

## INDEPENDENT AUDITORS' REPORT

To

The Members of

**The Odisha Coal and Power Limited**

CIN-U101000R2015SGC018623

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying financial statements of **M/s. The Odisha Coal and Power Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of 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 ("the Act")** in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the Profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on



Auditing (SAs) 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 (ICAI) of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

Our opinion is not modified on account of above matters.

### **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 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.386 Cr includes Rs.288.95 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**

- Attention is invited to note no 8 (regarding forest land 495.35 Acre out of which 491.27 Acre is in possession and balance of 4.08 Acre is under sub-judice but the cost of whole land is capitalized under "right to use".
- 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.
- On 10<sup>th</sup> Jan 2022 in the Board meeting (Memorandum no. OCPL/705) a resolution was passed that the daughters whose names are included in the survey list of displaced person and those who subsequently got married before actual displacement shall be eligible for all the R & R benefits. Accordingly R&R benefits of Rs 2,20,28,571 as per approved entitlement matrix are payable as per compensation list of revenue authorities.





No provision in respect of compensation to 9 married daughters under survey list of displaced person was made during the year. Hence the liability is understated by Rs. 2,20,28,571.

### **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 or users taken on the basis of these financial Statements.

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

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



on the Company's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Ministry of Corporate Affairs, we enclose in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.





2. We have complied with the Directions and Sub-Direction given by the Comptroller & Auditor General of India under section 143(5) of the Act while conducting the audit, and on the basis of information and explanations given to us in this regard by the Company, we give in **Annexure B** to this report, a statement on the matters specified in such Directions and Sub-Directions.
3. 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and statement of changes in equity 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. The provisions of section 164(2) are not applicable to the Company as it is a Government Company.
  - 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 -C**.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :







- I. As per the information and explanations given to us, the Company has no pending litigations as on the date of the financial year end except as reported in **Annexure -D**.
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date : 8/7/2022

Place: BHUBANESWAR

For M/S O.M. Kejriwal & Co.

Chartered Accountants

*Anandita Anand*

(Anandita Kaur Anand, FCA)

Partner

Membership No. - 511918

UDIN NO: 22511918 AMNMVB2903



## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2022, to the best of our information and explanation provided to us and the books of accounts and records examined by us in the normal course of audit, we report that;

1. In respect of the Company's Property, Plant and Equipments and Intangible assets;

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipments, Intangible assets and relevant details of Right-of-Use assets.

(b) The Company has been conducting physical verification of Property, Plant and Equipments and Right of Use assets in view of its policy. Such policy requires the physical verification of fixed assets once in a block of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature or its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the cases mentioned in the Auditors Report (other than the properties i.e lease land, where the company has obtained the property under lease from the Govt. authorities). (Refer note no.6 of the financial statement).

(d) The company has not revalued any of its Property, Plant and Equipments, Intangible assets and Right of Use assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

- 2.(a) As per the information, the company has carried out physical verification of its inventories at reasonable intervals.
- b) As explained to us, there is no discrepancy of 10% or more in aggregate for each class of inventory.
- c) The company has been sanctioned working capital limits to the tune of Rs.50 Crore from Union Bank of India and term loan from Punjab National Bank to the tune of 296 Crore on the basis of security of current assets.
- d) As per the explanation and information provided, the quarterly statements filed by the company with Banks are in agreement with the books of account.
3. According to the information and explanations given to us the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provision of clauses 3(iii) (a), (b),(c),(d),(e),(f) of the order is not applicable to the companies and hence not commented upon.
4. In our opinion and according to the explanation given to us, the company has complied with the provisions of sec-185 and Sec-186 of the Act, loans granted, investment made and security/guarantees provided, as applicable.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act have been made and maintained by the company.



7. (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 value added tax, duty of customs, service tax, Goods & 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 2022 for period of more than six months from the date they became payable.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. The Company has availed term loans from Union bank of India, Punjab national bank and Rural Electrification Corporation Ltd (REC), In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any banks, as applicable to the company. However, the term loan obtained from REC Ltd. is under moratorium period as on the reporting date and hence, repayment for the same has not commenced.

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

11. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and information and explanations given to us, we have not come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. 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.

14.(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.





17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to the information and explanations given to us the Company is not earning any profit during the last 3 FY , hence sub-section (5) of section 135 of the Companies Act, 2013 related CSR expenditure is not applicable to the company.

21. This CARO is based on the standalone financial statements of the company , hence the clause is not applicable.

Date : 8/7/2022

Place: BHUBANESWAR

For M/S O.M. Kejriwal & Co.

Chartered Accountants

*Anandita Anand*

(Anandita Kaur Anand, FCA)

Partner

Membership No. - 511918





**ANNEXURE 'B' TO THE AUDITOR'S REPORT**

**Report on the Directions by the Comptroller & Auditor General of India (C&AG) under section 143(5) of the Companies Act, 2013 for the Financial Year 2021-22**

Sl No.	Directions	Reply
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	<p>Yes, all the accounting transactions are accounted for through IT System. However, as explained to us, there are operations/transactions which take place outside the system but are subsequently updated in the IT system through which the accounts of the Company are maintained.</p> <p>As per past practice, all transactions are manually entered in the software called TALLY ERP, in which regular books of account are maintained.</p>
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<p>To the best of our knowledge and according to the explanations and information given to us, there are no cases of waiver/write off or debts/loans/interest etc. during the period under audit.</p>
3	Whether funds received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	<p>As explained to us and on the basis of information available, the Company has not received any funds from Central/State agencies.</p>



### Sector Specific Additional Directions

Sl No.	Direction	Reply
1.	Adequacy of steps to prevent encroachment of idle land owned by company may be examined .In case land of the company is encroached ,under litigation ,not put to use or declared surplus ,details may be provided.	The Company has filed cases with the Hon'ble High Court of Odisha vide no 17403/2016 , 17407/2016, 17405/2016 in respect of 4.08 acres of land which is under litigation.
2.	Where land acquisition is involved in setting up new projects ,report whether settlement of dues done expeditiously and in a transparent manner in all cases ,The cases of deviation may please be detailed .	The settlement of land is done through IDCO. No deviations found during the process of audit.
3.	Whether the company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	Yes, Company has recovered revenue as per contractual terms and is properly accounted.
4.	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	Not Applicable
5.	In case of Thermal power projects ,compliance of the various pollution control Acts and the impacts thereof including utilization and disposal of ash and the policy of the company in this regard ,may be checked and commented upon.	Not Applicable, as this is not a power generating Company.
6.	Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?	The company has not entered into any revenue sharing agreement during the period of audit.
7.	Does the company have a project system for reconciliation of quantity/quality coal ordered and received and whether grade of coal moisture and demurrage etc. are properly recorded in the books of accounts?	Yes, the quality and quantity reconciliation of coal is periodically done and properly recorded in the books of accounts.



8.	How much share of free power was due to the state government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?	Not Applicable , as this is not a power generating Company.
9.	In the case of hydroelectric projects, the water discharges is as per policy/guidelines issued by the state Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.	Not Applicable , as this is not a power generating Company.
10.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	<p>The Company has taken adequate measures to reduce the adverse effect on environment such as, development of green areas through massive plantation in an around the mine area, adequate nos. of water tanker deployed for water sprinkling, provision of water treatment plant at mines, prov. Of sedimentation cum recharge pond at site etc.</p> <p>With regard to measures for relief to displaced families, the company has constructed two Rehabilitation and resettlement (R&amp;R) colony, R&amp;R compensations and monthly annuity for the displaced families etc.</p>
11.	Whether the company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has obtained all the requisite statutory compliances required for mining such as Environment clearance, Forest clearance, Consent to establish, Consent to operate, Central ground water authority permission etc.
12.	Whether overburden removal from mines and backfilling of commensurate with the mining activity?	Yes.
13.	Whether the company has disbanded and discontinues mines, if so, the payment of corresponding dead rent there against may be verified.	The Company has no such discontinued mines.



14.	Whether the company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has properly accounted the rehabilitation activity such as R & R compensation construction of R& R colony for PDF's etc as a part of land cost in line with the accounting policy. With regard to mine closure cost the company is making certain deposits as per the mine closure plan in an escrow account called " Mine Closure Escrow"
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Date : 8/7/2022

Place: BHUBANESWAR

For M/S O.M. Kejriwal & Co.

Chartered Accountants

*Anandita Anand*

(Anandita Kaur Anand, FCA)

Partner

Membership No. - 511918



## **ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT**

### **Report on the Internal Financial Control under Clause (i) of Sub -sections 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<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Control**

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". 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 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 Control 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 standalone financial statement 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of standalone financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being





made only in accordance with authorization of management and directors of 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 standalone financial statement.

### **Inherent Limitations of Internal Financial Control over Financial Reporting**

Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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<sup>st</sup> March 2022, 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.

Date : 8/7/2022

Place: BHUBANESWAR

For M/S O.M. Kejriwal & Co.

