Odisha Coal and Power Limited

OCPL

ANNUAL REPORT

2019-2020

ODISHA COAL AND POWER LIMITED

Zone-A, Ground Floor, Fortune Tower, Chandrasekharpur, Bhubaneswar – 751023, Odisha

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 5th Annual Report on the project development, performance and operating result of the Company for the financial year 2019-20 together with the Audited Statement of Accounts and the Report of the auditors thereon. The comments of the Statutory Auditors and Comptroller and Auditor General of India U/s 143 (6) (b) of the Companies Act, 2013 on the said accounts also form a part of the report.

PROJECT DEVELOPMENT HIGHLIGHTS

The Mine Operation started from Manoharpur coal mine from 01-11-2018 by removing top-soil and OB. It has been envisaged to transport the coal to EUP i.e. OPGC power plants through the dedicated MGR system being constructed by OPGC. Due to land acquisition issues in MCL command area, the construction of MGR system is getting delayed and is expected to be completed by June-2021. In absence of the coal evacuation arrangement to OPGC, OCPL obtained the approval from the Nominated Authority, Ministry of Coal to sale the coal produced from Manoharpur mine to CIL at their notified price under the provisions of Allotment Agreement executed between OCPL and Nominated Authority, Ministry of Coal (MoC), Govt. of India. The Coal Controller, MoC, GoI on 25-11-2019 conveyed that OCPL may despatch excess coal produced from Manoharpur coal mine to Mahanadi Coalfields Limited (MCL). Memorandum of Understanding was executed with MCL on 11-12-2019 for sale of such coal from Manoharpur coal mine and to deliver the coal at its Kanika Railway Sidings. The coal despatch to Kanika Sidings started on 14-12-2019. OCPL has produced 1.003 MT of coal in the FY 2019-20 & 1.78MT of Coal till end of December'2020 (FY'2020-21). Total coal produced till end of December'2020 is 2.783 Million Tonne. Coal despatched/ sold to CIL/ MCL in FY 2019-20 is 0.517 MT and till end of December'2020 in FY'2020-21 is 1.25 MT. Cumulative coal despatched/sold to MCL till end of December'2020 is around 1.767 MT.

The land acquisition for Manoharpur coal mine project is largely complete. All the Permits/Clearances including Stage -I & II Forest Clearances, Environment Clearance and approval of Mining Plan & Mine Closure Plan including Mine Opening Permission etc. are in place. The Temporary Mine Office and Transit Guest House at Hemgir are in operation since May-2015 and January-2016 respectively. Construction of R&R colony i.e. Phase-I at village Sukhabandha and Phase-II at Himgir have been completed. The relocation of Manoharpur villagers to the R&R colony (Phase-I) is complete, whereas the relocation of the Sanghumuda village to the R&R Colony (Phase-II) in under progress. As on date 101 DFs of Sanghumuda village have taken possession of houses allotted in their favour and 95 DFs have shifted to the R&R colony along with their household goods. 12 DFs have self-relocated to site of their choice.

The Efficiency Parameters stipulated in the Schedule-E of the Allotment Agreement mentions the time limit for individual milestones to be achieved. During the development period, any non-compliance of the milestones in the Efficiency Parameters is liable to appropriation of Performance Security submitted to the Nominated Authority, MoC. All milestones in respect of Manoharpur Coal Block have been achieved, whereas the OCPL is pursuing seriously to achieve milestones w.r.t Dip-side of Manoharpur Coal Block.

Performance Security and Upfront Payment

In compliance with the requirements of the Allotment Agreement, Performance Security (for Peak Rated Capacity of 8 MTPA) in shape of Bank Guarantee (BG) for Rs.153.92 Cr. has been submitted with the Nominated Authority, Ministry of Coal, Government of India on 26-10-2020.

The Mining Plan and Mine Closure Plan (Rev-III) of Manoharpur and Dip-side Manoharpur coal mine has been revised from 8 MTPA to 16 MTPA and approved by the Ministry of Coal, Government of India on 26-09-2019. Based on the Approved Mining Plan including Mine Closure Plan (Rev-III) for Manoharpur and Dip-side Manoharpur, Nominated Authority after assessment revised the Performance Bank Guarantee to Rs.360.92Cr. OCPL has requested the Nominated Authority, Ministry of Coal, Govt. of India for its reassessment. The matter is under consideration & balance Performance Bank Guarantee will be submitted to the Nominated Authority after obtaining the final assessment & demand to this effect.

Statutory Permits / Clearances:

Your Company has obtained the following statutory permits / clearances:

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3.	Environment Clearance of Manoharpur coal mines in favour of OCPL	Ministry of Environment & Forest and Climate Change (MoEF & CC), Govt. of India (GoI)
4.	Consent to Establish for Coal Mine in favour of OCPL	State Pollution Control Board, Odisha
5.	Consent to Operate for Coal Mine in favour of OCPL	State Pollution Control Board, Odisha
6.	Grant of 5.55 Cusecs of water from Hirakud back water	Department of Water Resources, Govt. of Odisha
7.	Explosive License	Ministry of Commerce & Industry, Petroleum & Explosive Safety Organisation (PESO), GOI.
8.	Non-Mineralisation Clearance in favour of OCPL	Directorate of Geology, Odisha
9.	Permanent Power drawal from NTPC	Ministry of Power, Govt. of India
10.	Power supply permission for R&R colony Phase-I at Sukhabandh	WESCO
11.	Nalla Diversion Permission in favour of OCPL	Department of Water Resources, Govt. of Odisha
12.	Road Diversion Permission in favour of OCPL	Department of Rural

		Development, Govt. of Odisha
13.	Environment Clearance for R&R Colony in favour of OCPL	State Level Environment Impact Assessment Authority, Odisha / State Pollution Control Board, Odisha
14.	Consent to Establish for R&R Colony in favour of OCPL	State Pollution Control Board, Odisha
15.	Consent to Operate for R&R Colony of OCPL	State Pollution Control Board, Odisha
16.	Site Specific Wildlife Conservation Plan for Coal Mine	Principal Chief Conservator of Forest & Chief Wildlife Warden, Odisha
17.	Ownership of ITC Hemgir	Directorate of Technical Education and Training, Odisha, Cuttack
18.	Mining Lease execution	Collector, Sundargarh, Govt. of Odisha
19.	NOC for abstraction of Ground Water	Central Ground Water Authority, Govt. of India
20.	Mine Opening Permission	Coal Controller's Organisation, Ministry of Coal, Govt. of India
21.	Exemption under Sec (31) of the Contract Labour Act, 1970	Ministry of Labour and Employment.

Dip-Side Manoharpur Coal Block		
1.	Prospecting License (PL) deed execution	Collector, Sundargarh, Govt. of Odisha
2.	Permission for drilling of boreholes in forest area	Forest & Environment Department, Govt. of Odisha
3.	Grant Order for Mining lease	Dept. of Steel & Mines, Govt. of Odisha
4.	Land Acquisition under CBA (A&D) Act, 1957- Gazette notification under Section 3, 4 (1), 7(1), NOC from CCO under 8(2), 9(1) & 11(1) issued	Ministry of Coal, Govt. of India
5.	Environment Clearance-ToR obtained	Ministry of Environment Forest & Climate Change, GoI
6.	Forest Clearance-Proposal accepted and State Serial Number generated. Part II compliance is under progress at DFO level.	Ministry of Environment Forest & Climate Change, GoI

Mining Plan

OCPL has obtained the approval of Mining Plan & Mine Closure Plan (Revision-III) on 26-09-2019 with the peak rated capacity of 16 MTPA for Manoharpur and part of Dip-side Manoharpur coal mine.

Progress of Dip-Side Manoharpur Coal Block

i. Land Acquisition:
Government of India in Ministry of Coal has issued 11 (1) Notification for Dip-side Manoharpur Coal Mine on dated 07.09.2020 and vested the acquired land measuring 684.620 hectares (Approximately or 1691.730 acres (approximately) and all rights in and over the said lands with OCPL with effect from 18.07.2020.

ii. Environmental Clearance:-
The Application for EC of Dip-side coal block was filed on 10.12.2018 and updated on 16.11.2019. Terms of Reference (ToR) has been approved on 29.04.2020 by MoEF & CC. Baseline monitoring data generation/collection has been completed for winter season (Dec 2019 to Feb 2020). As per requirement of ToR, some special studies like Site Specific Wildlife Conservation Plan, study on flora & Fauna and integrated Hydrological study, study on diversion of Nalla in respect of Dip-side Manoharpur coal mine have been initiated. The draft EIA/EMP report based on the approved ToR has been prepared and submitted to the Odisha State Pollution Control Board (OSPCB).

iii. Forest Clearance:-
Forest Clearance application filed on 14-12-2018. The application was finally updated on 27/10/2020 and the State Serial Number issued on 03/11/2020. The DFO level compliance are under progress.

Land and R & R

Private Land:
Out of the total area of 1039.51 Ac., allotment of an area of 1037.24 Ac.in favour of Odisha Coal and Power Limited is complete. The balance is in process at various levels.

Government Land:
Out of the total area of 1040.94 Ac., alienation for an area of 1033.37 Ac.in favour of Odisha Coal and Power Limited has been completed. The balance is in process.

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

Rehabilitation and Resettlement:

Two villages namely Manoharpur and Ghumudasan are required to be displaced for operation of Manoharpur Coal Mine. The shifting of displaced families of village Manoharpur to rehabilitation and resettlement colony at Sukhabandh (Hemgir) is completed. The RoR (Patta) of house plots allotted to Dispalced Families (DFs) in the R&R colony are handed over by the administration. The Annuity Scheme is implemented through LIC of India ltd. The Company has also engaged MART, an expert agency for promotion of sustainable livelihood among DFs. The agency has been imparting skill development and capacity building training and promoting various livelihood and entrepreneurial activities among the DF's. Group Income generating activities are executed through Self-help groups (SHG's). The construction work of R&R colony - Phase 2 at Hemgir for Ghumudasan village is largely complete and 122 dwellings are being made. The relocation of village has started from 2nd August 2019. Until date, 101 families have taken possession of the houses at R&R colony Hemgir, Phase -2 and 95 families have shifted to the colony. 12 DF's have relocated to their place of choice.

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

OCPL has received 4 Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. OCPL is pursuing with the Nominated Authority to consider 10-12-2015 & 22-03-2016 as the zero date for obtaining Prospecting License and completion of exploration and preparation of Geological Report (GR) respectively and drop the Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. MoC informed OCPL that the Scrutiny Committee in its 8th meeting held on 24-09-2018 has recommended that the delay in achievement of milestones of Efficiency Parameters of dip-side Manoharpur may not be attributed to OCPL. The Committee has suggested to consider 10-12-2015 as zero date for obtaining Prospecting License and 22-03-2016 as the zero date for preparation of GR.

<u>Major Contracts and Agreement</u>

Coal Handling Plant:

OCPL is constructing an 8.0 MTPA Coal Handling Plant (CHP) at the village premises of Ghumudasan & Sarbahal of Sundargarh District, outside the mining lease area of Manoharpur Coal Mines. The Run-off-Mine (ROM) coal from the open cast mine shall be received through a Receiving Pit and shall be transported by a series of conveyors to Over Ground Bunker of 30,000 MT capacity and then to Rapid Loading System (RLS) from where the coal of (-) 100 MM size shall be loaded on to the wagons of OPGC for despatch to its Thermal Power Plant at ITPS. Construction of the CHP has been awarded to M/s McNally Bharat Engineering Co. Ltd. (MBECL) through EPC mode with a contract value of Rs. 514.00 Cr. excluding GST. This contract value includes construction of the CHP, other infrastructural facilities and O&M for first two years after completion of the project with supervision of O&M in the third year. Construction of the CHP started on 10.01.2018 and around 72% work is completed till 31.12.2020.

