

# CHATURVEDI & PARTNERS

## Chartered Accountants

212A, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019

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### INDEPENDENT AUDITORS' REPORT

To The Members of  
**SANGAM POWER GENERATION COMPANY LIMITED**

#### Report on the Financial Statements

We have audited the accompanying financial statements of **SANGAM POWER GENERATION COMPANY LIMITED ("the Company")** which comprises the Balance sheet as at March 31, 2016, the Statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the 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 and presentation of these 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 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



### **Basis for Qualified Opinion**

We refer to note 15 to the financial statements wherein expenditure incurred during the construction and incidental to setting up of the project have been carried forward as 'Capital Work-in-Progress'. In view of abnormal delay in handing over the possession of land, the company has requested Uttar Pradesh Power Corporation Ltd. (UPPCL) to take over the project and refund of investment made by it. The matter is under consideration of UPPCL. The management does not expect any material adjustment in the carrying value of assets including Capital Work in Progress. We are, therefore, unable to comment whether any adjustment is required in the carrying value of assets and liabilities.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph mentioned above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its cash flows for the year ended on that date. The company did not have any profit or loss during the year.

### **Emphasis of Matter:**

The company is yet to appoint management person except the Company Secretary as per the requirement of Section 203 of the Companies Act, 2013. Our Opinion is not qualified in respect of this matter.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - d. except for the effect of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- g. In our opinion and to the best of our information and according to the explanation given to us, we report as under 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:
- i. The company has disclosed the claim towards expenditure incurred by it for the project the transfer of which is under consideration of Government of Uttar Pradesh (Refer Note 15). However, the possible impact whereof is not presently ascertainable on financial position of the company.
  - ii. Except for the possible effect of matter described in the basis of qualified opinion paragraph and Note 15 to the financial statements, the effect whereof is not presently ascertainable, the company has made provision under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The company did not have any other long term contract including derivative contract.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For CHATURVEDI & PARTNERS**  
Chartered Accountants  
Firm Registration No. 307068E

**RAVINDRA NATH CHATURVEDI**  
Partner  
Membership No. 092087



New Delhi  
May 24, 2016

**ANNEXURE "A"REFERRED IN INDEPENDENT AUDITORS REPORT OF EVEN DATE**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2016, we report that:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. These Fixed assets have been physically verified by the management at reasonable interval during the year pursuant to a programme for physical verification. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. The title deed of immovable properties are held in the name of the company.
- ii. The Company did not hold any inventory during the year. Accordingly clauses (ii) (a) to (ii) (c) of Para 3 of the Order are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the clause iii (a) and (b) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 of the Companies Act, 2013 in respect of the loans and investments made. The company has not provided any guarantee or security. Being infrastructure company, Section 186 of the Companies Act, 2013 is not applicable to the company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. As the Company is in the construction stage, requirement of cost records to be maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 is not applicable for the year.
- vii. a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, Cess and other statutory dues, as applicable with the appropriate authorities and no outstanding statutory dues as on the last day of the financial year concerned for more than six months from the date they became payable.
  - b. According to the information and explanation given to us, there were no disputed amounts payable in respect of income tax, sales tax, service tax, value added tax or cess as at March 31, 2016 except;

Name of the statute	Name of Dues	Amount in Rs. (Gross)	Amount Deposited (in Rs.)	Amount (Net of Deposit)	Period which it pertains to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	36,000,000	21,000,000	19,000,000	AY 2011-12	CIT (Appeal)
		4,000,000			AY 2012-13	CIT (Appeal)
		3,229,379			-	3,229,379

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institution or bank and has not issued any debentures during the year. Accordingly the clause (viii) of paragraph 3 of the Order are not applicable to the Company.



- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly the clause (ix) of paragraph 3 of the order are not applicable to the company.
- x. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us, the company has not paid any remuneration to the director. Accordingly the clause (xi) of paragraph 3 of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and Nidhi Rules, 2014 are not applicable to the company. Accordingly the clause (xii) of paragraph 3 of the order are not applicable to the company.
- xiii. The company has complied with the provisions of the section 177 and 188 of the Companies Act, 2013 and have disclosed as required by the applicable accounting standards with respect to the transactions with the related parties in the Financial Statements.
- xiv. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the clause (xiv) of paragraph 3 of the order are not applicable to the company.
- xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the clause (xv) of paragraph 3 of the order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For CHATURVEDI & PARTNERS**

Chartered Accountants  
Firm Registration No. 307068E

**RAVINDRA NATH CHATURVEDI**

Partner  
Membership No. 092087

New Delhi  
May 24, 2016





## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of "**SANGAM POWER GENERATION COMPANY LIMITED**" ("**the Company**") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For CHATURVEDI & PARTNERS**  
Chartered Accountants  
Firm Registration No. 307068E

**RAVINDRA NATH CHATURVEDI**  
Partner  
Membership No. 092087

New Delhi  
May 24, 2016



**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN- U40102UP2007PLC032843**

**BALANCE SHEET AS AT 31.03.2016**

**AND**

**STATEMENT OF PROFIT & LOSS ACCOUNT**

**For the period**

**01.04.2015 to 31.03.2016**

**Registered Office : Sector - 128, Noida - 201304, Uttar Pradesh (India)**



**SANGAM POWER GENERATION COMPANY LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2016**  
CIN- U40102UP2007PLC032843

(Amount in Rupees)

Particulars	Note No.	As at 31-03-2016		As at 31-03-2015	
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholder's Funds					
(a) Share Capital	2	5,519,772,000		5,519,772,000	
(b) Reserves and Surplus	3	(651,770)		(651,770)	
(c) Money received against share warrants		-	5,519,120,230	-	5,519,120,230
(2) Share application money pending allotment				-	
(3) Non-Current Liabilities					
(a) Long-term borrowings				-	
(b) Deferred tax liabilities (Net)				-	
(c) Other Long term liabilities				-	
(d) Long term provisions	4	3,515	3,515	98,656	98,656
(4) Current Liabilities					
(a) Short-term borrowings				-	
(b) Trade payables				-	
(c) Other current liabilities	5	403,128		198,464	
(d) Short-term provisions	6	-	403,128	-	198,464
<b>Total</b>			<b>5,519,526,873</b>		<b>5,519,417,350</b>
<b>II. ASSETS</b>					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7	712,044,034		712,278,227	
(ii) Intangible assets					
(iii) Capital work-in-progress	8	1,090,288,737		1,080,361,991	
(iv) Intangible assets under development					
(b) Non-current investments					
(c) Deferred tax assets (net)					
(d) Long term loans and advances	9	3,657,576,447		3,636,209,432	
(e) Other non-current assets			5,459,909,218	-	5,428,849,650
(2) Current assets					
(a) Current investments				-	
(b) Inventories				-	
(c) Trade receivables				-	
(d) Cash and Bank Balances	10	35,541,949		86,710,771	
(e) Short-term loans and advances	11	23,966,975		3,694,710	
(f) Other current assets	12	108,731	59,617,655	162,219	90,567,700
<b>Total</b>			<b>5,519,526,873</b>		<b>5,519,417,350</b>

Significant Accounting Policies 1  
The Accompanying Notes (1-21) are an integral part of the Financial Statements

As per our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

F.R.N. 307068E



Ravinder Nath Chaturvedi

Partner

Membership No. 092087



For and on behalf of the Board



Pankaj Gaur

Director

DIN 00008419



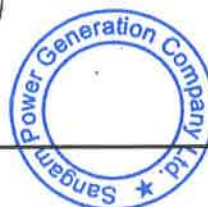
G. P. Singh

Director

DIN 00703083

Place: Noida

Date : 24th May 2016





Vipul Sharma

Company Secretary

M.N. A27737



**SANGAM POWER GENERATION COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

CIN- U40102UP2007PLC032843

(Amount in Rupees)

Particulars	Note No	For the Year ended on 31-03-2016	For the Year ended on 31-03-2015
I. Revenue from operations			-
II. Other Income			-
<b>III. Total Revenue (I +II)</b>		-	-
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense		-	-
Financial costs		-	-
Depreciation and amortization expense		-	-
Other expenses		-	-
<b>Total Expenses</b>		-	-
V. Profit before exceptional and extraordinary items and tax (III - IV)		-	-
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		-	-
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations (VII-VIII)		-	-
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		-	-
XVI. Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

