lakhs) details of which was given below, duly incurred by OPGC up to 31st March 2015 as a prior allottee. Out of above expenditure, an amount of ₹ 7,966 lakhs was drawn down as loan from PFC (Total loan sanctioned to OPGC includes loan for development of Coal Mines) and balance amount of ₹ 17,754.75 lakhs spent from its internal accruals. As per clause 5.7 of shareholders agreement signed among the Compnay, OPGC and Govt. of Odisha (GoO) dated April 21, 2016, the above expenditure incurred by OPGC for development of of Manoharpur and Dipside Manoharpur Coal Blocks shall be payable by the Company to OPGC after certification by Statutory Auditors of OPGC and approval by Govt. of Odisha. Pending with approval of Govt. of Odisha, the above amount could not be accounted for in the books of accounts of the Company for the financial year 2015-16 . However, the approval from Department of Energy, GoO has been obtained vide letter no 9597 dated December 28, 2016 based upon which the above expenditure has been accounted for under the respective heads during the year 2016-17.

Details of assets and liabilities transferred by OPGC

Particulars of Expenditure	Amount (₹)
Assets	
Fixed Assets	118.62
Devlopment expenses including borrowing cost	6,915.23
Land including land advance	18,239.46
Other capital advance to contractors	570.37
Total Assets	**25,843.68**
Liabilities	
Security deposit and retention money from contractor	78.09
Loan from PFC	7,966.33
Accumulated Depreciation (Note e)	44.51
Total Liabilities	**8,088.92**
Assets net of liability	**17,754.76**

(v) Depreciation and amortisation expenses of ₹ 134.62 lakhs (March 31, 2016: ₹ 0.40 lakhs) has been capitalised during the year in Capital-Work-In-Progress (CWIP). It includes depreciation and amortisation expenses of ₹29.18 lakhs which pertains to FY 2015-16 on transferred assets from OPGC.

(vi) CWIP includes rehabilitation and resettlement (R&R) expenses of ₹ 6,165.67 lakhs for construction of R&R colony, Shifting to R&R colony and other incidental expenses and an amount of ₹ 2,002.83 lakhs incurred under the head Annuity for the displaced families at coal mine area village shall be capitalised part of land cost on acquisition of land.

(vii) Details of Capital Work In Progress is disclosed hereunder:

(₹ in Lakhs)

Particulars	As at March 31, 2016	Addition/ (Capitalised) during the year	As at March 31, 2017
R & R Colony at Sukhabandha	3,021.33	3,144.35	6,165.67
R & R Colony -phase-II	-	0.50	0.50
Construction of Transit Guest House & Mining Office	452.98	(452.98)	-
Construction of Admin Building	-	12.70	12.70
Annutiy	-	2,002.83	2,002.83
Road, Bridges & culverts	-	82.18	82.18
Devlopment of Coal Mines	**3,631.99**	**4,675.74**	**8,307.73**
Consultancy For coal Mines	91.17	1,641.96	1,733.13
Power, Supply, Lighting CM	-	100.51	100.51
Up front Fees	3,105.82	-	3,105.82
Statutory Clearance Fees & Expenses	-	29.11	29.11
Survey & Soil Investigation (Coal Mines)	9.56	42.31	51.87
Geological Report Fees	425.44	-	425.44
Pipe line	-	2,112.85	2,112.85
Drilling & Exploration	-	748.87	748.87
Survey & drawing equipment	-	0.13	0.13
Pre operative Expenses	**2,390.36**	**7,588.64**	**9,979.00**
Employee Benefit Expenses (Refer Note-21)	262.87	2,519.78	2,782.65
Finance Cost (Refer Note-22)	1,935.76	3,383.07	5,318.83
Interest income on fixed deposit (Refer Note-20)	(4.87)	(56.56)	(61.43)
Depreciation and Amortisation Expenses (Refer Note-6 & Note-8)	0.40	134.77	135.17
Administrative & Other expenses (Refer Note-23)	196.19	1,607.58	1,803.77
Total	**9,496.66**	**17,053.97**	**26,550.60**