Appointment of Mine Operator for development, operation and maintenance of Manoharpur Coal Mine project:

BGR Mining & Infra Limited has been appointed as the Mine Operator on 10-07-2018 for a period of 10 years which can be extended by further two years on mutually agreed basis. More than one million ton Coal production target has been achieved in the Financial year 2019-20.

Construction of R&R Colony at Hemgir, Sundergarh:

Construction of R&R Colony (Ph-II) at Hemgir, Sundergarh has been awarded to M/s Shree Balajee Engicons Pvt. Ltd. for 122 nos houses for the project displaced families. The construction work is completed.

Manoharpur Township Project

Contract awarded to M/s Diversified Energy Solution Pvt. Ltd. for construction of Manoharpur Township Project for accommodation of own employees of OCPL. Construction work is under process.

Construction of Permanent Power supply arrangement from NTPC, Darlipalli, Sundargarh

Contract awarded to M/s NTPC-GE Power services ltd. for construction of 33/6.6Kv substation, M/s Anil Electrical for 33Kv double circuit transmission line from Darlipalli to Manoharpur Mines and to M/s NTPC for the 132Kv bay extension work. The construction work is under progress.

Project Target-Project Schedule:

Allotment Agreement was signed with the Nominated Authority, Ministry of Coal specifying the time line to start the mine operation within 44 months i.e. May 2019 from the zero date (i.e. 31st August 2015). However, OCPL has already commenced mining operations since 1st November, 2018 which is well within the scheduled timeline. Coal production from Manoharpur Coal Block commenced on 10th October, 2019 and coal despatch to Kanika siding of MCL on 14-12-2019.

OCPL exceeded the target production of 1 Million tonne of coal for the FY2019-20 by producing 1.003 Million tonnes of coal. Over burden removed to achieve the above coal production was 4.11 Million CuM.

Target production for the year 2020-21 is 2.5 Million tonne of coal. As of December-2020, OCPL has produced 1.767 MT of Coal from Manoharpur coal mine. The peak production of 16 Million tonne of coal will be achieved 2025-26.

Capital Structure

The Authorised Share Capital of the Company is Rs.750.00 Cr., divided into 75,00,00,000 Equity Shares of Rs.10/- each. The paid up Equity Share Capital of the Company stands at Rs.386.00 Cr. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited (OPGC) and Odisha Hydro Power Corporation Limited (OHPC) in the ratio of 51:49.

Long Term Financing

OCPL Board in its 42nd meeting held on 31-05-2019 has approved the revised project cost of Rs.2143 07 Cr. for Manoharpur coal mine and Rs. 230.92 Cr. towards land and R &R cost for part of the Dip-side Manoharpur coal mine to be sourced through equity/internal accruals for which separate and specific Board approval will be sought for.

The approved project cost for Manoharpur coal mine has been fully tied up with the Banks/FI (Union Bank-Rs. 500 Cr., Punjab National Bank-Rs. 536 Cr. and REC Rs. 571 Cr.) in the debt equity ratio of 75:25. So far, the equity contributions from the shareholders is Rs.386 Cr. from OPGC and OHPC.

FINANCIAL RESULTS/HIGHLIGHTS

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

The following summarised financial results are furnished as follows for easy appreciation of the financial health of the company.

Particulars	FY. 2019-20 (Rupees in Lakhs)	FY. 2018-19 (Rupees in Lakhs)
Revenue from Operations	5,476.28	--
Other income	378.11	8.84
Less: Transferred to Capital work in progress	-5,846.48	
Total Income	**7.91**	**8.84**
Cost of mine operation	6483.88	--
Change in inventory	-3075.08	
Cost of transportation	901.47	
Employee benefit expenses	1,092.39	939.44
Finance cost	7282.84	4383.16
Other expenses	1,119.81	2180.28
Depreciation & Amortization expenses	1,394.17	241.33
Less: Expenditure transferred to capital work in progress	-15158.87	-7701.33
Total Expenses	**40.59**	**42.88**
Profit before Exceptional items	-32.68	-34.04
Less: Exceptional items		--
Profit/(Loss) before tax	**-32.68**	**-34.04**
Less: Tax expenses	151.58	246.9
Profit/(Loss) after Tax	**-184.26**	**-280.94**
Less: Any appropriations, if any	--	--
Balance carried to Balance Sheet	**-184.26**	**-280.94**

REVIEW OF OPERATIONS

As per the allotment agreement of Manoharpur and Dipside Manoharpur Coal Mine signed (March' 2015) with Govt. of India (GoI) for supply of coal to Specified End Use Plant (i.e Unit 3, 4, 5 &6 of OPGC) by Odisha Coal and Power Limited, any coal extracted from Coal mine which is in excess of the requirements of coal for Specified End Use Plant and the other plant shall be required to be supplied to Coal India Limited (CIL) at the CIL Notified Price. During the year under review i.e FY.2019-20, the Company has started selling of coal to Mahanadi Coal Fields Ltd. (MCL, as subsidiary of CIL) which was excess due to the constraints in transportation of coal to end use plant associated with its mines.

The company reported a total Income of Rs.7.91 Lakhs with Rs.5476.28 Lakhs as revenue from sale of coal during construction and posted a net loss after tax of Rs.184.26 Lakhs.

DIVIDEND

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

TRANSFER TO RESERVES

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

UNSECURED LOAN

During the year under review the Company has not availed any inter-corporate loan from OPGC and OHPC.

GENERAL

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

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

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

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

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

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

Mr. Nikunja Bihari Dhal, IAS (DIN 01710101), Chairman OPGC was appointed as Chairman OCPL on 1st June, 2020 in place of Mr. Bishnupada Sethi, IAS (DIN 02268656). Mr. Bishnupada Sethi, IAS (DIN 02268656) and Mr. Manoranjan Biswal (DIN 08778516) were appointed as Directors on 3rd July, 2020 in place of Mr. Bidyadhar Nayak, OFS (SAG) and Mr. Gyana Ranjan Das as Nominee Directors of OHPC. Mr. Indranil Dutta (DIN 03496368) and Mr. Chandan Saha Prashad (DIN 08478500), OPGC nominee Directors, tendered their resignation from the Directorship w.e.f. 10-12-2020.

The Board placed on the record the appreciation for the valuable services rendered by Mr. Bishnupada Sethi, IAS as Chairman & Mr. Bidyadhar Nayak, OFS (SAG), Mr. Gyana Ranjan Das, Mr. Indranil Dutta, Mr. Chandan Saha Prashad as Directors of the Company.

STATUTORY AUDITORS

M/s Anil Mihir and Associates have been appointed as the Statutory Auditors of the Company by Comptroller and Auditor General (C&AG) of India for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2019-2020 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 Tanmaya S. Pradhan & Co, 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, 2020 by the Comptroller and Auditor General (C&AG) of India is furnished at **Annexure - IV** which also forms a part of this report.

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

OCPL has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013.

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

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

INTERNAL FINANCIAL CONTROL

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

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6.	Forest Clearance-Proposal accepted and State Serial Number generated. Part II compliance is under progress at DFO level.	Ministry of Environment Forest & Climate Change, GoI

Mining Plan

OCPL has obtained the approval of Mining Plan & Mine Closure Plan (Revision-III) on 26-09-2019 with the peak rated capacity of 16 MTPA for Manoharpur and part of Dip-side Manoharpur coal mine.

Progress of Dip-Side Manoharpur Coal Block

i. Land Acquisition:
Government of India in Ministry of Coal has issued 11 (1) Notification for Dip-side Manoharpur Coal Mine on dated 07.09.2020 and vested the acquired land measuring 684.620 hectares (Approximately or 1691.730 acres (approximately) and all rights in and over the said lands with OCPL with effect from 18.07.2020.

ii. Environmental Clearance:-
The Application for EC of Dip-side coal block was filed on 10.12.2018 and updated on 16.11.2019. Terms of Reference (ToR) has been approved on 29.04.2020 by MoEF & CC. Baseline monitoring data generation/collection has been completed for winter season (Dec 2019 to Feb 2020). As per requirement of ToR, some special studies like Site Specific Wildlife Conservation Plan, study on flora & Fauna and integrated Hydrological study, study on diversion of Nalla in respect of Dip-side Manoharpur coal mine have been initiated. The draft EIA/EMP report based on the approved ToR has been prepared and submitted to the Odisha State Pollution Control Board (OSPCB).

iii. Forest Clearance:-
Forest Clearance application filed on 14-12-2018. The application was finally updated on 27/10/2020 and the State Serial Number issued on 03/11/2020. The DFO level compliance are under progress.

Land and R & R

Private Land:
Out of the total area of 1039.51 Ac., allotment of an area of 1037.24 Ac.in favour of Odisha Coal and Power Limited is complete. The balance is in process at various levels.

Government Land:
Out of the total area of 1040.94 Ac., alienation for an area of 1033.37 Ac.in favour of Odisha Coal and Power Limited has been completed. The balance is in process.

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

Rehabilitation and Resettlement:

Two villages namely Manoharpur and Ghumudasan are required to be displaced for operation of Manoharpur Coal Mine. The shifting of displaced families of village Manoharpur to rehabilitation and resettlement colony at Sukhabandh (Hemgir) is completed. The RoR (Patta) of house plots allotted to Dispalced Families (DFs) in the R&R colony are handed over by the administration. The Annuity Scheme is implemented through LIC of India ltd. The Company has also engaged MART, an expert agency for promotion of sustainable livelihood among DFs. The agency has been imparting skill development and capacity building training and promoting various livelihood and entrepreneurial activities among the DF's. Group Income generating activities are executed through Self-help groups (SHG's). The construction work of R&R colony - Phase 2 at Hemgir for Ghumudasan village is largely complete and 122 dwellings are being made. The relocation of village has started from 2nd August 2019. Until date, 101 families have taken possession of the houses at R&R colony Hemgir, Phase -2 and 95 families have shifted to the colony. 12 DF's have relocated to their place of choice.

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

OCPL has received 4 Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. OCPL is pursuing with the Nominated Authority to consider 10-12-2015 & 22-03-2016 as the zero date for obtaining Prospecting License and completion of exploration and preparation of Geological Report (GR) respectively and drop the Show Cause Notices issued for not achieving the milestones as per the Efficiency Parameters. MoC informed OCPL that the Scrutiny Committee in its 8th meeting held on 24-09-2018 has recommended that the delay in achievement of milestones of Efficiency Parameters of dip-side Manoharpur may not be attributed to OCPL. The Committee has suggested to consider 10-12-2015 as zero date for obtaining Prospecting License and 22-03-2016 as the zero date for preparation of GR.

Major Contracts and Agreement

Coal Handling Plant:

OCPL is constructing an 8.0 MTPA Coal Handling Plant (CHP) at the village premises of Ghumudasan & Sarbahal of Sundargarh District, outside the mining lease area of Manoharpur Coal Mines. The Run-off-Mine (ROM) coal from the open cast mine shall be received through a Receiving Pit and shall be transported by a series of conveyors to Over Ground Bunker of 30,000 MT capacity and then to Rapid Loading System (RLS) from where the coal of (-) 100 MM size shall be loaded on to the wagons of OPGC for despatch to its Thermal Power Plant at ITPS. Construction of the CHP has been awarded to M/s McNally Bharat Engineering Co. Ltd. (MBECL) through EPC mode with a contract value of Rs. 514.00 Cr. excluding GST. This contract value includes construction of the CHP, other infrastructural facilities and O&M for first two years after completion of the project with supervision of O&M in the third year. Construction of the CHP started on 10.01.2018 and around 72% work is completed till 31.12.2020.