Chartered Accountants

*Anandita Kaur Anand*

(Anandita Kaur Anand, FCA)

Partner

Membership No. - 511918



**ANNEXURE 'D' TO THE AUDITOR'S REPORT**  
**ODISHA COAL AND POWER LIMITED**  
**Pending Litigation as on 31.3.2022**

No	Case No	Name of the Parties	Nature of the claim	Village	Current Status
1	21261/2017	Jubati Kishan	Married Daughter demanding R&R	Manoharpur	Pending at High Court
2	21262/2017	Anjali Majhi	Married Daughter demanding R&R	Manoharpur	Pending at High Court
3	21263/2017	Kumudini Kishan	Married Daughter demanding R&R	Manoharpur	Pending at High Court
4	21264/2017	Bhumi Kishan	Married Daughter demanding R&R	Manoharpur	Pending at High Court
5	21266/2017	Suryakanti Bhaisal	Married Daughter demanding R&R	Manoharpur	Pending at High Court
6	21267/2017	Anjali Bhaisal	Married Daughter demanding R&R	Manoharpur	Pending at High Court
7	21827/2017	Sukanti Amat	Married Daughter demanding R&R	Manoharpur	Pending at High Court
8	21260/2017	Gitanjali Bhaisal	Married Daughter demanding R&R	Manoharpur	Pending at High Court
9	5425/2017	Sumati Majhi	Married Daughter demanding R&R	Manoharpur	Pending at High Court
10	64/2017	Gitanjali Oram	Married Daughter demanding R&R	Manoharpur	Pending at High Court
11	17403 / 2016	Dasarath Sai	Challenging the cancellation of FRA Patta	Khatphalli	Pending at High Court
12	17407 / 2016	Harid Sai	Challenging the cancellation of FRA Patta	Khatphalli	Pending at High Court
13	WP@ 17405/16	Kangalu Majhi & Others	Challenging the cancellation of FRA Patta	Khatphalli	Pending at High Court
14	AP No-1/2021	BGR Mining&Infra LTD	Arbitration		Pending in Tribunal

**Odisha Coal and Power Limited**  
**Balance Sheet as at March 31, 2022**

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	5	58,394.55	1,331.70
	(b) Right-of-Use Assets	6	54,038.17	39,384.68
	(c) Capital work-in-progress	7	25,019.12	1,01,760.78
	(d) Other Intangible assets	8	16,644.07	4,272.30
	(e) Financial Assets			
	(i) Loans	9	238.71	44.61
	(ii) Other financial assets	10	1,682.78	819.18
	(f) Other non-current assets	11	1,835.86	1,273.65
	<b>Total Non - Current Assets</b>		<b>1,57,853.26</b>	<b>1,48,886.91</b>
2	<b>Current assets</b>			
	(a) Inventories	12	2,535.46	4,683.33
	(b) Financial Assets			
	(i) Trade receivables	13	7,906.99	4,305.51
	(ii) Cash and cash equivalents	14	22,497.31	1,914.13
	(iii) Bank balances other than (ii) above		1,167.51	-
	(iv) Others	15	52.13	51.04
	(c) Current Tax Assets (Net)	16	-	58.24
	(d) Other current assets	17	17,419.69	12,245.07
	<b>Total Current Assets</b>		<b>51,579.09</b>	<b>23,257.31</b>
	<b>TOTAL ASSETS</b>		<b>2,09,432.36</b>	<b>1,72,144.22</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	18	42,595.00	38,600.00
	(b) Other Equity	19	14,585.11	(1,241.71)
	<b>Total equity</b>		<b>57,180.11</b>	<b>37,358.29</b>
	<b>LIABILITIES</b>			
1	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	i) Borrowings	20	1,11,776.03	1,12,116.67
	ii) Other financial liability	21	1.98	1.85
	(b) Provisions	22	1,031.68	1,051.27
	(c) Deferred tax liabilities (Net)	23	2,528.71	827.61
	<b>Total Non-current liabilities</b>		<b>1,15,338.41</b>	<b>1,13,997.40</b>
2	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	24	6,906.66	6,980.81
	(ii) Trade payables			
	-Total outstanding dues of micro and small enterprises.		-	-
	-Total outstanding dues of creditors other than micro and small enterprises.	25	7,247.52	6,697.64
	(iii) Other financial liabilities	26	5,040.98	5,246.10
	(b) Provisions	27	63.14	65.29
	(c) Other current liabilities	28	16,438.82	1,798.70
	(d) Current Tax liabilities (Net)	16	1,216.73	-
	<b>Total Current liabilities</b>		<b>36,913.85</b>	<b>20,788.53</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,09,432.36</b>	<b>1,72,144.22</b>

Notes forming part of the financial statements

1-41

In terms of our report attached.

For and on behalf of the Board

For O M Kejriwal & Co  
Chartered Accountants

P. K. Mohapatra  
Director

Sambit Parija  
Director

Anandita Kaur Anand  
Partner

Ajaya Kumar Majhi

Bhagaban Parida

Sariputta Mishra



# Odisha Coal and Power Limited

## Statement of Profit and Loss for the period ended March 31, 2022

(Rupees in Lakhs)

	Particulars	Notes	Period ended March 31, 2022	Period ended March 31, 2021
I	Revenue from Operations	29	76,945.26	18,277.35
II	Other Income	30	855.41	411.94
	<i>Less: Transferred to Capital work in progress for allocation</i>		(24,569.52)	(18,682.05)
III	<b>Total Income (I + II)</b>		<b>53,231.15</b>	<b>7.25</b>
IV	<b>Expenses</b>			
	(a) Cost of mine operation/excavation	31	33,261.63	13,763.14
	(b) Change in inventories of finished goods/ work in progress and stock in trade	32	(2,350.71)	(1,608.25)
	(c) Coal transportation charges		4,496.49	2,210.55
	(d) Employee Benefit expense	33	1,049.97	1,148.17
	(e) Finance costs	34	9,639.66	8,675.86
	(f) Depreciation and amortization expense	35	2,272.11	1,643.34
	(g) Other expenses	36	3,129.32	1,381.74
	<i>Less : Expenditure transferred/allocated to capital work in progress</i>	7	(18,700.85)	(27,165.82)
	<b>Total expenses (IV)</b>		<b>32,797.62</b>	<b>48.73</b>
V	<b>Profit or (Loss) before tax (III - IV)</b>		<b>20,433.53</b>	<b>(41.48)</b>
VI	<b>Tax Expense:</b>			
	(a) Current tax		2,905.61	-
	(b) Deferred tax	23	1,701.10	104.25
	(c) Taxes of earlier years		-	-
	<b>Total tax expense</b>		<b>4,606.71</b>	<b>104.25</b>
VII	<b>Profit/(loss) for the Period (V -VI)</b>		<b>15,826.82</b>	<b>(145.73)</b>
VIII	<b>Other Comprehensive Income / (Losses)</b>			
	(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		-	-
	<b>Total Comprehensive Income / (Losses) for the period</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income / (Losses) for the period (VII+VIII) (Comprising Loss and Other Comprehensive Income for the period)</b>		<b>15,826.82</b>	<b>(145.73)</b>
X	Earnings per equity share:- Basic and diluted (Rs)	39	3.94	(0.04)

XI Notes forming part of the financial statement

1-41

In terms of our report attached.

For and on behalf of the Board

For O M Kejriwal & Co  
Chartered Accountants

P.K. Mohapatra  
Director

Sambit Parida  
Director

Anandita Kaur Anand

Anandita Kaur Anand  
Partner

M.N: 511918  
(F.R.N:314144E)

Ajaya Kumar Majhi  
Company Secretary

Bhagaban Parida  
AGM (Fin)

Sariputta Mishra  
Chief Executive Officer

# Odisha Coal and Power Limited

## Statement of Cash Flow for the period ended March 31, 2022

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(A) Cash flows from operating activities:</b>		
Profit/(Loss) before taxes	20,433.53	(41.48)
Adjustments for:		
Depreciation and amortisation of non-current assets	1,414.01	-
<b>Operating profit before Current/Non current assets and liabilities</b>	<b>21,847.54</b>	<b>(41.48)</b>
Adjustment for:		
Movements in working capital:		
Inventory	2,147.87	(1,608.25)
Trade receivable	(3,601.48)	(1,112.26)
(Increase)/ decrease in loans and other financial assets	(1.09)	(45.09)
(Increase)/decrease in other assets	(4,464.05)	287.84
Increase/ (decrease) in other payables & provisions	14,618.38	305.92
Increase/ (decrease) in other financial liabilities	344.89	225.23
<b>Cash generated from operations</b>	<b>30,892.07</b>	<b>(1,988.10)</b>
Taxes Paid	(1,630.64)	(49.98)
<b>Net cash flow from operating activities</b>	<b>29,261.43</b>	<b>(2,038.08)</b>
<b>(B) Cash flows from investing activities:</b>		
Payments for purchase of fixed assets	(8,760.46)	(21,611.52)
Payments to acquire financial assets	(194.10)	(1.67)
Advance against acquisition of land	(1,272.80)	580.19
Investment in Mine Closure Escrow	(863.60)	(47.93)
Bank balance other than cash & cash equivalent (Term deposits)	(1,167.51)	-
<b>Net cash used in Investing Activities</b>	<b>(12,258.47)</b>	<b>(21,080.93)</b>
<b>(C) Cash flows from financing activities:</b>		
Proceeds from issue of shares	3,995.00	4,000.00
Other finance by related parties	-	74.17
Proceeds from long term borrowings from banks	6,656.32	20,410.98
Repayment of loans to Banks	(7,071.11)	-
<b>Net cash flow from financing activities</b>	<b>3,580.21</b>	<b>24,485.15</b>
<b>Net increase/(decrease) in cash or cash equivalents</b>	<b>20,583.18</b>	<b>1,366.14</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,914.13</b>	<b>547.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>22,497.31</b>	<b>1,914.13</b>

Notes forming part of the financial statement

Note No. 1-41

(i) The company has undrawn borrowing of Rs. 32,230 lakh (March, 2021: Rs.38,831.91 lakh) from Banks/FI in respect of the sanctioned term loan exist as at the reporting date, to settle its capital commitments.