Notes forming part of the Financial Statements

7. Loans- Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	13.23	13.03
- Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
b) Loans to related parties		
- Secured, considered good		
- Unsecured, considered good		
- Doubtful		
Less : Allowance for bad and doubtful advances		
c) Loans to employees		
- Secured, considered good		
- Unsecured, considered good		
- Doubtful		
Less : Allowance for bad and doubtful advances		
Total	**13.23**	**13.03**

8. Other non-current assets

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Prepayments (Leasehold Land)	1.33	-
Capital Advances	24,275.68	4,621.36
Advance to contractors	6.27	-
Others	1.81	-
TOTAL	**24,285.09**	**4,621.36**

(i) Leasehold land includes development cost on land. Amortisation expenses of ₹ 0.15 lakhs (March 31, 2016: ₹ Nil) has been capitalised during the year in Capital-Work-In-Progress (CWIP).

(ii) Capital advance includes ₹ 3,013.94 lakhs as advance against forest land in manoharpur against which partial physical possession has been taken by the company during the current year pending finalization of further lease procedures. Balance amount represent amount paid to IDCO for acquisition of land, the sublease of which is pending from IDCO. Pending the lease procedures the leased land could not be capitalized and amortized.

(iii) Other assets includes, insurance premium paid on water pipe line project for the period April 01, 2018 to November 27, 2018.

Notes forming part of the Financial Statements

9. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with banks		
(1) Unrestricted Balance with banks		
(i) In Current Account	2.39	743.58
(ii) In Deposit Account	915.00	-
Cash and cash equivalents as per balance sheet	**917.39**	**743.58**
(2) Earmarked Balances with banks		
(i) In Current Account	-	-
(ii) In Deposit Account	0.10	0.10
Total	0.10	**0.10**
Total Cash and Cash Equivalents	**917.49**	**743.68**

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

(ii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

Particulars	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016			
(+) Unpermitted receipts [a]	-	-	-
(+) Permitted receipts	-	-	-
(-) Unpermitted payments [b]	-	-	-
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

10. Others

Particulars	As at March 31, 2017	As at March 31, 2016
Advances to staff	0.49	-
Interest accrued on loans and depsoits	2.57	-
TOTAL	**3.06**	**-**

(i) Interest accrued on loans and depsoits primarily relates to Short Term Deposits.

Notes forming part of the Financial Statements

11. Current tax assets and liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current tax assets		
Tax refund receivables	5.65	0.49
TOTAL	**5.65**	**0.49**
Current tax liabilities		
Income Tax payable	16.89	-
TOTAL	**16.89**	**-**

12. Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Prepayments (Leasehold Land)	0.05	-
Advances to employees	0.75	0.47
Advances to suppliers	265.39	71.00
Others	31.00	-
TOTAL	**297.19**	**71.47**

(i) Other assets represents, amount paid for Insurance premium, statutory fees and others for the financial year 2017-18.

13. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Equity Share Capital	20,000.00	5.00
TOTAL	**20,000.00**	**5.00**
Authorised Share Capital		
350,000,000 nos. of equity shares of ₹10/- each (Previous Year 100,000,000 nos. of equity shares of ₹ 10/- each)	35,000.00	10,000.00
Issued and Subscribed capital comprises : 200,000,000 nos. of equity shares of ₹ 10/- each (Previous year 50,000 nos. of equity shares of ₹ 10/- each)	20,000.00	5.00
Total	**20,000.00**	**5.00**

Notes

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

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
Ordinary shares of ₹10 each				
At beginning of the year	50,000.00	5.00	-	-
Shares allotted during the year	199,950,000.00	19,995.00	50,000.00	5.00
	200,000,000.00	**20,000.00**	**50,000.00**	**5.00**

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares Held (Face value of ₹ 10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Odisha Power Generation Corporation Limited	102,000,000	51.00%	25,500.00	51.00%
Odisha Hydro Power Corporation Limited	98,000,000	49.00%	24,500.00	49.00%

(ii) The authorised share capital of the company has been increased from existing ₹ 1,000 lakhs to ₹ 35,000 lakhs consisting of 350,000,000 no. of equity shares of ₹ 10/- each w.e.f July 19, 2016.