Appointment of Mine Operator for development, operation and maintenance of Manoharpur Coal Mine project:

BGR Mining & Infra Limited has been appointed as the Mine Operator on 10-07-2018 for a period of 10 years which can be extended by further two years on mutually agreed basis. More than one million ton Coal production target has been achieved in the Financial year 2019-20.

Construction of R&R Colony at Hemgir, Sundergarh:

Construction of R&R Colony (Ph-II) at Hemgir, Sundergarh has been awarded to M/s Shree Balajee Engicons Pvt. Ltd. for 122 nos houses for the project displaced families. The construction work is completed.

Manoharpur Township Project

Contract awarded to M/s Diversified Energy Solution Pvt. Ltd. for construction of Manoharpur Township Project for accommodation of own employees of OCPL. Construction work is under process.

Construction of Permanent Power supply arrangement from NTPC, Darlipalli, Sundargarh

Contract awarded to M/s NTPC-GE Power services ltd. for construction of 33/6.6Kv substation, M/s Anil Electrical for 33Kv double circuit transmission line from Darlipalli to Manoharpur Mines and to M/s NTPC for the 132Kv bay extension work. The construction work is under progress.

Project Target-Project Schedule:

Allotment Agreement was signed with the Nominated Authority, Ministry of Coal specifying the time line to start the mine operation within 44 months i.e. May 2019 from the zero date (i.e. 31st August 2015). However, OCPL has already commenced mining operations since 1st November, 2018 which is well within the scheduled timeline. Coal production from Manoharpur Coal Block commenced on 10th October, 2019 and coal despatch to Kanika siding of MCL on 14-12-2019.

OCPL exceeded the target production of 1 Million tonne of coal for the FY2019-20 by producing 1.003 Million tonnes of coal. Over burden removed to achieve the above coal production was 4.11 Million CuM.

Target production for the year 2020-21 is 2.5 Million tonne of coal. As of December-2020, OCPL has produced 1.767 MT of Coal from Manoharpur coal mine. The peak production of 16 Million tonne of coal will be achieved 2025-26.

Capital Structure

The Authorised Share Capital of the Company is Rs.750.00 Cr., divided into 75,00,00,000 Equity Shares of Rs.10/- each. The paid up Equity Share Capital of the Company stands at Rs.386.00 Cr. The entire paid up Equity Share Capital are held by Odisha Power Generation Corporation Limited (OPGC) and Odisha Hydro Power Corporation Limited (OHPC) in the ratio of 51:49.

Long Term Financing

OCPL Board in its 42nd meeting held on 31-05-2019 has approved the revised project cost of Rs.2143 07 Cr. for Manoharpur coal mine and Rs. 230.92 Cr. towards land and R &R cost for part of the Dip-side Manoharpur coal mine to be sourced through equity/internal accruals for which separate and specific Board approval will be sought for.

The approved project cost for Manoharpur coal mine has been fully tied up with the Banks/FI (Union Bank-Rs. 500 Cr., Punjab National Bank-Rs. 536 Cr. and REC Rs. 571 Cr.) in the debt equity ratio of 75:25. So far, the equity contributions from the shareholders is Rs.386 Cr. from OPGC and OHPC.

FINANCIAL RESULTS/HIGHLIGHTS

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

The following summarised financial results are furnished as follows for easy appreciation of the financial health of the company.

Particulars	FY. 2019-20 (Rupees in Lakhs)	FY. 2018-19 (Rupees in Lakhs)
Revenue from Operations	5,476.28	--
Other income	378.11	8.84
Less: Transferred to Capital work in progress	-5,846.48	
Total Income	**7.91**	**8.84**
Cost of mine operation	6483.88	--
Change in inventory	-3075.08	
Cost of transportation	901.47	
Employee benefit expenses	1,092.39	939.44
Finance cost	7282.84	4383.16
Other expenses	1,119.81	2180.28
Depreciation & Amortization expenses	1,394.17	241.33
Less: Expenditure transferred to capital work in progress	-15158.87	-7701.33
Total Expenses	**40.59**	**42.88**
Profit before Exceptional items	-32.68	-34.04
Less: Exceptional items		--
Profit/(Loss) before tax	**-32.68**	**-34.04**
Less: Tax expenses	151.58	246.9
Profit/(Loss) after Tax	**-184.26**	**-280.94**
Less: Any appropriations, if any	--	--
Balance carried to Balance Sheet	**-184.26**	**-280.94**

REVIEW OF OPERATIONS

As per the allotment agreement of Manoharpur and Dipside Manoharpur Coal Mine signed (March' 2015) with Govt. of India (GoI) for supply of coal to Specified End Use Plant (i.e Unit 3, 4, 5 &6 of OPGC) by Odisha Coal and Power Limited, any coal extracted from Coal mine which is in excess of the requirements of coal for Specified End Use Plant and the other plant shall be required to be supplied to Coal India Limited (CIL) at the CIL Notified Price. During the year under review i.e FY.2019-20, the Company has started selling of coal to Mahanadi Coal Fields Ltd. (MCL, as subsidiary of CIL) which was excess due to the constraints in transportation of coal to end use plant associated with its mines.

The company reported a total Income of Rs.7.91 Lakhs with Rs.5476.28 Lakhs as revenue from sale of coal during construction and posted a net loss after tax of Rs.184.26 Lakhs.

DIVIDEND

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

TRANSFER TO RESERVES

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

UNSECURED LOAN

During the year under review the Company has not availed any inter-corporate loan from OPGC and OHPC.

GENERAL

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

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

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

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

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

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS

Mr. Nikunja Bihari Dhal, IAS (DIN 01710101), Chairman OPGC was appointed as Chairman OCPL on 1st June, 2020 in place of Mr. Bishnupada Sethi, IAS (DIN 02268656). Mr. Bishnupada Sethi, IAS (DIN 02268656) and Mr. Manoranjan Biswal (DIN 08778516) were appointed as Directors on 3rd July, 2020 in place of Mr. Bidyadhar Nayak, OFS (SAG) and Mr. Gyana Ranjan Das as Nominee Directors of OHPC. Mr. Indranil Dutta (DIN 03496368) and Mr. Chandan Saha Prashad (DIN 08478500), OPGC nominee Directors, tendered their resignation from the Directorship w.e.f. 10-12-2020.

The Board placed on the record the appreciation for the valuable services rendered by Mr. Bishnupada Sethi, IAS as Chairman & Mr. Bidyadhar Nayak, OFS (SAG), Mr. Gyana Ranjan Das, Mr. Indranil Dutta, Mr. Chandan Saha Prashad as Directors of the Company.

STATUTORY AUDITORS

M/s Anil Mihir and Associates have been appointed as the Statutory Auditors of the Company by Comptroller and Auditor General (C&AG) of India for the year under report. The report of the Statutory Auditors to the shareholders on the accounts for the year 2019-2020 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 Tanmaya S. Pradhan & Co, 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, 2020 by the Comptroller and Auditor General (C&AG) of India is furnished at **Annexure - IV** which also forms a part of this report.

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

OCPL has not entered into any material contract or arrangement with related parties as defined under Section 188 (1) of the Companies Act, 2013.

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

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

INTERNAL FINANCIAL CONTROL

The Company has a well-placed, proper and adequate Internal Financial Control system aimed at achieving efficiency in operations, optimum utilization of resources and compliance with applicable laws and regulations. It ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. M/s Jalan & Associates, Charted Accountants have been appointed for assessment and evaluation of the Internal Financial Control systems of the Company and have found the same in order.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Environmental, Health & Safety Management refers to the management of an organization's environmental, Health & Safety programs in a comprehensive, systematic, planned and documented manner. It includes the organizational structure, planning and resources for developing, implementing, maintaining and protecting the environment and health and safety of its stakeholders.

Environment, Health & Safety policy for Manoharpur Coal Mine has been approved and in place. Safety Management Plan for Mining has been prepared and submitted with Directorate General of Mines Safety, Ministry of Labour & Employment, Govt. of India. Further, Revision in Safety Management Plan is under process in collaboration with M/s Bureau Veritas Industrial Solutions (India) Ltd. Meanwhile, OCPL has completed 8.7 million safe man hours cumulatively in all its work sites.

CORPORATE SOCIAL RESPONSIBILITY

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the physical quality of life of the residents of the peripheral area. OCPL works in the core sectors of Rural Infrastructure, Sustainable Livelihood Management, Education, Community Health, Training and Skill development and support to Rural sports. The Projects / Activities are decided through a participatory approach with all Key Stakeholders. All the projects have an approval of District Collector to avoid duplicity and meet the requirements of the district. Further the company is contributing to District Mineral Foundation as per the Govt. norms and rules for Periphery Development. 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 five Board meetings during the financial year under review.

AUDIT COMMITTEE

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

H.R.D. & MANPOWER PLANNING

Your Company believes in retaining and nurturing a highly motivated work force to drive the company along with its vision & mission, the values and work culture that foster operational excellence through team work. The company has prepared a statutory and non-statutory requirement of manpower taking into consideration of lead time for training and external hiring. A dedicated team of 97 employees are working for the development and operation of the coal mine.

The Management provides continuous emphasis on development of the skill set of its people through skill gap analysis and training. Need based training has been imparted to the employees to narrow down the performance gaps. Employees are being regularly sponsored for undertaking trainings, attend seminars and workshops conducted by reputed Govt. and private institutes to keep them updated about the recent developments in their respective sectors.

RIGHT TO INFORMATION

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

During 2020-21, one application was received under the RTI Act, 2005 and it had been replied.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

INDUSTRIAL RELATIONS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

ACKNOWLEDGEMENT

The Board of Directors gratefully acknowledge and place on record their appreciation for the support, guidance and co-operation extended to the Company by Department of Energy, Department of Steel & Mines , Department of Revenue & Disaster Management , Department of Public Enterprise and Forest & Environment Department, etc. of the Govt. of Odisha and Ministries of the Govt. of India particularly the Ministry of Coal, Ministry of Environment & Forest and Climate Change and Coal Controller's Organisation.