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

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

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

Particulars	*Non-current borrowings	Current borrowings
Opening balance as at 1st April, 2021	1,12,116.67	6,980.81
Net cashflows during the year	(1,511.58)	(74.15)
Non cash changes due to:		
-Interest on borrowings compounded during moratorium	1,170.94	-
-Transaction cost on borrowings	-	-
<b>Closing balance as at 31st March, 2022</b>	<b>1,11,776.03</b>	<b>6,906.66</b>

\*Includes current maturities of non-current borrowings, refer note-24.

In terms of our report attached.

For and on behalf of the Board.

For O M Kejriwal & Co  
Chartered Accountants

P.K. Mohapatra  
Director

Sampit Parida  
Director

Anandita Kaur Anand  
Partner  
M.N:511918

Ajay Kumar Majhi  
Company Secretary

Bhagaban Parida  
AGM (Fin)

Sariputta Mishra  
Chief Executive Officer



# Odisha Coal and Power Limited

## Statement of Changes in Equity for the period ended March 31, 2022

### A. Equity Share Capital

(Rupees in Lakhs)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
34,600.00	4,000.00	38,600.00

(Rupees in Lakhs)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
38,600.00	3,995.00	42,595.00

### B. Other Equity

(Rupees in Lakhs)

	Reserves and Surplus	
	General Reserve	Retained earnings
Balance as at April 1, 2020	-	(1,095.98)
Loss for the year		(145.73)
Other Comprehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		(145.73)
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2021	-	(1,241.71)
Profit/(Loss) for the year		15,826.82
Other Comprehensive Income/ (Losses)		-
Total Comprehensive Income/ (Losses)		15,826.82
Transfer of profits of the year to General Reserve	-	-
Balance as at March 31, 2022	-	14,585.11

Notes forming part of the financial statement

Note No. 1-41

In terms of our report attached.

For and on behalf of the Board.

For O M Kejriwal & Co  
Chartered Accountants

P. K. Mohapatra  
Director

Sambit Parida  
Director

Anandita Kaur Anand  
Partner  
M.N:511918  
(F.R.N: 314144E)



Ajaya Kumar Majhi  
Company Secretary

Bhagaban Parida  
AGM (Fin)

Sariputta Mishra  
Chief Executive Officer

Place : Bhubaneswar

Date :

Date - 10-06-2022



# **Odisha Coal and Power Limited**

## **Notes to the Financial Statements for the year 2021-22**

### **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, 2022 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 10-06-2022.

### **3. Significant Accounting Policies**

The significant accounting policies applied by the Company in preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

#### **3.01. Basis of preparation**

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

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair values by Ind AS. Fair value





is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

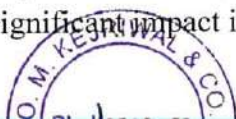
### **3.02. Adoption of New and Revised Standards**

The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31st March 2022, except for the adoption of new standard effective as of 1st April, 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Recent pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- (i) **Ind AS 16 – Property Plant and equipment-Proceeds before intended use:** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.
- (ii) **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract:** The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- (iii) **Ind AS 103 – Business Combinations-Reference to Conceptual Framework:** The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.





- (iv) **Ind AS 106 – Exploration for and Evaluation of Mineral Resources-Annual Improvements to Ind AS (2021):** The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.
- (v) **Ind AS 109 – Financial Instruments-Annual Improvements to Ind AS (2021):** The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

### **3.03. Use of estimates and critical accounting judgments.**

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

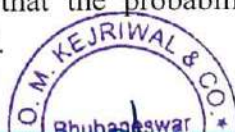
In preparation of financial statements, the company makes judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and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

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 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.

### **3.05. Property, Plant and Equipment**

#### **Tangible Assets:**

#### **i) Initial recognition and measurement**

Property, plant and equipment held for use in the production or/ and supply of goods or services, or for administrative purposes, are initially recognized at cost. 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.

Subsequent measurement is done at cost, less any accumulated depreciation and impairment loss, if any.

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.

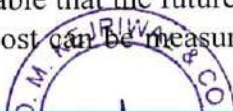
Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

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

#### **ii) Subsequent Cost**

Subsequent expenditure is recognized in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing major part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the



replaced part is derecognized regardless of whether the replaced part has been depreciated separately. If it is not practicable to determine the carrying amount of the replaced part, the Company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

### iii) De-recognition of assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the use of the asset. Any gain or loss arising on the disposal/de-recognition is recognised in the statement of profit and loss.

### 3.06 .Depreciation & Amortization of Tangible assets

Depreciation is recognized in statement of profit and Loss 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	30 to 60 years
Furniture & Fixtures and Electrical Equipment's	5 to 10 years
Office and Other Equipment's	3 to 5 years
Vehicles	8 years
Computers & EDP	3 years
Tools and Tackles	1 to 5 years
Coal Handling Plant	25 years

Free hold 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 /constructed on land not owned by the company as mentioned above is amortized over a period of its useful life or permitted period whichever is lower.

Depreciation on 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.

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.

### **3.07 Capital work-in-progress**

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account or utilization certificate received from the contractors or from state or local authorities.

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

Cost 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.

### **3.08 Intangible assets and intangible assets under development**

#### **i) Initial recognition and measurement**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost comprises purchase price including import duties, non -refundable taxes after deducting trade discounts and rebates and any directly attributable expenses of preparing the asset for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to & has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

ii) 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.

### **iii) Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

### **iv) De-recognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gain or loss on de-recognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of intangible assets and are recognized in the statement of profit and loss.

### **v) Amortization**

- a) Cost of Computer software and license recognized as intangible asset, is amortized on straight-line method over a period of legal right to use or 3 years, whichever is less.
- b) Mining Rights and Expenses on Exploration for evaluation of mineral resources are amortized over the period of availability of reserves or 30 years whichever is earlier.
- c) Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, whichever is less.
- d) The amortization period and the amortization method of intangible assets with a finite useful life is reviewed at each financial year end and adjusted prospectively, wherever required.

## **3.09 Intangible assets under development**

### **a) Coal Mining Exploration and Development Activities**

Exploration and evaluation assets comprise capitalized costs which is generally the expenditure incurred associated with finding the mineral by carrying out topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling, expenditure for activities in relation to evaluation of technical feasibility and commercial viability, acquisition of rights to explore etc.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalized as exploration and evaluation assets under ‘Intangible assets under development’ in line with Ind As 106 and stated at cost less impairment if any. Exploration and evaluation assets are assessed for impairment indicators at least annually.

### **b) Development expenditure on coal mines**



Expenditure incurred for mines development prior to commercial production i.e. primary development expenditure other than land, buildings, plant and equipment is capitalised until the mining property is capable of commercial production.

Subsequent expenditure is capitalized only where it either enhances the economic benefits of the development/ producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

The development expenditure capitalized is net of sale value of coal extracted during development phase including other pre-operative income.

Gains and losses on de-recognition of assets referred above, are determined as the difference between the net disposal proceeds, if any, and the carrying amount of respective assets and are recognized in the statement of profit and loss.

### **3.10 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.

Whichever event occurs first.

On being brought to revenue the assets under Capital Work In Progress are capitalized under the head (i) Property plant and equipment and (ii) intangible asset to the extent such assets are substantially completed. The remaining assets, both tangible and intangible continue to remain in Capital Work In Progress until such time they reach substantial completions for its intended use.

### **3.11 Impairment of non-financial assets**

#### **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 - 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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 the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit', or "CGU").





An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortization, if no impairment loss had been recognized.

### **3.12. 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

### **3.13 .Employee Benefits**

Employee benefits, inter-alia includes short term employee benefits, provident fund, gratuity, compensated absences and other terminal benefits.

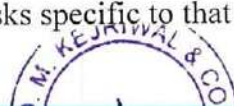
In terms of arrangements with OPGC, the company has to make payment for liability towards gratuity, leave benefits (including compensated absences) and other terminal benefit etc. for the period of service rendered by the employees posted on secondment basis from OPGC to OCPL and as per the valuation done by actuary of OPGC.