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

14. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Retained earnings	(310.04)	(94.53)
Total	**(310.04)**	**(94.53)**

(i) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	(94.53)	-
Loss attributable to owners of the Company	(215.51)	(94.53)
Balance at the end of the period	**(310.04)**	**(94.53)**

15. Deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets	54.31	-
Less : Deferred Tax Liabilities	57.43	-
Net Defer Tax Asset/ (Liability)	**(3.12)**	**-**

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

(₹ in Lakhs)

	Opening balance as at April 1, 2016	Deferred tax expense/ (income) recognised in profit and loss	Deferred tax expense/ (income) recognised in OCI)	Deferred tax expense/ (income) recognised in other equity)	Closing balance as at March 31, 2017
Deferred tax assets					
Preliminary Expenses	-	54.31	-	-	54.31
Total	**-**	**54.31**	**-**	**-**	**54.31**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	-	(57.43)	-		(57.43)
Total	**-**	**(57.43)**	**-**	**-**	**(57.43)**
Net Deferred tax assets/(liabilities)	**-**	**(3.12)**	**-**	**-**	**(3.12)**

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

(₹ in Lakhs)

	Opening balance as at April 1, 2015	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/ (income) recognised in OCI)	Deferred tax expense/ (income) recognised in other equity)	Closing balance as at March 31, 2016
Deferred tax assets					
Total	**-**	**-**	**-**	**-**	**-**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Net Deferred tax assets/(liabilities)	**-**	**-**	**-**	**-**	**-**

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

16. Short term borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured borrowings - at amortised cost		
From Related Parties		
- Odisha Power Generation Corporation Ltd (OPGC)	461.96	9,568.21
- Odisha Hydro Power Corporation (OHPC)	5,547.50	3,000.00
Total	**6,009.46**	**12,568.21**

(I) Inter company loan had been availed from Odisha Power Generation Corporation Ltd (OPGC) as per the decision of the Board of Directors in their 6th meeting dated April 17, 2015 for ₹ 5,600 Lakhs and on 10th meeting dated July 08, 2015 for ₹ 4,000 lakhs respectively. Further during the current year ₹ 450 lakhs had been availed as per the decission of the Board on 21st meeting dated September 29, 2016 to meet expenses on development of coal mines. Interest is accrued on each loan disbrusal at the rate charged by Power Finance Corporation Ltd. (PFC) to State Sector borrowers (Category A+) applicable on the date of each disbursal. The interest has been accrued and compounded on quarterly basis and to be payable at the end of the term of the loan along with the principal amount. The term of the each loan is 365 days from the date of agreement i.e. April 25, 2015 and July 13, 2015 respectively.

(ii) Inter company loan of ₹ 14, 897.55 lakhs has been availed from Odisha Hydro Power Corporation (OHPC) as per decision of the Board of Directors in their 13th meeting held on dated November 09, 2015, 19th meeting and 26th meeting held on March 30, 2017 to meet expenses on development of coal mines. Interest is payable at 9.4% which is the rate that is equvalent to maximum FD rate of OHPC plus one percent.

(iii) Out of the above loan, loan amount of ₹ 10,197.45 lakhs pertains to OPGC and ₹ 9,797.55 lakhs pertains to OHPC respectively has been converted to equity during the current financial year on account of OPGC and OHPC respectively. The balance amount including interest (compounded on quarterly basis) is payable as on the reporting date.