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

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

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

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

For and on behalf of the Board of Directors

CHAIRMAN

Annexure I

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

A	**Conservation of energy**		
	(i)	the steps taken or impact on conservation of energy	• LED illuminaires have been provided in office buildings and for outdoor illumination. Air condition system provided in office buildings are all of BEE 5 star rating. OCPL is also committed to use energy efficient luminaires and appliances in all future projects. • All distribution transformers installed at site are BEE star rated. • Sizing & selection of electrical machines and drive units are being carried out in an optimized way to reduce energy consumption. • Office buildings & guest houses have been designed in a way to use maximum day -light and to reduce energy consumption. • Automatic power factor correction panels have been incorporated in design for all future projects. . Pool vehicle system and common bus services have been implemented in the site office for optimum use of vehicles and reduction of fuel consumption.
	(ii)	the steps taken by the company for utilising alternative sources of energy	17 nos of 15 W and 8 nos of 30 W solar street light systems have been installed in R&R colony-1 and Magazine house respectively. 3 HP borewell submersible pump installed in transit guest house was modified to run from solar PV panel as an alternate source of supply. Automatic photo sensors were installed in highmast towers to optimize energy consumption
	(iii)	the capital investment on energy conservation equipments	Rs. 8 Lakhs (Approx)
B	**Technology absorption**		
	(i)	the efforts made towards technology absorption	Blast Free Surface Mining Technology has been adopted
	(ii)	the benefits derived like product improvement, cost	Crushing is avoided and % extraction has improved
	(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 31.03.2020

[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 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.		300000000	300000000	100.00		346000000	3460000000	100.00	15.33%
e) Banks / FIs									
f) Any other									
Sub-total (A) (1) :-									
(2) Foreign									
a) NRIs Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FIs									
e) Any other									
Sub-total (A) (2) :-									
Total shareholdings of Promoter (A) = (A) (1) + (A) (2)		**300000000**	**300000000**	**100**		**346000000**	**3460000000**	**100**	**15.33%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c)Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1) :-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholdings holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholdings holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
i) NRI									
ii) Clearing Member									
Sub-total (B) (2) :-									
Total Public Shareholding (B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for GDRs & ADRs (C)									
Grand Total (A+B+C)		**300000000**	**300000000**	**100.00**		**346000000**	**3460000000**	**100.00**	**15.33%**

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Odisha Power Generation Corporation Ltd.	153000000	51.00		176460000	51.00		Nil
2	Odisha Hydro Power Corporation Ltd.	147000000	49.00		169540000	49.00		Nil
	Total	**300000000**	**100.00**		346000000	**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.	23460000	
2	Odisha Hydro Power Corporation Ltd.	22540000	

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

SI No.		Shareholding at the begining of the year (As on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
	For Each of the Top 10 Shareholders	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
a	At the begining of the year as on 01.04.2019	NA			
b	Changes during the year			NA	
c	At the end of the year as on 31.03.2020	NA			

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 - 31.03.2020)	
	For Each of the Directors and KMP	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 01.04.2019	NA			
b	Changes during the year			NA	
c	At the end of the year as on 31.03.2020	NA			

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding / accrued but not due for payment				
				Rs. In Lakhs
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	63779.19	--		63779.19
ii) Interest due but not paid	--	--		--
iii) Interest accrued but not due	6356.99	--		6356.99
Total (i+ii+iii)	**70136.18**	--		**70136.18**
Change in Indebtedness during the financial year		--		
• Addition	28476.15	--		28476.15
• Reduction	--	--		--
Net Change	**28476.15**	--		**28476.15**
Indebtedness at the end of the financial year				
i) Principal Amount	91027.18	--		91027.18
ii) Interest due but not paid	--	--		--
iii) Interest accrued but not due	7585.15	--		7585.15
Total (i+ii+iii)	**98612.33**	--		**98612.33**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

VII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Independent Auditors' Report

To the Members of Odisha Coal and Power Limited

Opinion

We have audited the accompanying standalone financial statements of **Odisha Coal and Power Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

1. The paid up share capital of the company amounting to Rs.346 Cr includes Rs.248.95 Cr issued in contravention with section 62 (3) of the Companies Act 2013 over the financial year 2016-17 and 2017-18.

Emphasis of Matter

2. Attention is invited to note no 6 (iii) (**regarding** pending finalization of lease terms of forest land the amount spent is capitalized on the basis of physical possession held by the company under "right to use".
3. Attention is invited to note no 22 (ii) provisions for gratuities and leave encashment has been made in the books of accounts, however fund has not been earmarked for the same.

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

ANIL MIHIR & ASSOCIATES
Bhubaneswar

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Ministry of Corporate Affairs, We enclose in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the said order.
2. Further to our comments in **Annexure A,** as required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the standalone financial statements dealt with by this report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. on the basis of the written representations received from the directors as on 31 March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
   f. With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure -B.**
   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

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

Date: 30.09.2020
Place: Bhubaneswar

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

[CA Mihir Kumar Sahu,FCA]
Partner, Membership No.053968
UDIN NO. 20053968AAAABW3523

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 2020, 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 in view of its policy and no discrepancy noted. Such policy requires the physical verification of fixed assets once in a block of three years. In our opinion, this periodicity of physical verification is not reasonable having regard to the size of the Company and the nature of its assets. This physical verification should be done at least once in a year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the cases mentioned in point no.2 & 3 of this auditor's report.

(ii) The Company has not started commercial operation. However there is certain stock arise from trail run. The same is verified by the management and supervised by the auditors over video conferencing due to Covid 19 situation. There is an increase of 424.37 ton of stock arises from physical verification. However the company is adopted book stock as same is within the tolerable limit as per the industry practice.

(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 2019 for a period of more than six months from the date they became payable.

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

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

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(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
(Xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non -cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xvi) The Company is not required to be registered under section 45 -IA of the Reserve Bank of India Act 1934.

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

ANIL MIHIR & ASSOCIATES Bhubaneswar Chartered Accountants

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968
UDIN NO. 20053968AAAABW3523

Place: Bhubaneswar
Date: 30.09.2020

Annexure-B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Odisha Coal and Power Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968
UDIN NO. 20053968AAAABW3523

Place: Bhubaneswar
Date: 30.09.2020

Annexure-C to the Auditors' Report
Directions under section 143 (5) of the Companies Act, 2013

Referred to our report of even date

Particulars	Remarks
Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to the information and explanations given to us, the company is in the process of acquiring land. The company holds clear title deeds for the land already acquired. The revenue village wise position of land applied, sanctioned and allotted to the company for government land, private land and forest land are enclosed herewith and marked as ***Annexures – C1*, C2 and C3.**
Whether here are any cases of waiver/write off of 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 Specific Additional Directions

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

ANIL MIHIR & ASSOCIATES
Bhubaneswar

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

For Anil Mihir & Associates
Chartered Accounts
FRN-303038E

(CA. Mihir Kumar Sahu)
Sr. Partner
M. No. 053968
UDIN NO. 20053968AAAABW3523

Place: Bhubaneswar
Date: 30.09.2020

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

Odisha Coal and Power Limited
Balance Sheet as at March 31, 2020

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	5	1,207.28	1,249.85
	(b) Right-of-Use Assets	6	34,664.65	-
	(c) Capital work-in-progress	7	84,807.33	52,261.71
	(d) Other Intangible assets	8	4,437.89	4,606.25
	(e) Financial Assets			
	(i) Loans	9	42.95	39.26
	(ii) Other financial assets	10	771.25	379.43
	(f) Other non-current assets	11	7,107.16	39,048.53
	Total Non - Current Assets		**1,33,038.50**	**97,585.02**
2	**Current assets**			
	(a) Inventories	12	3,075.08	-
	(b) Financial Assets			
	(i) Trade receivables	13	3,214.05	-
	(ii) Cash and cash equivalents	14	547.99	432.53
	(iii) Bank balances other than (i) above		-	-
	(iv) Others	15	5.95	1.15
	(c) Current Tax Assets (Net)	16	8.25	13.18
	(d) Other current assets	17	7,279.59	5,596.17
	Total Current Assets		**14,130.92**	**6,043.03**
	TOTAL ASSETS		**1,47,169.42**	**1,03,628.05**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	18	34,600.00	30,000.00
	(b) Other Equity	19	(1,080.94)	(896.67)
	Total equity		**33,519.06**	**29,103.33**
	LIABILITIES			
1	**Non-current liabilities**			
	(a) Financial Liabilities			
	i) Borrowings	20	95,325.25	70,136.18
	ii) Other financial liability	21	1.68	0.84
	(b) Provisions	22	1,076.53	-
	(c) Deferred tax liabilities (Net)	23	708.31	556.73
	Total Non-current liabilities		**97,111.78**	**70,693.75**
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	24	3,287.08	-
	(ii) Trade payables			
	-Total outstanding dues of micro and small enterprises.		-	-
	-Total outstanding dues of creditors otherthan micro and small enterprises.	25	3,762.21	-
	(iii) Other financial liabilities	26	7,956.49	3,679.63
	(b) Provisions	27	50.11	-
	(c) Other current liabilities	28	1,482.69	151.34
	Total Current liabilities		**16,538.58**	**3,830.97**
	TOTAL EQUITY AND LIABILITIES		**1,47,169.42**	**1,03,628.05**

Notes forming part of the financial statements — 1-40

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Indranil Dutta
Director

Pravakar Mohanty
Director

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

ANIL MIHIR & ASSOCIATES Bhubaneswar

MKTiwari
Manish Tiwari
Company Secretary

Akpatjoshi
A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Odisha Coal and Power Limited
Statement of Profit and Loss for the period ended March 31, 2020

(Rupees in Lakhs)

	Particulars	Notes	Period ended March 31, 2020	Period ended March 31, 2019
I	Revenue from Operations	29	5,476.28	-
II	Other Income	30	378.11	100.59
	Less: Transferred to Capital work in progress	7	(5,846.48)	(91.75)
III	**Total Income (I + II)**		**7.91**	**8.84**
IV	**Expenses**			
	(a) Cost of mine operation/excavation	31	6,483.88	-
	(b) Change in inventories of finished goods/ work in progress and stock in trade	32	(3,075.08)	-
	(c) Coal transportation charges		901.47	-
	(d) Employee Benefit expense	33	1,092.39	939.44
	(e) Finance costs	34	7,282.84	4,383.16
	(f) Depreciation and amortization expense	35	1,394.17	241.33
	(g) Other expenses	36	1,119.81	2,180.28
	Less : Expenditure transferred to capital work in progress	7	(15,158.87)	(7,701.33)
	Total expenses (IV)		**40.59**	**42.88**
V	**Loss before tax (III - IV)**		**(32.68)**	**(34.04)**
VI	Tax Expense:			
	(a) Current tax		-	-
	(b) Deferred tax	23	151.58	246.90
	(c) Taxes of earlier years		-	-
	Total tax expense		151.58	246.90
VII	**Loss for the Period (V -VI)**		**(184.26)**	**(280.94)**
VIII	**Other Comprehensive Income / (Losses)**			
	(A) (i) Items that will not be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
	(B) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss		-	-
	Total Comprehensive Income / (Losses) for the period		-	-
IX	**Total Comprehensive Income / (Losses) for the period (VII+VIII) (Comprising Loss and Other Comprehensive Income for the period)**		**(184.26)**	**(280.94)**
X	Earnings per equity share:- Basic and diluted (Rs)	39	(0.06)	(0.09)
XI	**Notes forming part of the financial statement**	1-40		

In terms of our report attached.

For and on behalf of the Board

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Director

Pravakar Mohanty
Director

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

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

M K Tiwari
Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place : Bhubaneswa
Date : 30.09.20

Odisha Coal and Power Limited

Statement of Cash Flow for the year ended March 31, 2020

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Cash flows from operating activities:		
Loss before taxes	(32.68)	(34.04)
Adjustments for:		
Depreciation and amortisation of non-current assets	-	-
Operating profit before Current/Non current assets and liabilities	(32.68)	(34.04)
Adjustment for:		
Movements in working capital:		
Inventory	(3,075.08)	-
Trade receivable	(3,214.05)	-
(Increase)/ decrease in loans and other financial assets	(4.80)	1.08
(Increase)/decrease in other assets	30,297.62	(6,703.77)
Increase/ (decrease) in other payables & provisions	2,458.00	56.04
Increase/ (decrease) in other financial liabilities	8,039.90	(883.22)
Cash generated from operations	**34,468.91**	**(7,563.91)**
Taxes Paid	4.93	2.41
Net cash flow from operating activities	**34,473.84**	**(7,561.50)**
(B) Cash flows from investing activities:		
Payments for purchase of fixed assets*	(66,999.34)	(21,804.08)
Payments to acquire financial assets	(3.68)	(24.57)
Advance against acquisation of land	(39.67)	(321.68)
Bank balances other than cash & cash equvalent	(391.83)	(379.43)
Net cash used in Investing Activities	**(67,434.52)**	**(22,529.75)**
(C) Cash flows from financing activities:		
Proceeds from issue of shares	4,600.00	-
Other finance by related parties	-	-
Proceeds from long term borrowings from banks	28,476.15	30,009.38
Net cash flow from financing activities	**33,076.15**	**30,009.38**
Net Increase/(decrease) in cash or cash equivalents	**115.46**	**(81.88)**
Cash and cash equivalents at the beginning of the year	**432.53**	**514.40**
Cash and cash equivalents at the end of the year	**547.99**	**432.53**
Notes forming part of the financial statement	Note No. 1-40	

(i) The company has undrawn borrowing of Rs. 4,987.67 lakh (March, 2019: Rs.33,463.82 lakh) from Banks in respect of the term loan exist as at the reporting date, to settle its capital committmets and future operating activities.