### **3.14.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 will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

### **3.15. 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.

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.

### **3.16. Inventory**

Inventories are valued at lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates, trade discounts and other similar items. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Book stock of coal is considered in the accounts where the variance between book stock and measured stock is up to +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered.

### **3.17. Trade Receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the





ordinary course of business. If the outstanding is due for payment within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

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.

### **3.18 Financial Instruments**

#### **3.18.1 Financial assets**

##### **a) Cash or Cash Equivalent**

The Company considers all short-term bank deposits having a maturity period of three months or less as cash & cash equivalent. Term deposits in Bank with a maturity period of more than 3 months are considered as other Bank Balance.

##### **b) 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

##### **c) 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.

##### **d) 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.

##### **e) Financial liabilities and equity instruments issued by the Company**

#### **3.18.2 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.

### **3.18.3 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.

### **3.18.4 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.

### **3.18.5 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.

### **3.18.6 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

### **3.18.7 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.





### **3.18.8 De-recognition of financial liability**

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

### **3.18.9 Offsetting financial instruments**

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

### **3.19. Borrowing cost**

Borrowing costs consist of;

- (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments'
- (b) interest expense on lease liabilities recognized in accordance with Ind AS 116– 'Leases' and
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs

Borrowing costs that are directly attributable to the acquisition, construction/exploration/development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Income earned on temporary investment made out of the borrowings pending utilization for expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

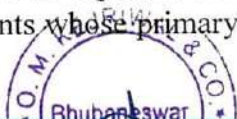
Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognized as an expense in the year in which they are incurred

### **3.20. 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.

### **3.21. Tax Expenses**

Tax expense for the year comprises current and deferred tax.

#### **Current tax :**

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

#### **Deferred tax**

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

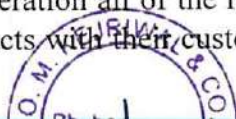
Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and adjusted to the extent it has become probable that sufficient taxable profits will be available to allow the asset to be recovered.

### **3.22. Revenue recognition and Other income**

#### **Revenue recognition policy:**

Revenue is 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 as in the line with requirement of Ind AS 115.

### **Dividend**

Dividend income from investments is recognized when the right to receive the dividend is established.

### **Interest**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate.

### **Insurance**

Insurance claim are accounted for in the year of realization.

### **3.23. Exceptional items**

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

### **3.24. Restatement of material error / omissions**

Prior period income/expenses and prepaid expenses of items not exceeding Rs.2.00 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.

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

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

**a. Impairment of investments**

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

**b. Provisions**

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

**c. Contingent liabilities**

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

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

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

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



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

**5. Property, Plant & Equipment.**

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of :		
Freehold Land	110.68	80.79
Buildings	11,289.61	979.41
Road, bridge and culverts	5,068.10	52.85
Furniture & Fixtures	110.04	61.48
Vehicle	0.91	1.59
Plant & Machinery (CHP)	41,562.84	-
Office and other Equipments	252.36	155.58
<b>Total</b>	<b>58,394.55</b>	<b>1,331.70</b>

(Rupees in Lakhs)

Particulars	Freehold Land	Building, Sheds & others	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Plant & Machinery	Total
<b>Cost</b>								
Balance as at April 1, 2021	80.79	1,086.15	65.16	103.79	5.73	287.57	-	1,629.19
Additions	29.89	10,343.61	5,039.45	58.29	-	132.91	41,579.75	57,183.90
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>110.68</b>	<b>11,429.76</b>	<b>5,104.61</b>	<b>162.08</b>	<b>5.73</b>	<b>420.47</b>	<b>41,579.75</b>	<b>58,813.09</b>

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Plant & Machinery	Total
<b>Accumulated depreciation and amortization</b>								
Balance as at April 1, 2021	-	106.74	12.31	42.31	4.14	131.99	-	297.49
Elimination on disposals of assets	-	-	-	-	-	-	-	-
Depreciation & amortisation for the period	-	33.40	24.20	9.73	0.68	36.13	16.91	121.06
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>140.15</b>	<b>36.52</b>	<b>52.04</b>	<b>4.82</b>	<b>168.11</b>	<b>16.91</b>	<b>418.54</b>

(Rupees in Lakhs)

Particulars	Freehold Land	Buildings	Road Bridge & Culverts	Furniture & Fixtures	Vehicle	Office and other Equipments (including EDP)	Plant & Machinery	Total
<b>Carrying amount</b>								
Balance as at April 1, 2021	80.79	979.41	52.85	61.48	1.59	155.58	-	1,331.70
Additions	29.89	10,343.61	5,039.45	58.29	-	132.91	41,579.75	57,183.90
Disposals	-	-	-	-	-	-	-	-
Depreciation & amortisation for the period	-	33.40	24.20	9.73	0.68	36.13	16.91	121.06
<b>Balance as at March 31, 2022</b>	<b>110.68</b>	<b>11,289.61</b>	<b>5,068.10</b>	<b>110.04</b>	<b>0.91</b>	<b>252.36</b>	<b>41,562.84</b>	<b>58,394.55</b>

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

(ii) 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 any asset may be impaired and did not recognise any impairment charge during the year ended March 31, 2022.

(iii) The additions in "PPE" during the year includes allocation of pre-operative expenses and 'IDC' to the tune of Rs.14,709.01 lakh (March'21: Nil) incurred up to the date of COD (Commercial operation).



# 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, 2021	39,384.68	-	-	39,384.68
Addition:	16,426.73	-	-	16,426.73
Deletion:	-	-	-	-
Depreciation/amortization during the period	1,773.24	-	-	1,773.24
Balance as at March 31, 2022	54,038.17	-	-	54,038.17

i) 'ROU' includes development cost on lease land and rehabilitation & resettlement expenses.

ii) '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 Govt. land and private land on which physical possession has been obtained from IDCO and amortized it over a period of 30 years. The company recognises the registration cost or any other documentation charges in the year when it is incurred, upon registration of lease agreement with IDCO in respect of the aforesaid land and amortized over the remaining period of useful life.

iii) The cost of 'ROU' also includes the expenditure incurred towards rehabilitation & resettlement, registration cost of leasehold land, cost of tree felling, cost of R&R colony construction, present value of future obligation towards annuity payable for project displaced families and all other expenditures which are directly attributable in acquisition/development of the land.

iv) The additions in "ROU" includes allocation of Pre-operative expenses and Interest during construction i.e up to the date of COD for Rs.14832.67 lakh. The COD of the mines has commenced on 30-09-2021.





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

**7. Capital work-in Progress:**

Details of Capital Work In Progress are as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2021	Addition/ (Capitalised) during the year	As at March 31, 2022
Road, Bridges & culverts (not owned by company)	1,417.63	(1,417.63)	-
Construction of Coal Handling Plant & other Infrastructures	36,430.93	(36,430.93)	-
Construction of Mine Township complex	4,480.98	5,931.15	10,412.13
Construction of Water Pipe-line	5,625.03	2,269.82	7,894.85
Other mine infrastructures	43.62	(43.62)	-
132 KV Bays Extension	695.02	825.07	1,520.09
<b>Development of Coal Mines</b>	<b>14,941.38</b>	<b>(9,749.32)</b>	<b>5,192.06</b>
Consultancy for coal Mines	3,831.16	(3,831.16)	-
Power, Supply & Lightings- Allocated	18.33	(18.33)	-
Power, Supply & Lightings- (WIP)	3,291.53	1,900.53	5,192.06
Up front Fees	6,211.63	(6,211.63)	-
Statutory Clearance Fees & Expenses	101.21	(101.21)	-
Technical studies, survey & soil Investigations	85.59	(85.59)	-
Geological Report Fees	425.44	(425.44)	-
Drilling & Exploration	871.10	(871.10)	-
Other mine-development expenses	105.37	(105.37)	-
<b>Pre operative Expenses/(income)</b>	<b>38,126.21</b>	<b>(38,126.21)</b>	-
Employee Benefit Expenses (note-33)	6,724.52	(6,724.52)	-
Finance Cost (note-34)	28,550.84	(28,550.84)	-
Interest earned on short term deposits and advances	(1,022.17)	1,022.17	-
Revenue during construction (note-29)	(23,753.64)	23,753.64	-
Other pre-operative incomes	(1,909.47)	1,909.47	-
Cost of excavation (note- 31)	20,247.02	(20,247.02)	-
Change in inventory of finished goods (note-32)	(4,683.33)	4,683.33	-
Cost of coal transportation	3,112.02	(3,112.02)	-
Depreciation and Amortisation (note-35)	3,583.73	(3,583.73)	-
Administrative & Other expenses (note-36)	7,276.67	(7,276.67)	-
<b>Total</b>	<b>1,01,760.78</b>	<b>(76,741.66)</b>	<b>25,019.12</b>

i) Interest during construction (IDC) attributable to qualifying assets already capitalized/capitalized during the year, has been allocated on a systematic basis on the date of commencement of commercial operation (CoD).

ii) Depreciation and amortisation expenses for the period till COD has been capitalised and allocated to qualifying assets as Expenditure during construction.

iii) The term loan taken from Union Bank of India, Punjab National Bank and Rural Electrification Corporation Ltd. is secured through equitable mortgage on all present & future immovable properties. For details refer note-20.

iv) The revenue generated for the period till COD has been reduced/adjusted in 'CWIP' and post COD revenue has been disclosed in the statement of profit & loss.