Notes forming part of the Financial Statements

17. Other Financial Liabilities

(₹ in Lakhs)

Particulars		As at March 31, 2017	As at March 31, 2016
a)	Interest accrued on borrowings	-	37.34
b)	Others:		
	Capital Creditors	441.07	382.11
	Payable to related party	24,648.58	1,192.24
	Security & Retention money deposits	50.75	413.87
	Other payables	2,095.11	358.63
	Total	**27,235.52**	**2,384.20**

(I) Payble to related party i.e. OPGC of ₹ 24,506.01 lakhs is towards expenditure incurred by OPGC for development of coal mines up to March 31, 2015 which is transferred to the Company later on (for details refer Note-6) and ₹ 142.57 lakhs towards reimbursement of deputed employee benefit expenses including arrear salary as per 7th pay revision commission w.e.f January 01, 2016. This also includes PFC loan and interest payable there on to OPGC of ₹ 10,373.53 lakhs as on March 31, 2017.

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

(₹ in Lakhs)

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

18. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Other statutory dues payable	121.25	93.08
	121.25	**93.08**

(i) Other statutory dues payables primarily inlcudes liabilities towards royality,tax deducted at source, building cess etc.

Notes forming part of the Financial Statements

19. Revenue from Operations

(₹ in Lakhs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Revenue From Operation	-	-
		-	-

20. Other Income

(₹ in Lakhs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
a)	**Interest Income**		
	Bank Deposits at amortised Cost	56.56	4.87
b)	Sale of Scrap	-	0.24
c)	Sale of Tender Form	18.66	1.71
c)	Misc. Income	0.14	-
	Less : amount included in the cost of qualifying assets	(56.56)	(4.87)
	Total	**18.79**	**1.95**

21. Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	2,427.25	241.12
Contribution to provident and other funds	53.54	14.36
Contribution to Gratuity	17.68	4.69
Reimburesement Expenses to Employees	6.20	1.43
Staff Welfare expenses	15.11	1.28
Total	**2,519.78**	**262.87**
Less : Capitalised as preoperative expenses	(2,519.78)	(262.87)
Total	-	-

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

Employee benefit includes an amount of ₹ 53.54 lakhs towards provident fund (March 31, 2016: ₹ 14.36 lakhs) and ₹ 17.68 lakhs towards gratuity (March 31, 2016: ₹ 4.69 lakhs) and ₹ 14.25 lakhs towards leave (March 31, 2016: ₹ 7.11 lakhs), paid / payable to OPGC as per the above arrangement with the Company. Accounting policies related to the same is provided in Note-3.09.

(ii) The Company has capitalised the entire employee benefit expenses of ₹ 2,519.78 lakhs (March 31, 2016: ₹ 262.87 lakhs) as preoperative expenses. (Refer Note-5 for details of the same)

Notes forming part of the Financial Statements

22. Finance Costs

(₹ in Lakhs)

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a)	**Interest Expense**		
	Interest on and loans from related parties	3,347.50	1,870.90
(b)	**Other Borrowing Cost**		
	Gurantee Commission	35.57	64.86
	Total Finance Cost	**3,383.07**	**1,935.76**
	Less : amount included in the cost of qualifying assets	**(3,383.07)**	**(1,935.76)**
	Total	**-**	**-**

23. Other Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Auditor Expenses	1.40	0.86
Director Fees	0.83	0.64
Filing Fees	173.69	80.81
Professional Fees	-	1.05
Training, Seminar & Conference Expenses	21.13	4.45
Other adminstrative expenses	17.25	8.67
Total (A)	**214.31**	**96.48**
Tendering Expenses	29.63	2.57
Bank Charges	0.06	0.60
Liasoning expenses	0.74	-
Communication Expenses	34.91	4.15
Community Socio cultural activity Expenses	24.75	-
Consultancy & Professional Fees	173.73	14.56
Courier Charges	0.47	0.16
Electricity Charges	15.01	4.78
Entertainment Expenses	3.10	-
Environment & Safety relate Expenses	3.39	0.09
Loss on foreign excahnge fluctuation	0.05	0.05
Vehicle Hire and Fuel Charges	332.94	58.59
Incidental Expenditure during construction	-	0.28
Insuarnce Charges	0.92	-
Legal Fees	96.27	0.77
Project Meeting and Hospitality Expenses	50.99	4.10
Miscellaneous Expenses	37.63	0.81
News Papers & Periodicals	0.91	-
Project Office and other maintenance Expenses	46.08	5.10
Periphery Development Expenses	217.19	19.25
Printing & Stationary Expenses	57.44	3.52
Rates & Taxes	10.82	1.20
Recruitment Expenses	0.64	-
Project office Rent Expenses	134.36	20.46
Security Expenses	46.02	14.95
Service Charges	6.72	1.18
Transit House Expenses	60.31	13.21
Travelling Expenses	222.52	25.81
Total (B)	**1,607.58**	**196.19**
Total (A+B)	**1,821.89**	**292.67**
Less : Capitalised as preoperative expenses ('C)	1,607.58	196.19
Total (Net)	**214.31**	**96.48**