(ii) Figures in brackets represents cash outflows/incomes as the case may be.

(iii) Reconciliation of cash and cash equvalent: Refer note-14 "cash and cash equvalent".

(iv) Reconciliation between the opening and closing balances of liabilities arising from financing activity.

Particulars	Non-current borrowings
Opening balance as at 1st April, 2019	70,136.18
Cashflows during the year	21,258.72
Non cash changes due to:	
-Interest on borrowings compounded during moratorium	7,217.43
-Transaction cost on borrowings	-
Closing balance as at 31st March, 2020	**98,612.33**

In terms of our report attached.

For and on behalf of the Board.

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Director

Pravakar Mohanty
Director

Mihir Ku. Sahu
Partner
M.N:053968
(F.R.N: 303038E)
Place : Bhubaneswar
Date : 30.09.2020

Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C.Brahma
CEO (I/C)

ANIL MIHIR & ASSOCIATES Bhubaneswar

Odisha Coal and Power Limited

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

(Rupees in Lakhs)

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

(Rupees in Lakhs)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
30,000.00	4,600.00	34,600.00

B. Other Equity

(Rupees in Lakhs)

	Reserves and Surplus	
	General Reserve	Retained earnings
Balance as at April 1, 2018	-	(615.74)
Loss for the year		(280.94)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(280.94)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2019	-	(896.67)
Loss for the year		(184.26)
Other Comphrehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(184.26)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2020	-	(1,080.94)
Notes forming part of the financial statement	Note No. 1-40	

In terms of our report attached.

For and on behalf of the Board.

For Anil Mihir & Associates
Chartered Accountants

Indranil Dutta
Indranil Dutta
Director

Prevakar Mohanty
Director

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

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

MKTiwari
Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

Place : Bhubaneswar
Date : 30.09.202
UDIN - 2505

Odisha Coal and Power Limited

Notes to the Financial Statements for the year 2019-20

1.General Information	The Odisha Coal and Power Limited ("OCPL" / "the Company") incorporated on January 20, 2015 with its registered office at Bhubaneswar, Odisha, India. Subsequently Odisha Power Generation Corporation Ltd (OPGC) and Odisha Hydro Power Company Ltd (OHPC) holds 51% and 49% of share capital of the Company respectively pursuant to the Government of Odisha Notification No. 1088 dated 4th February, 2015 and No. 1160 dated 6th February, 2015. The Company files application for allotment of Manoharpur and Dip-side Manoharpur Coal Block under the provisions of The Coal Mines (Special Provisions) Second Ordinance, 2014 and is declared as the successful allottee of the said coal blocks on 24th March, 2015. Manoharpur coal block is an explored coal block with a total reserve of 181MT and Dip-side Manoharpur coal block is a regionally explored block with a total reserve of 350 MT. On 30th March 2015 to be precise, it signed the Allotment Agreement with the Nominated Authority, Ministry of Coal (MoC), Government of India. Allotment Order of Manoharpur & Dip-side Manoharpur coal blocks is issued on 31st Aug 2015 to OCPL by the Nominated Authority for supply of coal exclusively for OPGC expansion Power Project (Unit 3, 4, 5, & 6), 4 units of 660 MW each at Ib-Thermal Power Station, Banaharpali, Jharsuguda, Odisha. OCPL is operating primarily in mining and supply of coal.
2. Statement of Compliance	In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1 April, 2016. These financial statements for the year ended March 31, 2020 are the financial statements prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and the Companies Act, 2013 (to the extent notified and applicable). These financial statements were authorized for issue by the Board of Directors on 28th September, 2020.
3. Significant Accounting Policies	The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.
3.01. Basis of preparation	The financial statements of the Company have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013 (to the extent notified and applicable). The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based

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Bhubaneswar

	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	a) <u>Ind AS-116- "Leases"</u>: The company has adopted Ind AS-116 with effect from 1st April'2019 and the company assessed that it has taken land on lease from IDCO. i) On applicable of Ind AS-116, the company has recognized Right of Use assets (ROU) of Rs.35,813.17 lakh towards leasehold land acquired from M/s.IDCO. ii) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application. iii) During the year ended March 31, 2020, the Company recognized depreciation expense from right-of-use assets of Rs.1148.52 lakhs. iv) The company has applied modified retrospective approach in the transition date and has taken cumulative adjustment of Rs.Nil to "Retained Earnings". Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. v) The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. b) <u>Appendix C to Ind AS 12</u> - Uncertainty over income tax treatments Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Company. c) <u>Amendment to Ind AS 12</u> – Income Taxes The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the financial statements of the Company. d) <u>Amendment to Ind AS 19</u> - Plan Amendment, Curtailment or Settlement The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the financial statements of the Company. e) New Accounting Standards not yet adopted by the Company: Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.
3.03. Use of estimates and	i) These financial statements have been prepared based on estimates and assumptions in conformity with the recognition and measurement principles of Ind AS.

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critical accounting judgments.	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. ii) 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. iii) 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. iv) **Estimation of uncertainties relating to the global health pandemic from COVID-19:** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Trade receivables, Project work in progress, Intangible assets and certain investments including cash and cash equivalent. In developing the assumptions relating to the possible future uncertainties in the global economic conditions and assessing the recoverability of the above because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used herein. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.
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.

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3.06.Property, Plant and Equipment

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

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

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

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

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

Intangible Assets:

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

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

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

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

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

purchase cost of materials / equipment's duties and nonrefundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of assets.

Capital expenditure on assets not owned by the company 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 of time value of money and the risks specific to the asset for which the estimation of future cash flows have not been adjusted. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if there had no impairment loss been recognized for the asset (or a cash generating unit) in prior year. A reversal of an impairment loss is recognized in the statement of profit and loss immediately
3.08. Foreign currencies Transactions	The financial statements of the Company are presented in Indian rupees ("INR"), which is the functional currency of the Company and the presentation currency for the financial statements. Transactions in foreign currencies are initially recorded in reporting currency i.e. Indian Rupees, using the exchange rates prevailing on the dates of the transactions. Monetary assets 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.

ANIL MIHIR & ASSOCIATES
Bhubaneswar

	In terms of arrangements with OPGC, the company has to make payment for liability towards gratuity, leave benefits (including compensated absences) and other terminal benefit etc. for the period of service rendered by the employees posted on secondment basis from OPGC to OCPL and as per the valuation done by actuary of OPGC.
3.10.Provisions and Contingent Liabilities and Contingent Assets	**Provisions:** Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When appropriate, provisions are measured on a discounted basis. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in 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 as a lessee:** The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Subsequently, right-of-use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

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	ROU assets are depreciated from the commencement date on a straight-line basis over the period, lower of the lease term or useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the company. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. **The Company as a lessor:** A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. All other leases are classified as operating leases. **Operating lease:** Lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. **Finance leases:** Assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease. Subsequently, finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease." **Sub-lease:** When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.
3.12. Commercial Operation	The project/mines are brought to revenue; when commercial readiness of a project/mine to yield production on a sustainable basis is established either on the basis of conditions specifically stated in the project report or on the basis of the following criteria: a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or b) 2 years of touching of coal, or c) Beginning of the financial year immediately after the year in which the value of production is more than total expenditure.

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Bhubaneswar

	Whichever event occurs first. On being brought to revenue, the assets under capital work in progress are reclassified as a component of property, plant and equipment under the nomenclature "Other Mining Infrastructure". Other Mining Infrastructure are amortised from the year when the mine is brought under revenue over a period of the mining lease or working life of the project whichever is less.
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.

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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.

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	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.Taxe 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 recognition policy:** Ind AS 115, 'Revenue from Contracts with Customers' supersedes Ind AS 11 Construction Contracts and Ind AS 18 'Revenue recognition', and it applies to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which a Company expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. Revenue from contracts with customers Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The principles in Ind AS 115 are applied using the following five steps: **Step 1 : Identifying the contract:** The Company account for a contract with a customer only when all of the following criteria are met: a) the parties to the contract have approved the contract and are committed to perform their respective obligations; b) the Company can identify each party's rights regarding the goods or services to be transferred; c) the Company can identify the payment terms for the goods or services to be transferred; d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession, discount, rebates, refunds, credits or be entitled to incentives, performance bonuses, or similar items. **Combination of contracts** The Company combines two or more contracts entered into at or near the same time with the same customer (or related parties of the customer) and account for the contracts as a single contract if one or more of the following criteria are met: a) the contracts are negotiated as a package with a single commercial objective; b) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or c) the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

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	Contract modification The Company account for a contract modification as a separate contract if both of the following conditions are present: a) the scope of the contract increases because of the addition of promised goods or services that are distinct and b) the price of the contract increases by an amount of consideration that reflects the company's stand-alone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract. **Step 2 : Identifying performance obligations:** At contract inception, the Company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either: a) a good or service (or a bundle of goods or services) that is distinct; or b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. **Step 3 : Determining the transaction price:** The Company consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an Company consider the effects of all of the following: • Variable consideration; • Constraining estimates of variable consideration; • The existence of significant financing component; • Non – cash consideration; • Consideration payable to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if the company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. In some contracts, penalties are specified. In such cases, penalties are accounted for as per the substance of the contract. Where the penalty is inherent in determination of transaction price, it form part of variable consideration. The Company includes in the transaction price some or all of an amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when it transfers a promised goods or service to a customer and when the customer pays for that good or service will be one year or less. The Company recognizes a refund liability if the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the company does not expect to be entitled (i.e. amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) is updated at the end of each reporting period for changes in circumstances. After contract inception, the transaction price can change for various reasons, including the resolution of uncertain events or other changes in circumstances that change the amount of consideration to which the Company expects to be entitled in exchange for the promised goods or services. **Step 4 : Allocating the transaction price:**

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The objective when allocating the transaction price is for the Company to allocate the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer. To allocate the transaction price to each performance obligation on a relative standalone selling price basis, the Company determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

Step 5 : Recognizing revenue:
The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when (or as) the customer obtains control of that good or service.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the company's performance as the Company performs;

b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The Company applies a single method of measuring progress for each performance obligation satisfied over time and the Company applies that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company re-measure its progress towards complete satisfaction of a performance obligation satisfied over time.

Company apply output methods to recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered. As circumstances change over time, the Company update its measure of progress to reflect any changes in the outcome of the performance obligation. Such changes to the Company's measure of progress is accounted for as a change in accounting estimate in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The Company recognizes revenue for a performance obligation satisfied over time only if the Company can reasonably measure its progress towards complete satisfaction of the performance obligation. When (or as) a performance obligation is satisfied, the company recognize as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained that is allocated to that performance obligation.

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	If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a point in time. To determine the point in time at which a customer obtains control of a promised good or service and the Company satisfies a performance obligation, the Company consider indicators of the transfer of control, which include, but are not limited to, the following: a) the Company has a present right to payment for the good or service; b) the customer has legal title to the good or service; c) the Company has transferred physical possession of the good or service; d) the customer has the significant risks and rewards of ownership of the good or service; e) the customer has accepted the good or service. When either party to a contract has performed, the Company present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the company's performance and the customer's payment. The Company present any unconditional rights to consideration separately as a receivable. **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment made or due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. **Interest income:** Interest income is recognized using effective interest method. **Dividend income:** Dividend income from investments is recognised when the rights to receive payment is established.
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.