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

vi) 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, 2022.

vii) The CWIP ageing is evaluated in the following manner as on the reporting date.

(Amount in lakhs)

		(Amount in lakhs)				
	CWIP	As at March 31,2022				Total
		Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress		-	-	5,192.06	19,827.06	25,019.12
Projects temporarily suspended		-	-	-	-	-

viii) Details of CWIP whose completion is overdue is exhibited below

(Amount in lakhs)

As at March 31, 2022					Total
CWIP	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3	

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

**8. Other Intangible assets**

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carrying amounts of :</b>		
Software	5.09	7.01
Mining lease right	1,497.04	1,556.67
Exploration for evaluation of Mineral Resources	12,537.10	-
Right to use Forest land	2,604.85	2,708.61
<b>Total</b>	<b>16,644.07</b>	<b>4,272.30</b>

(Rupees in Lakhs)

Particulars	Softwares	Mining lease right	Right to use Forest land	Exploration for evaluation of Mineral Resources	Total
<b>Cost</b>					
Balance as at April 1, 2021	105.83	1,789.00	3,112.86	-	5,007.68
Additions	-	-	-	12,749.59	12,749.59
Disposals	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>105.83</b>	<b>1,789.00</b>	<b>3,112.86</b>	<b>12,749.59</b>	<b>17,757.27</b>

(Rupees in Lakhs)

Particulars	Software	Mining lease right	Right to use Forest land	Exploration for evaluation of Mineral Resources	Total
<b>Accumulated depreciation and impairment</b>					
Balance as at April 1, 2021	98.82	232.32	404.24	-	735.39
Elimination on disposals of assets	-	-	-	-	-
Depreciation & amortisation for the period	1.93	59.63	103.76	212.49	377.81
<b>Balance as at March 31, 2022</b>	<b>100.74</b>	<b>291.96</b>	<b>508.01</b>	<b>212.49</b>	<b>1,113.20</b>

(Rupees in Lakhs)

Particulars	Software	Mining lease right	Right to use Forest land	Exploration for evaluation of Mineral Resources	Total
<b>Carrying amount</b>					
Balance as at April 1, 2021	7.01	1,556.67	2,708.61	-	4,272.30
Additions	-	-	-	12,749.59	12,749.59
Disposals	-	-	-	-	-
Depreciation & amortisation for the year	1.93	59.63	103.76	212.49	377.81
<b>Balance as at March 31, 2022</b>	<b>5.09</b>	<b>1,497.04</b>	<b>2,604.85</b>	<b>12,537.10</b>	<b>16,644.07</b>

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.



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 9. Loans- Non current

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Security Deposits</b>		
- Secured, considered good	-	-
- Unsecured, considered good	238.71	44.61
- Doubtful	-	-
Less : Allowance for bad and doubtful advances	-	-
<b>b) Loans to related parties</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful advances		
<b>c) Loans to employees</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Allowance for bad and doubtful advances		
<b>Total</b>	<b>238.71</b>	<b>44.61</b>

### 10. Other Financial assets- Non current

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Balances with Bank</b>		
(i) In Deposit Account:		
Mine Closure ESCROW	1,682.78	819.18
<b>b) Others</b>	-	-
<b>Total</b>	<b>1,682.78</b>	<b>819.18</b>

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

ii) The deposit in Escrow has been made in the form of fixed deposit for a period less than 5 years, the withdrawal 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 interest accrued on deposits for Rs.53.15 lakh (March'21: Rs.47.93 lakh) during the reportine period.



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 11. Other non-current assets

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances:		
a) Advance against acquisitions of Land & Building.	1,661.24	388.44
Advance to contractors	-	885.21
Others	174.62	-
<b>TOTAL</b>	<b>1,835.86</b>	<b>1,273.65</b>

i) 'Capital advance represents the advance paid towards acquisition of leasehold Govt./private Land (including land development expenses) on which lease deed execution with IDCO is yet to be obtained. Pending the allotment, possession and leasing procedure from IDCO, the same has not been capitalized as on the reporting date. It also includes NPV paid on forest diversion of 5.777 hac land for 33KV transmission line on which stage-II clearance is yet to be obtained from MoEF.

ii) Advance against acquisition of land and building includes advance of Rs.1000 lakh paid towards purchase of building at Shakti Bhawan.

iii) 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.

iv) Other asset represents prepaid expenses towards BG commision & statutory fees relating to FY.2023-24.





# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 12. Inventories

(Rupees in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Finished goods		
Stock of Coal	2535.46	4,673.38
Less: Provision	-	-
ii) Stock in transit	-	9.95
Less: Provision	-	-
<b>Total</b>	<b>2,535.46</b>	<b>4,683.33</b>

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, 2022	As at March 31, 2021
Trade receivables		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	7,906.99	4,305.51
(c) Doubtful	-	-
Less: Allowance for credit loss	-	-
<b>Total</b>	<b>7,906.99</b>	<b>4,305.51</b>

i) Trade receivables are dues in respect of sale of coal to Mahanadi Coal Fields Limited & Odisha Power Generation Corporation Ltd. 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) The trade receivable ageing schedule as on the reporting date is as follows.

Particulars	As at March 31, 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable considered goods	7,770.48	136.50	-	-	-	7,906.99
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered goods	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

Particulars	As at March 31, 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable considered goods	3,083.90	1,221.61	-	-	-	4,305.51
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered goods	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 14. Cash and Cash Equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
(1) Unrestricted Balance with banks		
(i) Current Accounts	7,897.31	61.73
(ii) Deposits with original maturity upto three months	14,600.00	1,852.40
<b>Cash and cash equivalents as per balance sheet</b>	<b>22,497.31</b>	<b>1,914.13</b>
(1) Deposits having maturity period of more than three months but less than 12 month	47.16	-
(2) Earmarked Balances with banks		
(i) Current Accounts	-	-
(ii) Deposit Accounts	1,120.36	-
<b>Total</b>	<b>1,167.51</b>	<b>-</b>
<b>Total Cash and Cash Equivalents</b>	<b>23,664.83</b>	<b>1,914.13</b>

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

ii) The earmarked balance in deposit account represents the fund earmarked in separate accounts in the form of short term deposits as per the Arbitration Tribunal order in the case of BGR Mining Vs. OCPL.

### 15. Others

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued on loans and depsoits	41.67	8.60
Other receivables	10.46	42.44
<b>TOTAL</b>	<b>52.13</b>	<b>51.04</b>

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

ii) Other receivables include Rs.0.31 lakh receivable from related party i.e from OHPC Ltd.





# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 16. Current tax assets and liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current tax assets</b>		
Tax refund receivables (TDS)	488.88	57.81
Advance Income Tax	1,200.00	0.43
<b>TOTAL</b>	<b>1,688.88</b>	<b>58.24</b>
<b>Current tax liabilities</b>		
Provision for Income Tax	2,905.61	-
<b>TOTAL</b>	<b>(1,216.73)</b>	<b>58.24</b>

### 17. Other Current assets

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to employees	0.05	-
Advances to contractor & suppliers	5,369.34	4,849.07
Advance duties	793.75	165.40
Tax receivables (GST Input Credit)	11,086.19	7,124.85
Others	170.36	105.75
<b>TOTAL</b>	<b>17,419.69</b>	<b>12,245.07</b>

i) Advance to contractor/ suppliers represents the mobilization & other interest bearing 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 in advance towards Royalty, NMET & DMF , for the quantity of coal which has not been dispatched/invoiced and is subject to reconciliation with Govt. authorities.

iii) Other assets represents, prepaid amount towards Insurance premium, statutory fees, guarantee commission, and others for the period relating to financial year 2022-23.



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 18. Equity Share Capital

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Share Capital	42,595.00	38,600.00
<b>TOTAL</b>	<b>42,595.00</b>	<b>38,600.00</b>
<b>Authorised Share Capital</b>		
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
<b>Issued and Subscribed capital comprises :</b>		
425,950,000 nos. of equity shares of Rs.10/- each (Previous year: 386,000,000 nos. of equity shares of Rs.10/- each)	42,595.00	38,600.00
<b>Total</b>	<b>42,595.00</b>	<b>38,600.00</b>

### Notes

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

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
<b>Ordinary shares of Rs.10 each</b>				
At beginning of the year	38,60,00,000	38,600.00	34,60,00,000	34,600.00
Shares allotted during the year	3,99,50,000	3,995.00	4,00,00,000	4,000.00
	<b>42,59,50,000</b>	<b>42,595.00</b>	<b>38,60,00,000</b>	<b>38,600.00</b>

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

	As at March 31, 2022			As at March 31, 2021		
Name of Shareholder (Promoter)	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares	% change during the year	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares	% change during the year
Odisha Power Generation Corporation Limited	21,72,34,500	51.00%	-	19,68,60,000	51.00%	-
Odisha Hydro Power Corporation Limited	20,87,15,500	49.00%	-	18,91,40,000	49.00%	-

(ii) The company 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 allotted right issue of equity shares for Rs.3,995 lakh during the period under reporting.