Significant Accounting Policies

1

The Accompanying Notes (1-21) are an integral part of the Financial Statement

**As per our report of even date attached**

**For Chaturvedi & Partners**

**Chartered Accountants**

**F.R.N. 307068E**

**For and on behalf of the Board**

**Ravinder Nath Chaturvedi**  
Partner  
Membership No. 092087



**Pankaj Gaur**  
Director  
DIN 00008419

**G. P. Singh**  
Director  
DIN 00703083

Place: Nolda  
Date : 24th May 2016



**Vipul Sharma**  
Company Secretary  
M.N. A27737

**SANGAM POWER GENERATION COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

**CIN- U40102UP2007PLC032843**

**(Amount in Rupees)**

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>	-	-
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	-
Investment in Bank Deposits (having original maturity of more than three months)	-	-
Payment towards Pre-Operative/ Incidental Expenses under construction and capital advances	(54,838,966)	(23,639,158)
Preliminary Expenses paid		
Interest received on deposits	3,670,144	5,848,390
Purchase of Property held for Development		-
<b>NET CASH GENERATED (USED IN) INVESTING ACTIVITIES</b>	<b>(51,168,822)</b>	<b>(17,790,768)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Share Capital	-	-
Proceeds from Loan	-	-
Interest and Finance Charges Paid	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(51,168,822)</b>	<b>(17,790,768)</b>
Cash and cash equivalents at the beginning of the year	86,710,771	104,501,539
Cash and cash equivalents at the end of the year	<b>35,541,949</b>	86,710,771

Notes :

1. The Cash Flow Statement has been as per the indirect method as set out in the Accounting Standard (AS-3) on cash Flow Statement issued under the Companies Accounting Standards Rules, 2006.

2. (a) The Cash and Cash equivalents comprise of the following :

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Balances with Banks		
- in Current Accounts	286,751	33,665,756
- in Fixed deposit accounts with original maturity of less than three months	-	-
- in Free Fixed Deposit Accounts with maturity of more than three months but less than twelve months	-	-
Cash in hand	57,256	203,690
<b>Sub Total</b>	<b>344,007</b>	<b>33,869,446</b>
Others		
Balances with Banks		
- in Free Fixed Deposit Account with maturity of more than three months but less than twelve months	-	-
Held as margin money deosit against gurantees	35,197,942	52,841,325
<b>Sub Total</b>	<b>35,197,942</b>	<b>52,841,325</b>
<b>Total</b>	<b>35,541,949</b>	<b>86,710,771</b>

(b) Cash and Cash Equivalents in fixed deposit includes security deposit with the Government Corporations.

(c) Cash and cash equivalents as of March 31, 2016 and March 31, 2015 include restricted cash and bank balances of Rs. 3,51,97,942 and Rs. 5,28,41,325 respectively. The restrictions are primarily on account of deposits held as margin money against guarantee.

**For Chaturvedi & Partners**

**Chartered Accountants**

**F.R.N. 307068E**

**Ravinder Nath Chaturvedi**

**Partner**

**Membership No. 092087**



**Place: Noida**

**Date : 24th May 2016**

**For and on behalf of the board**

*[Signature]*  
**Pankaj Gaur**

**Director**

**DIN 00008419**

*[Signature]*  
**G. P. Singh**

**Director**

**DIN 00703083**

*[Signature]*  
**Vipul Sharma**

**Company Secretary**

**M.N. A27737**



**SANGAM POWER GENERATION COMPANY LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016  
CIN- U40102UP2007PLC032843**

(Amount in Rupees)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 2: SHARE CAPITAL</b>		
Authorised 4,00,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,00,000 Equity Shares of Rs. 10 each)	<b>40,000,000,000</b>	40,000,000,000
Issued, Subscribed and Fully Paid up 55,19,77,200 Equity Shares of Rs. 10 each (Previous year 55,19,77,200 Equity Shares of Rs.10 each)	5,519,772,000	5,519,772,000
<b>Total</b>	<b>5,519,772,000</b>	5,519,772,000
<b>2.1 Reconciliation of Number of Equity Shares outstanding</b>		
	Number of Shares	Number of Shares
Number of Shares outstanding at the beginning of the Period	551,977,200	551,977,200
Add: Issued during the Period	-	-
Number of Shares outstanding at the end of the Period	<b>551,977,200</b>	551,977,200
2.2 The Company being wholly owned subsidiary, subscribed share capital 55,19,77,200 (55,19,77,200) equity shares, being more than 5 percent are held by Jaiprakash Power Ventures Limited the Holding Company.		
2.3 The Company has only one class of Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and entitled for dividend, if declared.		