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3.19.Restatement of material error / omissions	Prior period income/expenses and prepaid expenses of items not exceeding Rs.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 Rs. 851.05 lakhs (March 31, 2018: Rs.530.01 lakhs). Details of these assets are set out in note 24.

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at 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.

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c. **Contingent liabilities**

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
Freehold Land	80.79	80.79
Buildings	893.31	926.08
Road, bridge and culverts	17.19	-
Furniture & Fixtures	71.20	79.51
Vehicle	2.27	2.95
Office and other Equipments	142.53	160.52
Total	1,207.28	1,249.85

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Total
Cost							
Balance as at April 1, 2019	80.79	1,019.33	-	102.44	5.73	228.91	1,437.20
Additions	-	-	17.55	1.35	-	14.91	33.82
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2020	**80.79**	**1,019.33**	**17.55**	**103.79**	**5.73**	**243.83**	**1,471.02**

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Total
Accumulated depreciation and impairment							
Balance as at April 1, 2019	-	93.25	-	22.93	2.78	68.39	187.35
Elimination on disposals of assets	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	32.77	0.36	9.66	0.68	32.91	76.38
Balance as at March 31, 2020	-	126.02	0.36	32.59	3.46	101.30	263.73

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Total
Carrying amount							
Balance as at April 1, 2019	80.79	926.08	-	79.51	2.95	160.52	1,249.85
Additions	-	-	17.55	1.35	-	14.91	33.82
Disposals	-	-	-	-	-	-	-
Depreciation & amortisation for the year	-	32.77	0.36	9.66	0.68	32.91	76.38
Balance as at March 31, 2020	80.79	893.31	17.19	71.20	2.27	142.53	1,207.28

(i) The Company is in the stage of development of coal mines and commercial operation from such coal mines is yet to be commenced. At the end of the reporting period , the Company has assessed the external and internal indicators of impairment and found that there is no such indication that an asset may be impaired and did not recognise any impairment charge during the year ended March 31, 2020.

(ii) The term loan taken from Union Bank of India (UBI) and Punjab National Bank (PNB) is secured through equitable mortgage on all present, future immovable properties. For details refer Note-20.

Odisha Coal and Power Limited
Notes forming part of the financial statements

6. Right-of-Use Assets (ROU)

Particulars	Category of 'ROU' Assets			Total
	Leasehold land	Building	Others	
Balance as at April 1, 2019	-	-	-	-
(Reclassified on adoption of Ind AS-116)	32,738.34	-	-	32,738.34
Addition:	3,074.83	-	-	3,074.83
Deletion:		-	-	-
Depreciation/amortization during the year	1,148.52	-	-	1,148.52
Balance as at March 31, 2020	**34,664.65**	-	-	**34,664.65**

i) The company has adopted Ind AS 116 "Leases" effective from April 1, 2019, pursuant to which it has reclassified its lease asset as 'Right of Use Assets' (ROU). (Refer Note no. 3.02.)

ii)' 'ROU' includes development cost on lease land and rehabilitation & resettlement expenses. Depreciation expenses expense of Rs.1,148.52 lakhs (March 31, 2019: "Lease rental" of Rs 1089.88 lakhs) has been capitalised during the year as pre-operative expenditure under the head CWIP.

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

iv) The additions to ROU represents the expenditure incurred towards Rehabilitation & resettlement, registration cost of leasehold land (Private), tree feiling cost and present value of future obligation towards annuity for project displaced families.

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7. Capital work-in Progress:

Details of Capital Work In Progress are as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2019	Addition/ (Capitalised) during the year	As at March 31, 2020
Construction of R&R Colony -phase-II	2,236.68	1,888.11	4,124.79
Road, Bridges & culverts (not owned by company)	1,412.25	0.74	1,412.99
Construction of Coal Handling Plant & other Infrastructures	9,225.26	18,238.63	27,463.89
Construction of Mine Township complex	135.43	1,964.02	2,099.45
Construction of Water Pipe-line	5,130.11	82.51	5,212.62
Other mine infrastructures	51.19	11.61	62.80
Development of Coal Mines	**11,812.12**	**1,055.28**	**12,867.40**
Consultancy for coal Mines	3,211.26	838.29	4,049.55
Power, Supply & Lightings-CM*	967.89	161.10	1,128.99
Up front Fees	6,211.63	-	6,211.63
Statutory Clearance Fees & Expenses	52.60	26.62	79.22
Technical studies, survey & soil Investigations	56.46	29.00	85.46
Geological Report Fees	425.44	-	425.44
Drilling & Exploration	871.10	-	871.10
Other mine-development expenses	15.73	0.27	16.00
Pre operative Expenses/(income)	**22,258.66**	**9,304.72**	**31,563.39**
Employee Benefit Expenses (note-33)	4,483.97	1,092.39	5,576.35
Finance Cost (note-34)	12,592.14	7,282.84	19,874.98
Interest earned on short term deposits and advances (note-30)	(247.28)	(370.19)	(617.47)
Revenue during construction (note-29)	-	(5,476.28)	(5,476.28)
Other pre-operative incomes	-	(7.67)	(7.67)
Cost of excavation (note- 31)	-	6,483.88	6,483.88
Change in inventory of finished goods (note-32)	-	(3,075.08)	(3,075.08)
Cost of coal transportation	-	901.47	901.47
Depreciation and Amortisation (note-35)	586.18	1,394.17	1,980.34
Administrative & Other expenses (note-36)	4,843.66	1,079.22	5,922.88
Total	52,261.71	32,545.62	84,807.33

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I) Power, supply & lightings-CM includes Rs.816.19 lakh towards construction of 33KV single circuit line from OPTCL substation of Remja to sarbahal, upgradation of existing 33KV Arayan feeder of WESCO and diversion of power lines from manoharpur coal mine area, the ownersip of which is not owned by the company.

ii) CWIP includes an amount of Rs.6912.65 lakh (March 31, 2019: Rs 4291.41 lakhs) towards borrowing costs net off of income earned from borrowings through deposits and advances, pending allocation on qualifying assets.
Interest during construction (IDC) attributable to qualifying assets already capitalized/capitalized during the year, will be allocated on a systematic basis on the date of commencement of commercial operation (CoD).

iii) Depreciation and amortisation expenses of Rs.1394.17 lakhs (March 31, 2019: Rs 241.33 lakhs) has been capitalised during the year under Capital-Work-In-Progress (CWIP) as Expenditure incurred during construction.

iv) The term loan taken from Union Bank of India (UBI) and Punjab National Bank (PNB) is secured through equitable mortgage on all present & future immovable properties. For details refer note-20.

v) The revenue generated during construction by sale of coal during the period ending March'20 (March'19: Rs.Nil) net of related cost has been transfered to CWIP for capitalisation on commercial operation.

vi) Other preoperative income indicates LD and recovery of penalty from contractor/suppliers in connection with the project work.

vii) The Company is in the stage of development of coal mines and commercial operation from such coal mines is yet to be commenced. At the end of the reporting period, the Company has assessed the external and internal indicators of impairment and found that there is no such indication that CWIP may be impaired and did not recognise any impairment charge during the year ended March 31, 2020.

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8. Other Intangible assets

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of :		
Software	9.21	14.17
Mining lease right	1,616.31	1,675.94
Right to use Forest land	2,812.37	2,916.13
Total	4,437.89	4,606.25

(Rupees in Lakhs)

Particulars	Softwares	Mining lease right	Right to use Forest land	Total
Cost				
Balance as at April 1, 2019	103.22	1,789.00	3,112.86	5,005.07
Additions	0.90	-	-	0.90
Disposals	-	-	-	-
Balance as at March 31, 2020	**104.12**	**1,789.00**	**3,112.86**	**5,005.97**

(Rupees in Lakhs)

Particulars	Software	Mining lease right	Right to use Forest land	Total
Accumulated depreciation and impairment				
Balance as at April 1, 2019	89.04	113.06	196.72	**398.82**
Elimination on disposals of assets	-	-	-	-
Depreciation & amortisation for the year	5.86	59.63	103.76	**169.26**
Balance as at March 31, 2020	**94.91**	**172.69**	**300.48**	**568.08**

(Rupees in Lakhs)

Particulars	Software	Mining lease right	Right to use Forest land	Total
Carrying amount				
Balance as at April 1, 2019	14.17	1,675.94	2,916.13	4,606.25
Additions	0.90	-	-	0.90
Disposals	-	-	-	-
Depreciation & amortisation for the year	5.86	59.63	103.76	169.26
Balance as at March 31, 2020	9.21	1,616.31	2,812.37	4,437.89

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

ii) Software renewal and annual maintainance charges are charged to revenue/expenses during construction.

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9. Loans- Non current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Security Deposits		
- Secured, considered good	-	-
- Unsecured, considered good	42.95	39.26
- 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	**42.95**	**39.26**

The unsecured security deposits are interest free deposits.

10. Other Financial assets- Non current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Balances with Bank		
(i) In Deposit Account:		
Mine Closure ESCROW	771.25	379.43
b) Others	-	-
Total	**771.25**	**379.43**

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

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

iii) The above includes an amount of Rs.24.10 lakh (March, 2019: Rs.8.27 lakh) as interest accrued on Escrow account deposits during the current financial year.

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11. Other non-current assets

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments (Leasehold Land)	-	31,605.99
-Reclassified on adoption of Ind AS 116 (Note-6)		
Capital Advances:		
a) Advance against land acquisations	968.64	928.96
Advance to contractors	2,084.05	4,585.08
Input Tax credit (GST)	4,054.48	1,906.51
Others	-	21.99
TOTAL	**7,107.16**	**39,048.53**

i) 'Capital advance represents the advance paid towards acquisation of leasehold Govt./private Land (including land development expenses) on which possesion from the land acquisition authority i.e IDCO is yet to be obtained. Pending the allottment, possession and leasing procedure from IDCO, the same has not been capitalized as on the reporting date.

ii) 'Advance to contractor includes Rs.3,000 lakh paid to M/s BGR Mining & Infra Ltd as financial assistance (FA) to meet its project related expenditure requirements in relation to the operation stage of Manoharpur Coal Mine & to meet other expenditure necessary during the opeartional stage of mining services under MSA. The FA carries an interest rate of 9.6% which is 1% higher than the OCPL borrowing rate. The FA is secured by irrevocable Bank gurantee equvalent to 112.5% of the amount disbursed. The FA is recoverable by way of adjustment in the running bill of mine opeartor. The amount of advance to the extent recoverable within 12 month from the balance sheet date has been classified under other current Assets and recoverable for a period more than 12 months from the balance sheet date has been classified as Non-current.

iii) 'Other assets represents, prepaid amount towards statutory clearance fees & fees for various licences.

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12. Inventories

(Rupees in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Stock of Coal	3075.08	-
Less: Provision for shortage/obsolete items	-	-
Total	3,075.08	-

i) Inventories have been valued at lower of Cost or Net realizable value.

13. Trade receivables-Current

(Rupees in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	3,214.05	-
(c) Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	3,214.05	-

i) Trade receivables are dues in respect of sale of coal to Mahanadi Coal Fields Limited only.

ii) 'Trade receivable are realisable within 12 months from the balance sheet date and classified as current.

iii) No trade receivables are due from directors nor from any firm/private company in which any director is a partner, a director or member.

iv) Trade receivable includes an amount of Rs.3115.67 lakh which is not yet due and Rs.98.38 lakh which has been due for one month.