(iv) There has been no change in share holding pattern during the period under reporting.





# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 19. Other equity

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Application Money Pending allotment	-	-
Retained earnings	14,585.11	(1,241.71)
<b>Total</b>	<b>14,585.11</b>	<b>(1,241.71)</b>

### (i) Retained Earnings

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the period	(1,241.71)	(1,095.98)
Profit (Loss) attributable to owners of the Company	15,826.82	(145.73)
<b>Balance at the end of the period</b>	<b>14,585.11</b>	<b>(1,241.71)</b>



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 20. Borrowings - Non-current

(Rupees in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured borrowings - at amortised cost</b>		
Union Bank of India (UBI)	42,257.81	45,590.61
Punjab National Bank (PNB)	45,519.20	48,227.97
Rural Electrification Corporation Limited (REC Ltd)	23,999.03	18,298.09
<b>Total</b>	<b>1,11,776.03</b>	<b>1,12,116.67</b>

(i) Term loan of Rs.50,000 lakhs, Rs.53,600 lakhs and Rs.57,130 lakh was sanctioned from Union Bank of India, Punjab National Bank and Rural Electrification Corporation Ltd respectively for development of Manoharpur Coal Mine at Sundargarh district. Subsequently, the sanctioned term loan from REC has been revised to Rs.27,530 lakh and a fresh sanction of Rs.29,600 lakh has been obtained from Punjab National Bank by way of carv-out from the term loan of Rs.57,130 lakh sanctioned initially from REC Ltd..

(ii) **Security:**

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

(iii) **Repayment:**

- 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 repayment of loan from UBI has commenced w.e.f Nov'2020.
- 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 repayment of loan from PNB has commenced w.e.f Dec'2020.
- The loan from REC has been sanctioned with a moratorium period of 3 years and shall be repaid in 180 equal monthly installments. The loan obtained from REC is under moratorium period as on the reporting date.

(iv) **Interest:**

- Interest on term loan obtained from UBI is currently served @ 7.20% p.a. 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 7.35% p.a w.e.f 18-05-2022.
- The interest is served on monthly rest and calculated on daily reduction balance basis.
- Interest on term loan obtained from PNB is currently served @ 7.25% p.a which is 1 year MCLR rate w.e.f 26-12-2021. The interest is to be reset after 1 year from the first disbursal and so on.
- The term loan from REC carries an interest rate of 10.30% p.a. compounded monthly and has been reset to 9.42% w.e.f 29-03-22.
- The maturity profile of the borrowing (including interest) is as follows.

Contractual Maturities	As at March 31, 2022	As at March 31, 2021
Not later than 1 year or payable on demand	10,200.88	13,781.76
Later than 1 year not later than 5 years	78,309.92	79,399.30
Later than 5 years	91,948.37	1,12,479.36
<b>Total repayable</b>	<b>1,80,459.17</b>	<b>2,05,660.42</b>

### 21. Other financial liability- Non current

(Rupees in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits received	1.98	1.85
<b>Total</b>	<b>1.98</b>	<b>1.85</b>



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 22. Provisions - Non-current

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
-towards Gratuity	30.27	15.08
- towards leave encashment/EL	45.45	25.64
Provision for lease liability	955.97	1,010.56
<b>Total</b>	<b>1,031.68</b>	<b>1,051.27</b>

#### 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 made during the year 2021-22 and the same is unfunded as on the reporting date.

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'2022	
(a) Present value of obligation as at the beginning of the year	15.10	26.42
(b) Current service cost	13.47	21.95
(c) Interest cost	1.03	1.79
(d) Remeasurement (gains)/losses	0.73	(3.15)
(e) Benefits paid	-	-
Obligation as at the end of the year	30.33	47.01

(Rupees in Lakh)

Change in plan assets:	Gratuity	Leave Encashment
	As at March'2022	
(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	-	-



(Rupees in Lakh)

Amount recognised in the balance sheet consists of:	Gratuity	Leave Encashment
	As at March'2022	
(a) Fair value of plan assets as at end of the year	-	-
(b) Present value of obligation as at the end of the year	30.33	47.01
(c) Un-funded (liability) recognised in the balance sheet	(30.33)	(47.01)

(Rupees in Lakh)

Costs recognised in the statement of profit and loss consist of:	Gratuity	Leave Encashment
	As at March'2022	
(a) Current service cost	13.47	21.94
(b) Net interest expense/(income)	1.02	1.80
© Net actuarial (gain)/loss	-	(3.15)
<b>Costs recognised in the statement of profit and loss:</b>	<b>14.49</b>	<b>20.59</b>

iv) The assumptions used in accounting for retiring gratuity & leave encashment are set out below:

Particulars	Year ended March 31,2022	Year ended March 31,2021
(a) Discount rate (%)	7.26	6.80
(b) Rate of escalation in salary (%)	7.79	7.79

v) The table below outlines the effect on defined benefit obligation i.e Gratuity & Leave encashment in the event of a decrease/increase of 0.50 % in the assumed rate of discount rate and salary escalation rate.

As at March 31, 2022

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.50%,	(5.08)
	Decrease by 0.50%	5.61
Salary escalation	Increase by 0.50%,	5.54
	Decrease by 0.50%	(5.07)

iii) Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

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

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

B. Provision for lease liability indicates the present value of future obligation towards payment of annuity to PDF's of village Ghumudasan. The present value has been determined using the discount rate @8.28% which is the



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 23. Deferred tax balances

(Rupees in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	19.46	11.55
Less : Deferred Tax Liabilities	2,548.17	839.16
<b>Net Defer Tax Asset/ (Liability)</b>	<b>(2,528.71)</b>	<b>(827.61)</b>

(i) Significant component of deferred tax assets and liabilities for the year ended March 31, 2022 is as follows:

(Rupees in Lakhs)					
	Opening balance as at April 1, 2021	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, 2022
<b>Deferred tax assets</b>					
Provisions	11.55	(7.91)	-	-	19.46
<b>Total</b>	<b>11.55</b>	<b>(7.91)</b>	-	-	<b>19.46</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(85.02)	977.71	-	-	(1,062.73)
Intangible assets	(754.13)	731.31	-	-	(1,485.44)
<b>Total</b>	<b>(839.16)</b>	<b>1,709.02</b>	-	-	<b>(2,548.17)</b>
<b>Net Deferred tax assets/(liabilities)</b>	<b>(827.61)</b>	<b>1,701.10</b>	-	-	<b>(2,528.71)</b>

Significant component of deferred tax assets and liabilities for the year ended March 31, 2021 is as follows:

(Rupees in Lakhs)					
	Opening balance as at April 1, 2020	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, 2021
<b>Deferred tax assets</b>					
Provisions	7.87	(3.68)	-	-	11.55
<b>Total</b>	<b>7.87</b>	<b>(3.68)</b>	-	-	<b>11.55</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(74.85)	10.17	-	-	(85.02)
Intangible assets	(656.37)	97.76	-	-	(754.13)
<b>Total</b>	<b>(731.22)</b>	<b>107.93</b>	-	-	<b>(839.16)</b>
<b>Net Deferred tax assets/(liabilities)</b>	<b>(723.35)</b>	<b>104.25</b>	-	-	<b>(827.61)</b>

(ii) The company has recognized deferred taxes at the tax rate of 25.17% i.e concessional rate of income tax u/s. 115BAA (March 31, 2021: 27.82%) as per the Income Tax Act, 1961 and as applicable to the entity on estimated basis.



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 24. Borrowings - Current

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current maturities of non-current borrowings</b>		
From commercial banks/FI's - Secured:		
i) Union Bank of India (UBI)	3,333.33	3,333.32
ii) Punjab National Bank (PNB)	3,573.33	3,573.32
iii) Rural Electrification Corporation Limited (REC Ltd)		
<b>Un-secured borrowings- at amortized cost</b>		
Inter-corporate loan from promoters (OHPC)	-	74.17
<b>Total</b>	<b>6,906.66</b>	<b>6,980.81</b>

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-20.

ii) The company has obtained a sanction of working capital loan for Rs.5,000 lakh from Union Bank of India primarily secured on book debt & stock and the outstanding as on March'22 stands Nil. The quarterly returns (QPR) and stock statements filled with the Banks are in agreement with the books of account.

### 25. Trade payables

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade payable for goods and services:</b>		
Total outstanding dues of		
-Micro and small enterprises	-	-
-Creditors other than micro and small enterprises	7,247.52	6,697.64
<b>Total</b>	<b>7,247.52</b>	<b>6,697.64</b>

i) The trade payable primarily consists of dues to mine operator 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, 2022	As at March 31, 2021
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	-	-

iii) The trade payable ageing schedule is analysed in the following manner.