Notes forming part of the Financial Statements

24. Financial Instruments

(I) Capital Management :- The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

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

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

(ii) Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3.13 to the financial statements.

(a) Financial assets and liabilities

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

(₹ in Lakhs)

As at March 31, 2017	Amortised cost	Derivative instruments other than in hedging relationship	Equity instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying Value	Total Fair Value Financial assets
Financial assets						
Cash and bank balances	917.49	-	-	-	917.49	917.49
Loans	13.23	-	-	-	13.23	13.23
Other financial assets	3.06	-	-	-	3.06	3.06
Total financial assets	**933.78**		**-**	**-**	**933.78**	**933.78**
Financial liabilities						
Borrowings	6,009.46	-	-	-	6,009.46	6,009.46
Other financial liabilities	27,235.52	-	-	-	27,235.52	27,235.52
Total financial liabilities	**33,244.98**	**-**	**-**	**-**	**33,244.98**	**33,244.98**

(₹ in Lakhs)

As at March 31, 2016	Amortised cost	Derivative instruments other than in hedging relationship	Equity instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying Value	Total Fair Value Financial assets
Financial assets						
Cash and bank balances	743.68	-	-	-	743.68	743.68
Loans	13.03	-	-	-	13.03	13.03
Total financial assets	**756.71**		**-**	**-**	**756.71**	**756.71**
Financial liabilities						
Borrowings	12,568.21	-	-	-	12,568.21	12,568.21
Other financial liabilities	2,384.20	-	-	-	2,384.20	2,384.20
Total financial liabilities	**14,952.41**	**-**	**-**	**-**	**14,952.41**	**14,952.41**

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

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

(d) Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

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

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

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

(iii) The Company has not transferred any of its financial assets during the year.

(iv) Financial risk management

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

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(a) Market Risk : Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(b) Credit Risk : Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

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

(d) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(₹ in Lakhs)

	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	6,009.46	6,009.46	6,009.46	-	-
Other financial liabilities	27,235.52	27,235.52	27,235.52	-	-
Total non- derivative financial liabilities	**33,244.98**	**33,244.98**	**33,244.98**	**-**	**-**

(₹ in Lakhs)

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	12,568.21	12,568.21	12,568.21		
Other financial liabilities	2,384.20	2,384.20	2,384.20		
Total non- derivative financial liabilities	**14,952.41**	**14,952.41**	**14,952.41**	**-**	**-**

Notes forming part of the Financial Statements

25. Related party transactions

OCPL is controlled by the Odisha Power Generation Corporation Ltd (OPGC). OPGC holds 51% ownership interest in the Company including and as on March 31, 2017 and balance 49% ownership interest is held by Odisha Hydro Power Corporation (OHPC)who has significant influence over the Company. The Company's related parties principally consist of its holding company (OPGC), OHPC and Government of Odisha. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(₹ in Lakhs)

Transactions	OPGC	OHPC	Key Management Personnel	Relatives of Key Management Personnel	Government of Odisha
Finance provided					
FY 2016-17*	10,659.41	15,345.05			
FY 2015-16	9,570.76	3,002.45			
Interest on loan given					
FY 2016-17**	2,891.77	456.41			
FY 2015-16	1,829.41	41.49			
Transfer of Assets (net of liabilities)					
FY 2016-17	2,240.43				
FY 2015-16	-				
Remuneration					
FY 2016-17			43.77		
FY 2015-16			40.16		
Sitting Fees					
FY 2016-17			0.83		
FY 2015-16			0.64		
Guarantee outstanding					
FY 2016-17	7,821.00	7,542.00			
FY 2015-16	7,821.00	7,542.00			
Outstanding paybles					
FY 2016-17**	24,648.58				
FY 2015-16	1,192.24				

* It includes equity and loan provided by OPGC and OHPC respectively.
** It includes interest on PFC loan availed by OPGC for the FY 2016-17 and 2015-16 .