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14. Cash and Cash Equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
(1) Unrestricted Balance with banks		
(i) Current Accounts	23.94	5.98
(ii) Deposits with original maturity upto three months	524.05	426.55
Cash and cash equivalents as per balance sheet	**547.99**	**432.53**
(2) Earmarked Balances with banks		
(i) Current Accounts	-	-
(ii) Deposit Accounts	-	-
Total	-	-
Total Cash and Cash Equivalents	**547.99**	**432.53**

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

15. Others

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on loans and depsoits	3.28	0.72
Other receivables	2.67	0.43
TOTAL	**5.95**	**1.15**

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

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16. Current tax assets and liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets		
Tax refund receivables	5.96	13.18
Advance Tax-TDS	2.30	-
TOTAL	**8.25**	**13.18**
Current tax liabilities		
Provision for Income Tax	-	-
TOTAL	**8.25**	**13.18**

17. Other Current assets

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments (Leasehold Land)	-	1,132.35
-Reclassified on adoption of Ind AS 116 (note-6)		
Advances to employees	0.44	0.41
Advances to contractor & suppliers	7,097.33	4,411.16
Advance duties	81.71	-
Others	100.11	52.25
TOTAL	**7,279.59**	**5,596.17**

i) Advance to contractor/ suppliers represents the mobilization & other advances paid for capital works as well as for services and are expected to be realizable or recoverable within 12 months from the balance sheet date.

ii) Advance duties indicates the amount paid towards Royalty, NMET & DMF in advance, for the quantity of coal which has not been dispatched and invoiced.

ii) Other assets represents, prepaid amount towards Insurance premium, statutory fees, guarantee commission, surface rent and others for the period relating to financial year 2020-21 and other receivables.

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18. Equity Share Capital

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	34,600.00	30,000.00
TOTAL	34,600.00	30,000.00
Authorised Share Capital		
750,000,000 nos. of equity shares of Rs.10/- each (Previous Year: 750,000,000 nos. of equity shares of Rs.10/- each)	75,000.00	75,000.00
Issued and Subscribed capital comprises :		
346,000,000 nos. of equity shares of Rs.10/- each (Previous year: 300,000,000 nos. of equity shares of Rs.10/- each)	34,600.00	30,000.00
Total	34,600.00	30,000.00

Notes

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.10 each				
At beginning of the year	30,00,00,000	30,000.00	30,00,00,000	30,000.00
Shares allotted during the year	4,60,00,000	4,600.00	-	-
	34,60,00,000	34,600.00	30,00,00,000	30,000.00

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

	As at March 31, 2020		As at March 31, 2019	
Name of Shareholder	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Odisha Power Generation Corporation Limited	17,64,60,000	51.00%	15,30,00,000	51.00%
Odisha Hydro Power Corporation Limited	16,95,40,000	49.00%	14,70,00,000	49.00%

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

(iii) The company has made right issue of equity shares for Rs.4,600 lakh (March, 2019: Nil) during the current financial year.

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19. Other equity

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings	(1,080.94)	(896.67)
Total	**(1,080.94)**	**(896.67)**

(i) Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	(896.67)	(615.74)
Loss attributable to owners of the Company	(184.26)	(280.94)
Balance at the end of the period	**(1,080.94)**	**(896.67)**

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20. Borrowings - Non-current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured borrowings - at amortised cost		
Union Bank of India (UBI)	47,313.73	39,535.69
Punjab National Bank (PNB)	48,011.52	30,600.50
Total	**95,325.25**	**70,136.18**

(i) Term loan of Rs.50,000 lakhs and Rs.53,600 lakhs has been sanctioned from Union Bank of India and Punjab National Bank respectively for development of Manoharpur Coal Mine at Sundargarh district as at the balance sheet date.

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

(iii) **Repayment:**

a) The term loan from UBI has been facilitated for a period of 18 years (including 3 years of moratorium from the month of first disbursement) with 15 years of repayment period. The repayment shall be in 60 quarterly installment after the moratorium period. The first principal repayment shall due on 30-11-2020 (as per RBI directives due to Covid-19) and subsequent quarterly installment due on last day of February, May and August.

b) The term loan from PNB shall be repaid in 60 quarterly installments starting from 3 year after the first disbursement. Interest after the moratorium period is to be paid as and when charged to the account in respect of each of the above loan. The first repayment shall due on Dec 31, 2020.

(iv) **Interest:**

a) Interest on term loan obtained from UBI is served @ 8.60% p.a (March, 2019: 8.35% p.a) which is 1 year MCLR effective from May, 2018. The interest is to be reset after one year from the first disbursal and shall be applied for the following months. The interest rate has been reset to 7.70% p.a w.e.f 18-05-2020.

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

c) Interest on term loan obtained from PNB is served @ 8.15% p.a (March, 2019: 8.50% p.a) which is 1 year MCLR rate w.e.f 26-12-2018. The interest is to be reset after 1 year from the first disbursal and so on.

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

Contractual Maturities*	As at March 31, 2020	As at March 31, 2019
Not later than 1 year or payable on demand	6,691.71	-
Later than 1 year not later than 5 years	65,710.50	39,683.60
Later than 5 years	87,797.33	79,367.20
Total repayable	**1,60,199.54**	**1,19,050.80**

21. Other financial liability- Non current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits received	1.68	0.84
Total	1.68	0.84

The deposits are non interest bearing and refundable in nature.

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22. Provisions - Non-current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
-towards Gratuity	5.60	-
- towards leave encashment/EL	22.13	-
Provision for lease liability	1,048.81	-
Total	1,076.53	-

A.

i) The provision for employee benefit indicates the provision made of Gratuity & EL of the employees under OCPL role, based on the actuary valuation. The liability towards Gratuity and other employee benefits of OPGC deputed employees have been included in note- 26 as 'Payable to related party'.

ii) The company has recognised the provision for employee benefit based on actuary valuation and the same is unfunded.

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

(Rupees in Lakh)

Change in defined benefit obligations:	Gratuity	Leave Encashment
	As at March'2020	
(a) Obligation as at the beginning of the year	-	-
(b) Current service cost	5.60	22.68
(c) Interest cost	-	-
(d) Remeasurement (gains)/losses	-	-
(e) Benefits paid	-	-
Obligation as at the end of the year	5.60	22.68

(Rupees in Lakh)

Change in plan assets:	Gratuity	Leave Encashment
	As at March'2020	
(a) Fair value of plan assets as at beginning of the year	-	-
(b) Interest income	-	-
(c) Remeasurement gains/(losses)		
(d) Employers' Contributions	-	-
(e) Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

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23. Deferred tax balances

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets	7.87	-
Less : Deferred Tax Liabilities	716.18	556.73
Net Defer Tax Asset/ (Liability)	(708.31)	(556.73)

(i) Significant component of deferred tax assets and liabilities for the year ended March 31, 2020 is as follows:

(Rupees in Lakhs)

	Opening balance as at April 1, 2019	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, 2020
Deferred tax assets					
Provisions	-	(7.87)	-	-	7.87
Total	-	**(7.87)**	-	-	**7.87**
Deferred tax liabilities					
Property, plant and equipment	(47.22)	12.59	-		(59.81)
Intangible assets	(509.51)	146.86			(656.37)
Total	**(556.73)**	**159.45**	-	-	**(716.18)**
Net Deferred tax assets/(liabilities)	**(556.73)**	**151.58**	-	-	**(708.31)**

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

(Rupees in Lakhs)

	Opening balance as at April 1, 2018	Deferred tax expense/(income) recognised in profit and loss	Deferred tax expense/ (income) recognised in OCI)	Deferred tax expense/ (income) recognised in other equity)	Closing balance as at March 31, 2019
Deferred tax assets		-			-
Total	-	-	-	-	-
Deferred tax liabilities					
Property, plant and equipment	(10.60)	36.62	-	-	(47.22)
Intangible assets	(299.23)	210.28			(509.51)
Total	**(309.83)**	**246.90**	-	-	**(556.73)**
Net Deferred tax assets/(liabilities)	**(309.83)**	**(246.90)**	-	-	**(556.73)**

(ii) The company has recognized deferred taxes at the tax rate of 27.82% (March 31, 2019: 27.82%) as per the Income Tax Act, 1961 and as applicable to the entity on estimated basis.

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24. Borrowings - Current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of non-current borrowings		
From commercial banks - Secured:		
Union Bank of India (UBI)	1,631.51	-
Punjab National Bank (PNB)	1,655.57	-
Total	**3,287.08**	-

i) Details with regard to rate of interest, repayment terms and security of Current maturities of non-current borrowings as indicated above is disclosed vide note-19.

25. Trade payables

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable for goods and services:		
Total outstanding dues of		
-Micro and small enterprises	-	-
-Creditors otherthan micro and small enterprises	3,762.21	-
Total	**3,762.21**	-

i) The trade payable primrily consists of dues to mine opeartor and coal transporting agency.

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

(Rupees in Lakhs)

Description	As at March 31, 2020	As at March 31, 2019
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	-	-

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26. Other Financial Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Creditor for goods/services	5,953.13	2545.80
Payable to related party (OPGC)	161.30	158.08
Security & Retention money deposits	1,440.11	299.75
Other payables	401.94	676.01
Total	**7,956.49**	**3,679.63**

(i) Payble to related party indicates the amount payable to OPGC towards reimbursement of Gratuity, Leave pay, one time pension, & terminal TA of employees deputed to the company and other administrative expenditures incured by OPGC for the company. The amount payable towards post employment benefit of deputed employees is as per the actuary valuation report of OPGC.

27. Provisions- Current

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefit:		
-towards Gratuity	0.01	-
- towards leave encashment/EL	0.55	-
Provision for lease liability	49.55	
	50.11	-

28. Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other statutory dues payable	1,482.69	151.34
	1,482.69	**151.34**

i) Statutory dues payables primarily inlcudes liabilities towards royality,income tax deducted at source, BOCW cess, GST, employer & employee contribution to CMPF and CMPS etc.

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29. Revenue from Operations

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Sale of Coal	**(A)**	**8,442.00**	-
Less: Other statutory levies			
Royalty		538.84	-
National Minearal Exploration Trust		10.78	-
District Mineral Foundation		53.88	-
CGST		151.99	-
SGST		151.99	-
GST compensation cess		2,058.23	-
Total levies	**(B)**	**2,965.72**	-
Sales- Net off statutory levies	**(A-B)**	**5,476.28**	-
Less:			
Transferred to Capital work in progress		**(5,476.28)**	-
Total		-	-

i) The gross receipts from sale of coal includes "Sizing charges" of Rs. 447.66 lakh and "Surface transportation charges" of Rs.1179.74 lakh during the year (March, 2019: Nil).

ii) The policy regarding commercial date of operation of the mine is disclosed vide note no.3.12.

iii) The revenue generated from sale of coal prior to the commencement of commercial operation has been reduced from the capital work in progress pending the commencement of commercial operation.

30. Other Income

(Rupees in Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a)	**Interest Income**		
	i) Interest from Bank Deposits at amortised Cost	62.12	37.03
	ii) Interest from Advances & others	308.08	54.72
	iii) Interest on Tax refunds	1.08	0.42
b)	**Other Non-operating income:**		
	Sale of Tender Form	2.04	5.40
	Miscl. Income	4.80	3.02
	Less : amount included in the cost of qualifying assets/pre-operative income	(370.19)	(91.75)
	Total	7.91	8.84

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(v) **Gratuity.**

Gratuity is maintained as a defined benefit retirement plan and is unfunded as at the balance sheet date. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary & dearness allowance as applicable) for each completed year of service or part thereof in excess of six months subject to a maximum of 20 months' salary on superannuation, resignation, termination, disablement or on death (5 years service is not applicable in case of death). The actuarial valuation has been made by actuary by taking into account the above policy. The liability is recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. The scheme is currently unfunded and are recognised on the basis of actuarial valuation.