**As at March 31, 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years
(i) MSME	-	-	-	-
(ii) Others	7,247.52	-	-	-
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-

**As at March 31, 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years
(i) MSME	-	-	-	-
(ii) Others	6,697.64	-	-	-



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 26. Other Financial Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Creditor for goods/services	2,914.13	3325.81
Payable to related party	140.83	106.36
Security & Retention money deposits	1,846.98	1,175.99
Other payables	139.03	637.94
<b>Total</b>	<b>5,040.98</b>	<b>5,246.10</b>

- (i) Payable 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 incurred by OPGC for the company. The amount payable towards post employment benefit of deputed employees is as per the actuary valuation done OPGC.
- (ii) Payable to related party i.e OPGC also includes Rs.33.73 lakh as interest accrued on inter-corporate loan availed in previous year.

### 27. Provisions- Current

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefit:		
-towards Gratuity	0.06	0.02
- towards leave encashment/EL	1.57	0.78
Provision for lease liability	61.51	64.48
	<b>63.14</b>	<b>65.29</b>

### 28. Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from Customers	12,829.88	-
Statutory dues payable	3,608.94	1,798.70
	<b>16,438.82</b>	<b>1,798.70</b>

- (i) Advance received from customer primarily includes advances received in respect of e-auction of coal sales made against which coal supplies will be made in future.
- (ii) Statutory dues payables primarily includes liabilities towards royalty, income tax deducted at source, BOCW cess, GST Cess, employer & employee contribution to CMPF and CMPS etc.



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 29. Revenue from Operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of Coal (A)</b>	<b>1,14,084.90</b>	<b>28,667.11</b>
<b>Less: Other statutory levies</b>		
Royalty	9,476.93	1,927.23
National Minearal Exploration Trust	164.77	38.54
District Mineral Foundation	823.87	192.72
CGST	2,177.54	510.90
SGST	2,177.54	510.90
IGST	34.62	-
TCS	31.71	-
GST compensation cess	22,252.66	7,209.46
<b>Total levies (B)</b>	<b>37,139.64</b>	<b>10,389.76</b>
<b>Sales- Net off statutory levies (A-B)</b>	<b>76,945.26</b>	<b>18,277.35</b>
<b>Less:</b>		
<i>Transferred to Capital work in progress</i>	<b>(24,569.52)</b>	<b>(18,277.35)</b>
<b>Total</b>	<b>52,375.74</b>	<b>-</b>

i) The revenue from operation represents the revenue generated from sale of coal to Mahanadi Coalfield Limited (a subsidiary of CIL) & Odisha Power Generation Corporation Ltd (OPGC) as on the reporting date. As per the allotment agreement, any coal extracted from the mines which is in excess of the requirements of coal for Specified End-use Plant, then the excess coal shall be supplied to Coal India Limited (CIL) at CIL notified price. The company has started selling of coal from the financial year 2019-20 to Mahanadi Coalfield Limited (a subsidiary of CIL), which was excess due to constraints in transportation of coal to Specified End-Use Plant.

ii) The revenue generated from sale of coal prior to the commencement of commercial operation has been reduced from the capital work in progress and revenue post to COD has been recognised in Profit & loss statement.

iii) Revenue includes Gross sale of Coal to OPGC for Rs.74,488.33 lakh , MCL for Rs.13,293.54 lakh and E Auction of coal in commercial market for Rs. 26,303.05 lakhs for the period April'21 to March'22.

iv) The commercial operation of the company (COD) has commenced on 30-09-2021.

### 30. Other Income

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>a) Interest Income</b>		
i) Interest from Bank Deposits at amortised Cost	105.85	126.27
ii) Interest from Advances & others	184.30	278.43
iii) Interest on Tax refunds	3.66	-
<b>b) Other Non-operating income:</b>		
Sale of Tender Form	2.99	4.03
Penalty, LD & other recoveries	555.26	-
Miscl. Income	3.34	3.22
<b>Total other income</b>	<b>855.41</b>	<b>411.94</b>
<i>Less : amount included in the cost of qualifying assets</i>	<b>-</b>	<b>(404.70)</b>
<b>Total</b>	<b>855.41</b>	<b>7.25</b>



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 31. Cost of mine operation/excavation.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cost of mine operator	27,951.46	11,742.65
Statutory levy on coal production		
-Coal reserve price	5,251.37	2,001.30
-Others	58.80	19.19
<b>Total:</b>	<b>33,261.63</b>	<b>13,763.14</b>
<i>Less: Transferred to CWIP for allocation</i>	<i>(8,821.65)</i>	<i>(13,763.14)</i>
<b>Total:</b>	<b>24,439.97</b>	<b>-</b>

i) Coal reserve price indicates the non recoverable statutory charges paid to Govt. of Odisha @Rs.100 per tonne of coal produced during the year.

ii) Others represents User fees paid to Govt. of Odisha in relation to coal excavation.

iii) The above cost up to the COD stage i.e till Sep'21 has been charged to CWIP/Asset for allocation.

### 32. Change in inventories of finished goods/ work in progress and stock in trade.

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Opening stock of coal	4,683.33	3,075.08
ii) Stock of coal up to COD	184.75	
<b>Change in inventory up to COD t/f to CWIP</b>	<b>4,498.58</b>	
iii) Closing stock of coal as on March'22	2,535.46	4,683.33
<b>Change in inventory of finished goods</b>	<b>(2,350.71)</b>	<b>(1,608.25)</b>



# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 34. Finance Costs

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest Expense		
Interest on term loans obtained from Banks/FI's:		
i) Union Bank of India	3,426.95	3,876.38
ii) Punjab National Bank	3,669.20	4,094.86
iii) Rural Electrification Corporation Ltd.	2,401.19	548.09
(b) Interest on loan taken from related party	1.04	67.90
(c) Other Financing Cost		
Gurantee Commission	129.22	85.73
Other financing charges	12.06	2.90
<b>Total Finance Cost</b>	<b>9,639.66</b>	<b>8,675.86</b>
<i>Less : amount included in the cost of qualifying assets</i>	<b>(4,900.41)</b>	<b>(8,675.86)</b>
<b>Total</b>	<b>4,739.25</b>	<b>-</b>

### 35. Depreciation and amortization

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i. Depreciation on property, plant and equipments	121.06	75.13
ii. Depreciation on Right of use assets	1,773.24	1,400.91
iii. Depreciation on other intangible assets	377.81	167.30
<b>Total depreciation</b>	<b>2,272.11</b>	<b>1,643.34</b>
<i>Less : amount included in the cost of qualifying assets as allocation</i>	<b>(858.11)</b>	<b>(1,643.34)</b>
<b>Total</b>	<b>1,414.01</b>	<b>-</b>

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

ii) Depreciation on assets up to the period of COD has been allocated to assets as preoperative expenditure.





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

**36. Other Expense**

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	8.20	8.03
Statutory & filling fees	16.02	-
Professional, consultancy & legal fees	163.90	7.15
Training, Seminar & Conference Expenses	0.87	0.34
Other administrative expenses	120.58	33.21
Repair & Maintenance expenses	108.46	-
CSR and R&R expenses	270.04	-
EDP maintenance & stationaries	13.08	-
Rate, Cess & Taxes	106.98	-
Travelling expenses	6.65	-
Advertisement & Communication expenses	25.37	-
Sampling charges	197.89	-
Selling & distribution expenses	162.00	-
Contribution to CM Relief fund	1,000.00	-
Miscellaneous expenses	71.43	-
<b>Total (A)</b>	<b>2,271.48</b>	<b>48.73</b>
Tendering & Publicity Expenses	3.01	3.81
Bank Charges	-	0.24
Communication Expenses	10.81	19.83
Community Socio cultural activity Expenses	9.14	0.55
Consultancy & Professional Fees	80.07	181.24
Courier Charges	0.37	0.43
Electricity Charges	9.63	19.39
Environment & Safety related Expenses	1.02	25.38
Vehicle Hire and Fuel Charges	84.23	158.29
Repair & Maintenance	6.05	-
Insurance Charges	0.23	1.29
Legal & licence Fees	73.39	59.27
Project Meeting and Hospitality Expenses	-	2.58
Miscellaneous Expenses	1.80	0.40
Project Office and other maintenance Expenses	11.01	24.29
EDP and software maintenance	15.07	24.74
Periphery Development & CSR Expenses	116.42	117.42
Printing & Stationary Expenses	2.76	5.94
Rate, Cess & Taxes	76.07	263.62
Recruitment Expenses	3.76	2.26
Project office Rent Expenses	14.10	29.07
Watch & ward expenses	52.32	85.36
Transit House Expenses	43.06	77.77
R&R maintenance expenses	79.43	76.53
Travelling Expenses	10.01	14.40
Coal sampling charges	151.64	138.92
Other statutory fees	2.43	-
<b>Total expenses prior to COD (B)</b>	<b>857.84</b>	<b>1,333.01</b>
<b>Total (A+B)</b>	<b>3,129.32</b>	<b>1,381.74</b>
Less : Capitalised under preoperative expenses for allocation to assets (C)	857.84	1,333.01
<b>Total (Net)</b>	<b>2,271.48</b>	<b>48.73</b>