Notes forming part of the Financial Statements

26. Earning per share (EPS)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Loss after tax	(215.51)	(94.53)
Less: Amount to be paid for diluted portion (net of tax)	-	-
Loss attributable to ordinary shareholders - for Basic & Diluted EPS	(215.51)	(94.53)
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	753.55	0.50
Nominal value of Ordinary Shares (₹)	10.00	10.00
Basic & Diluted Earnings per Ordinary Share (₹)	**(0.29)**	**(189.06)**

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

(I) **Commitments :**

Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) ₹ 5,466.90 lakhs (March 31, 2016: ₹ 10,165.99 lakhs).

(ii) Contingencies :

(a) OPGC and OHPC had submitted gurantee to Yes Bank for issuance of performance bank gurantee on behalf of OCPL of ₹ 15,392 lakhs in favour of Nominated Authority, Ministry of Coal, Government of India.

(b) A claim of ₹ 51.69 lakhs raised by OPGC towards cost of land has not been provided in the books of the Company as the same has been incurred by OPGC prior to formation of OCPL. Pending the approval of competent authority, the Company is contingently liable for the same.

28. Events after reporting period

(i) The authorised share capital of the company has been further increased from existing ₹ 35,000 lakhs to ₹ 75,000 lakhs consisting of 750,000,000 no. of equity shares of ₹ 10/- each w.e.f July 14, 2017.

Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Odisha Coal & Power Limited for the year ended 31 March 2017.

The preparation of financial statements of Odisha Coal & Power Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (7) of the Act is responsible for expressing opinion of the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Odisha Coal & Power Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplementary to statutory auditors report.

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

Sd/-

(YASHODHARA RAY CHAUDHURI)
PRINCIPAL ACCOUNTANT GENERAL

Place : Bhubaneswar
Date : 06.11.2017

Execution of Rs 500 Cr. Term Loan agreement with Union Bank of India

Execution of Rs 536 Cr. Term Loan agreement with Punjab National Bank

Senior Management

Dr. Kshirod Chandra Brahma
Chief Executive Officer (I/C)

Mr. Gandharba Dehury
Head of Mines

Mr. Abodh Kumar Pattjoshi
Head of Finance

Mr. Santosh Kumar Satapathy
Chief of Infra

Mr. Uday Shankar Gonela
Chief of HR

Mr. Subhas Nayak
Chief of E&M

Mr. Saroj Kumar Kar
Dy. General Manager (Mech.)

Mr. Bimal Jena
Dy. General Manager (Electrical)

Mr. Nihar Satapathy
Dy. General Manager (Mines)

Mr. Ayaskant Kanungo
Dy. General Manager (C&C)

Dr. Vishy Jagannath
Dy. General Manager (CSR & RR)

Mr. Praveen Shankar Prasad
Dy. General Manager (CHP Construction)

Mr. Manish Kumar Tiwari
Company Secretary

Our Bankers

Union Bank of India

Punjab National Bank

Axis Bank Ltd.

State Bank of India

ICICI Bank Ltd.

Yes Bank Ltd.

Statutory Auditors

M/s Anil Mihir & Associates
Chartered Accountants

Internal Auditors

M/s SAPSJ & Associates
Cost Accountants

Site Office Address

Odisha Coal & Power Ltd.
Hemgir, Dist. Sundargarh - 770013, Odisha, India

Odisha Coal and Power Limited

OCPL

CIN - U10100OR2015SGC018623
(A Government Company of the State of Odisha)
Zone-A, Ground Floor, Fortune Towers, Chandrasekharpur
Bhubaneswar - 751023, Odisha, India