(vi) **Leave:**

The Company provides for Earned Leave benefit (including compensated absences) to the employees of the Company which accrue annually @ 30 days subject to maximum credit of leave for 300 days. The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The scheme is unfunded and are recognised on the basis of actuarial valuation.

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34. Finance Costs

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) **Interest Expense**		
Interest on term loans obtained from Banks:		
i) Union Bank of India	3,663.56	3,044.34
ii) Punjab National Bank	3,553.87	1,310.97
(b) **Other Financing Cost**		
Gurantee Commission	65.41	27.84
Total Finance Cost	**7,282.84**	**4,383.16**
Less : amount included in the cost of qualifying assets	**(7,282.84)**	**(4,383.16)**
Total	-	-

35. Depreciation and amortization

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i. Depreciation on property, plant and equipments	76.38	71.31
ii. Depreciation on Right of use assets	1,148.52	-
iii. Depreciation on other intangible assets	169.26	170.02
Total depreciation	**1,394.17**	**241.33**
Less : amount included in the cost of qualifying assets	(1,394.17)	(241.33)
Total	-	-

The details of depreciation is disclosed vide note-5, note-6 and note-8 respectively.

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36. Other Expense

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to Auditors	4.37	3.90
Filling fees	0.45	0.39
Professional & consultancy fees	4.39	3.59
Training, Seminar & Conference Expenses	1.37	3.74
Other adminstrative expenses	30.02	31.26
Total (A)	**40.59**	**42.88**
Tendering & Publicity Expenses	10.85	6.06
Bank Charges	0.05	0.02
Liasoning expenses	1.51	2.45
Communication Expenses	19.84	22.97
Community Socio cultural activity Expenses	1.67	20.62
Consultancy & Professional Fees	197.42	216.66
Courier Charges	0.53	0.64
Electricity Charges	17.72	13.85
Environment & Safety relate Expenses	6.52	4.17
Vehicle Hire and Fuel Charges	139.53	112.10
Survey & investigations	7.35	1.36
Insurance Charges	0.80	0.54
Legal & licence Fees	56.30	40.39
Project Meeting and Hospitality Expenses	4.47	6.65
Miscellaneous Expenses	0.86	1.43
Project Office and other maintenance Expenses	27.29	19.12
EDP and software maintainance	24.32	20.21
Periphery Development & CSR Expenses	162.62	159.21
Printing & Stationary Expenses	7.39	10.09
Rate, Cess & Taxes	114.22	115.03
Lease rental expense	-	1,089.88
Recruitment Expenses	1.11	4.93
Project office Rent Expenses	29.25	31.92
Watch & ward expenses	63.17	42.68
Transit House Expenses	63.11	53.54
R&R mentainance expenses	55.34	71.49
Travelling Expenses	63.29	69.39
Coal sampling analysis	2.71	-
Total (B)	**1,079.22**	**2,137.40**
Total (A+B)	**1,119.81**	**2,180.28**
Less : Capitalised as preoperative expenses ('C)	1,079.22	2,137.40
Total (Net)	**40.59**	**42.88**

Payment to Auditors' includes payment to Statutory Auditor as Audit fees for Rs.2.50 lakhs (March 31, 2019: Rs.1.70 lakhs).

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37. Financial Instruments

(i) **Capital Management :-** The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.
The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity and other short term & long term borrowings. The Company's policy is aimed at combination of short term and long term 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, 2020.

(Rupees in Lakhs)

As at March 31, 2020	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	547.99	-	-	-	547.99	547.99
Loans	42.95	-	-	-	42.95	42.95
Trade receivables	3,214.05	-	-	-	3,214.05	3,214.05
Other financial assets	777.20				777.20	777.20
Total financial assets	**4,582.19**		-	-	**4,582.19**	**4,582.19**
Financial liabilities						
Borrowings	98,612.33	-	-	-	98,612.33	98,612.33
Other financial liabilities	7,956.49	-	-	-	7,956.49	7,956.49
Trade payable	3,762.21				3,762.21	3,762.21
Total financial liabilities	**1,06,568.82**	-	-	-	**1,10,331.03**	**1,10,331.03**

(Rupees in Lakhs)

As at March 31, 2019	Amortised cost	Derivative instruments other than in hedging relationship	Equity instruments classified as fair value through other comprehensive income	Classified as fair value through statement of profit & loss	Total Carrying Value	Total Fair Value Financial assets
Financial assets						
Cash and bank balances	432.53	-	-	-	432.53	432.53
Loans	39.26	-	-	-	39.26	39.26
Trade receivables	-	-	-	-	-	-
Other financial assets	380.58				380.58	380.58
Total financial assets	**852.37**		-	-	**852.37**	**852.37**
Financial liabilities						
Borrowings	70,136.18	-	-	-	70,136.18	70,136.18
Other financial liabilities	3,680.47	-	-	-	3,680.47	3,680.47
Trade payable	-				-	-
Total financial liabilities	**73,816.66**	-	-	-	**73,816.66**	**73,816.66**

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(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.

(Rupees in Lakhs)

	As at March 31, 2020				
	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	98,612.33	98,612.33	-	72,402.21	87,797.33
Other financial liabilities	7,956.49	7,956.49	7,956.49	-	-
Trade payable	3,762.21	3,762.21	3,762.21		
Total non- derivative financial liabilities	1,10,331.03	1,10,331.03	11,718.70	72,402.21	87,797.33

(Rupees in Lakhs)

	As at March 31, 2019				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	70,136.18	70,136.18	-	39,683.60	79,367.20
Other financial liabilities	3,679.63	3,679.63	3,679.63	-	-
Trade payable	-	-	-	-	-
Total non- derivative financial liabilities	73,815.82	73,815.82	3,679.63	39,683.60	79,367.20

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Odisha Coal and Power Limited
Notes forming part of the financial statements

38. 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, 2020 and balance 49% ownership interest is held by Odisha Hydro Power Corporation (OHPC)who has significant influence over the Company. The Company's related parties principally consist of its holding company OPGC, OHPC and Government of Odisha. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

(Rupees in Lakhs)

Nature of Transactions	OPGC	OHPC	Key Management Personnel	Relatives of Key Management Personnel	Government of Odisha
			Dr. K. C Brahma, CEO (I/C)		
Coal Reserve Price & others					
FY 2019-20	-	-	-	-	1,008.63
FY 2018-19	-	-	-	-	-
Finance provided					
FY 2019-20	2,346.00	2,254.00	-	-	-
FY 2018-19	-	-	-	-	-
Royalty, NMET & DMF					
FY 2019-20	-	-	-	-	685.21
FY 2018-19	-	-	-	-	-
Transfer of Assets					
FY 2019-20	-	-	-	-	-
FY 2018-19	-	-	-	-	-
Remuneration					
FY 2019-20	-	-	55.55	-	-
FY 2018-19	-	-	55.55	-	-
Guarantee outstanding					
FY 2019-20	7,849.92	7,542.08	-	-	-
FY 2018-19	7,849.92	7,542.08	-	-	-
Other payables (note-21)					
FY 2019-20	161.30	-	-	-	-
FY 2018-19	158.08	-	-	-	-

Odisha Coal and Power Limited
Notes forming part of the financial statements

39. Earning per share (EPS)

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

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit or (Loss) after tax	(184.26)	(280.94)
Less: Amount to be paid for diluted portion (net of tax)	-	-
Profit or (Loss) attributable to ordinary shareholders - for Basic & Diluted EPS	(184.26)	(280.94)
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	3,090.74	3,000.00
Nominal value of Ordinary Shares (Rs.)	10.00	10.00
Basic & Diluted Earnings per Ordinary Share (Rs.)	**(0.06)**	**(0.09)**

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

(i) **Capital Commitments:**
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances) Rs. 37,080.53 lakhs (March 31, 2019: Rs. 54,953.69 lakhs).

(ii) **Contingencies**
OPGC and OHPC has submitted gurantees to Axis Bank Ltd. for issuance of performance bank gurantee on behalf of OCPL of Rs 15,392 lakhs in favour of the Nominated Authority, Ministry of Coal, Government of India.

In terms of our report attached.

For Anil Mihir & Associates
Chartered Accountants

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

Place : Bhubaneswar
Date : 30.09.2020

ANIL MIHIR & ASSOCIATES
Bhubaneswar
Chartered Accountants

For and on behalf of the Board.

Indranil Dutta
Director

Pravakar Mohanty
Director

Manish Tiwari
Company Secretary

A.K. Pattjoshi
Head Finance

K.C. Brahma
CEO (I/C)

प्रधान महालेखाकार (लेखापरीक्षा-II) कार्यालय
ओड़िशा, भुवनेश्वर - 751001
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II)
ODISHA, BHUBANESWAR

No. AMG-III(V) /Accts/ OCPL/19-20/06/20-21/ 145
30. March 2021

To,

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

Sub: Comments of the Comptroller & Auditor General of India Under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Odisha Coal and Power Limited for the year 2019-20.

Sir,

I enclose Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Odisha Coal and Power Limited for the year 2019-20.

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

Yours faithfully,

30/3

PRINCIPAL ACCOUNTANT GENERAL

Hof 31/3/21

Received by hand on 31-03-2021. 31/3/21

Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of The Companies Act, 2013 on the Standalone Financial Statements of Odisha Coal and Power Limited for the year ended 31 March 2020.

The preparation of financial statements of Odisha Coal and Power Limited for the year ended 31 March 2020 in accordance with financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated: 30 September 2020.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of Odisha Coal and Power Limited for the year ended 31 March 2020. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

A1 Comment on Financial Position
Balance Sheet
Non-current Assets
Capital Work-in-progress- ₹ 848.07 crore

Above is understated by ₹ 20.79 lakh due to non-accounting of sampling charges on supply of coal to Mahanadi Coalfields Limited (MCL) during the year 2019-20, which are to be borne proportionately by the Company and MCL as per the Memorandum of Understanding signed by them. This has also resulted in understatement of Current Liabilities by ₹ 20.79 lakh.

A2 Comment on profitability
Standalone Statement of Profit and Loss
Expenses
Finance Costs (Note 34): ₹ 7282.84 lakh

Above is understated by ₹ 15.91 crore as the Company has failed to account for the interest on borrowed capital used for acquisition of land after its capitalization. This has also resulted in understatement of Loss for the year and overstatement of Capital Work in Progress by ₹ 15.91 crore (₹ 14.14 crore of 2018-19 + ₹ 1.77 crore in 2019-20). Though the same was pointed out in C&AG comment No. A(1) for the year ended 31 March 2018-19 no corrective action has been taken by the Management.

B3 Comments on Financial Position
Balance Sheet
Non-Current Assets
Other Non-Current assets (Note 11): ₹ 7107.16 lakh

Above is understated by ₹ 45.66 crore (₹ 42.05 crore of 2018-19 + ₹ 3.61 crore in 2019-20) with corresponding overstatement of Capital Work in Progress by ₹ 45.66 crore due to non-capitalization of borrowing cost. Further, other expenses is understated by ₹ 2.92 crore (₹ 1.40 crore for 2018-19 + ₹ 1.52 for 2019-20) with corresponding understatement of loss to the same extent due to non-accounting of amortisation of land on the above amount.

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

Place: Bhubaneswar
Date: 30.03.2021

(BIBHUDUTTA BASANTIA)
PRINCIPAL ACCOUNTANT GENERAL