# Odisha Coal and Power Limited

## Notes forming part of the financial statements

### 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, 2021.

(Rupees in Lakhs)

As at March 31, 2022	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
<b>Financial assets</b>						
Cash and bank balances	23,664.83	-	-	-	23,664.83	23,664.83
Loans	238.71	-	-	-	238.71	238.71
Trade receivables	7,906.99	-	-	-	7,906.99	7,906.99
Other financial assets	1,734.91	-	-	-	1,734.91	1,734.91
<b>Total financial assets</b>	<b>33,545.44</b>		-	-	<b>33,545.44</b>	<b>33,545.44</b>
<b>Financial liabilities</b>						
Borrowings	1,18,682.69	-	-	-	1,18,682.69	1,18,682.69
Other financial liabilities	5,040.98	-	-	-	5,040.98	5,040.98
Trade payable	7,247.52	-	-	-	7,247.52	7,247.52
<b>Total financial liabilities</b>	<b>1,30,971.19</b>	-	-	-	<b>1,30,971.19</b>	<b>1,30,971.19</b>

(Rupees in Lakhs)

As at March 31, 2021	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
<b>Financial assets</b>						
Cash and bank balances	1,914.13	-	-	-	1,914.13	1,914.13
Loans	44.61	-	-	-	44.61	44.61
Trade receivables	4,305.51	-	-	-	4,305.51	4,305.51
Other financial assets	870.23	-	-	-	870.23	870.23
<b>Total financial assets</b>	<b>7,134.48</b>		-	-	<b>7,134.48</b>	<b>7,134.48</b>
<b>Financial liabilities</b>						
Borrowings	1,19,097.48	-	-	-	1,19,097.48	1,19,097.48
Other financial liabilities	5,246.10	-	-	-	5,246.10	5,246.10



- (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, 2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings including interest thereon	1,18,682.69	1,18,682.69	10,200.88	78,309.92	91,948.37
Other financial liabilities	5,040.98	5,040.98	5,040.98	-	-
Trade payable	7,247.52	7,247.52	7,247.52		
<b>Total non- derivative financial liabilities</b>	<b>1,30,971.19</b>	<b>1,30,971.19</b>	<b>22,489.38</b>	<b>78,309.92</b>	<b>91,948.37</b>

(Rupees in Lakhs)

	As at March 31, 2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings including interest thereon	1,19,097.48	1,19,097.48	13,781.76	79,399.30	1,12,479.36
Other financial liabilities	5,246.10	5,246.10	5,246.27	-	-
Trade payable	6,697.64	6,697.64	6,697.64		

# 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), the holding company. OPGC holds 51% ownership interest in the Company including 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 (KMP)		Relatives of Key Management Personnel	Government of Odisha
			Sri. Sariputta Mishra Chief Executive Officer	Sri. M K Tiwari Company Secretary		
<b>Coal Reserve Price &amp; others</b>						
FY 2021-22	-	-	-	-	-	5,310.17
FY 2020-21	-	-	-	-	-	2,020.49
<b>Finance provided</b>						
FY 2021-22	2,037.45	1,957.55	-	-	-	-
FY 2020-21	2,040.00	2,000.00	-	-	-	-
<b>Royalty, NMET &amp; DMF</b>						
FY 2021-22	-	-	-	-	-	11,089.36
FY 2020-21	-	-	-	-	-	2,354.92
<b>Remuneration</b>						
FY 2021-22	-	-	43.20	15.77	-	-
FY 2020-21	-	-	5.39	14.54	-	-
<b>Guarantee outstanding</b>						
FY 2021-22	16,819.39	16,159.81	-	-	-	-
FY 2020-21	7,849.92	7,542.08	-	-	-	-
<b>Other payables (note-26)</b>						
FY 2021-22	140.83	-	-	-	-	-
FY 2020-21	106.36	-	-	-	-	-





# 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, 2022	Year ended March 31, 2021
Profit or (Loss) after tax	15,826.82	(145.73)
Less: Amount to be paid for diluted portion (net of tax)	-	-
<b>Profit or (Loss) attributable to ordinary shareholders - for Basic &amp; Diluted EPS</b>	<b>15,826.82</b>	<b>(145.73)</b>
Weighted average no. of Ordinary Shares for Basic & Diluted EPS	4,017.20	3,662.74
Nominal value of Ordinary Shares (Rs.)	10.00	10.00
<b>Basic &amp; Diluted Earnings per Ordinary Share (Rs.)</b>	<b>3.94</b>	<b>(0.04)</b>

### 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.16,186 lakh (March 31, 2021: Rs. 26,819.19 lakhs).

#### (ii) Contingencies

a) OPGC and OHPC has submitted gurantees to Canara Bank & Punjab National Bank for Rs.32,979.20 lakh (Canara Bank for Rs.15,392 lakh & PNB for Rs.17,587.20 lakh)for issuance of performance bank gurantee on behalf of OCPL for Manoharpur & Dip-side manoharpur coal blocks in favour of Nominated Authority, MoC, Gol.

b) Arbitration between BGR Mining & OCPL commenced on 30.12.2020 based on notice for Arbitration served by BGR mining on coal quality dispute as per MSA. The claim amount as per the arbitration was Rs. 22,00.72 lakh and Rs.18,96.07 lakh with interest @ 12% . The final argument closed on 17.05.22 and the written note of submission submitted on 30.5.22. The Judgement from the Arbitration court is awaited as on the reporting date.



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

**41. Financial Ratios.**

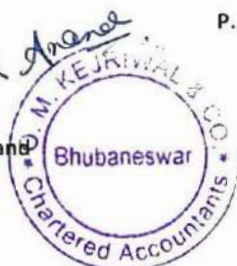
Financial Ratios	As at March'22	As at March'21	Reason of variance	Numerator/Denominator
(a) Current Ratio	1.40	1.12	Sufficient cash flow generated due to e-auction of coal sale in commercial market tends to rise in Current ratio.	Current Asset/Current Liability
(b) Debt Equity Ratio	2.07	3.19	The loan repayments and increase in other equity tends to reduction in Debt-equity ratio.	Total Borrowings/Total Equity
(c) Debt service Coverage Ratio	2.28	-0.01	The company during the year 2020-21 was under pre-operative stage.	(EBITDA)/(Principal repayment+Interest)
(d) Return on Equity (%)	27.87	-0.39	Increase in profit due to rise in sales.	(Profit after Tax)/(Total Equity)
(e) Inventory Turnover Ratio	6.12	3.13	The company during the year 2020-21 was under pre-operative stage.	(Cost of Goods Sold)/(Average Inventory)
(f) Trade Receivable Turnover Ratio	9.73	4.25	The company during the year 2020-21 was under pre-operative stage.	(Revenue from operation)/(Trade receivable)
(g) Trade Payable Turnover Ratio	-	-	-	-
(h) Net Capital T.O.Ratio	8.98	8.93	-	(Net Sales)/(Average working capital)
(i) Net Profit Ratio	0.30	-0.01	The company during the year 2020-21 was under pre-operative stage.	(Profit after Tax)/(Total Sales)
(j) Return on Capital Employed	0.15	-	do	(EBIT)/(Capital Employed)
(k) Return on Investment	-	-	-	(EBITDA)/(Cost of Investment)

In terms of our report attached.

For and on behalf of the Board

For O M Kejriwal & Co  
Chartered Accountants

Anandita Kaur Anand  
Partner  
M.N:511918  
(F.R.N: 314144E)



P. K. Mohapatra  
Director

Ajaya Kumar Majhi  
Company Secretary

Sambit Parija  
Director

Bhagaban Parida  
AGM (Finance)

Sariputta Mishra  
Chief Executive Officer

Place : Bhubaneswar  
Date :

Date - 10-06-2022



**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 2022.**

The preparation of financial statements of Odisha Coal and Power Limited for the year ended 31 March 2022 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: 08 July 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Odisha Coal and Power Limited for the year 31 March 2022 under Section 143(6) (a) of the Act. 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.

In addition, 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 Comments on disclosure**

As per clause 9 of the Allotment Agreement signed on 30 March 2015 between Government of India (GoI) and the company in respect of Manoharpur and Dipside of Manoharpur coal mines, the company is required to make monthly payments of Reserve Price (₹ 100/tonne) to GoI with respect to coal extracted from the coal mines, starting from the date of production. The Reserve Price is to be escalated on a year-on-year basis every financial year. As per the

escalation formula detailed in the agreement, the Reserve Price shall stand increased by the percent increase of the Reference Index on a year-on-year basis. However, since the production of coal from the aforementioned mines in October 2019, the company has been paying Reserve Price at ₹ 100 per tonne, without any year-on-year escalation as stipulated in the agreement. This fact needs to be suitably disclosed in the Financial Statements of the company.

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

**Place: Bhubaneswar**

**Date: 10.10.2022**

10.10.22

**(VISHWANATH SINGH JADON)  
ACCOUNTANT GENERAL**