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 3: RESERVES &amp; SURPLUS</b>		
Surplus		
Balance as at the beginning of the year	(651,770)	(651,770)
Amount Transferred surplus/ (Deficit) from the Statement of Profit and Loss during the year	-	-
<b>Balance as at the end of the year</b>	<b>(651,770)</b>	(651,770)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 4: LONG TERM PROVISIONS</b>		
Provision for Leave Salary	446	58,291
Provision for Gratuity	3,069	40,365
<b>Total</b>	<b>3,515</b>	98,656



*Handwritten signatures and initials in blue ink.*



**SANGAM POWER GENERATION COMPANY LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016**

**CIN- U40102UP2007PLC032843**

(Amount in Rupees)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 5: OTHER CURRENT LIABILITIES</b>		
Accrued salaries, wages and benefits	51,855	57,676
Provision / payables for expenses	336,773	102,360
Tax deducted at source	14,500	38,428
<b>Total</b>	<b>403,128</b>	<b>198,464</b>

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 6: SHORT TERM PROVISIONS</b>		
Provision for Leave Salary	-	-
Provision for Gratuity	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*vs*



*S*  
*ZAC*  
*Ravi*

**SANGAM POWER GENERATION COMPANY LIMITED**

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016  
CIN- U40102UP2007PLC032843

NOTE -7: TANGIBLE ASSETS							
(Amount in Rupees)							
Description of Assets	Land		Furniture and Fixtures	Vehicle	Office Equipment	Computer	Total
	Free Hold	Lease Hold					
As at April 01, 2015	674,917,240	36,561,259	272,576	1,304,541	371,606	303,477	713,730,699
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2015</b>	<b>674,917,240</b>	<b>36,561,259</b>	<b>272,576</b>	<b>1,304,541</b>	<b>371,606</b>	<b>303,477</b>	<b>713,730,699</b>
Description on Assets	Land		Furniture and Fixtures	Vehicle	Office Equipment	Computer	Total
	Free Hold	Lease Hold					
<b>Depreciation</b>							
As at April 01, 2015	-	-	155,418	677,038	331,709	288,307	1,452,472
Charges for the year	-	-	24,736	184,394	25,063	-	234,193
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2015</b>	<b>-</b>	<b>-</b>	<b>180,154</b>	<b>861,432</b>	<b>356,772</b>	<b>288,307</b>	<b>1,686,665</b>
<b>Net Block</b>							
As at March 31, 2015	674,917,240	36,561,259	117,158	627,503	39,897	15,170	712,278,227
As at March 31, 2016	674,917,240	36,561,259	92,422	443,109	14,834	15,170	712,044,034

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**SANGAM POWER GENERATION COMPANY LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016**  
**CIN- U40102UP2007PLC032843**

Particulars	As at 31/3/2016	As at 31/3/2015
<b>NOTE - 8 : CAPITAL WORK IN PROGRESS</b>		
Opening Balance	1,080,361,991	1,070,914,771
Advertisement & Publicity	-	1,575
Audit Fees	156,215	112,360
Communication Expenses	-	25,274
Depreciation	234,193	530,632
Interest & Financial Charges	11,449,209	11,345,739
Insurance Charges	11,762	318
Legal & Professional Charges	583,194	318,856
Miscellaneous Expenses	1,000	-
Printing & Stationery	10,873	3,810
Rent, Rate & Taxes	2,150	-
Salary & Wages	928,245	2,150,949
Travelling & Conveyance Expenses	7,990	136,006
Vehicle Running & Maintenance Expenses	212,059	670,091
<b>Sub Total</b>	<b>1,093,958,881</b>	<b>1,086,210,381</b>
Less: Interest Received (Gross)	3,670,144	5,848,390
Less: Excess / Short Provision Written Back	-	-
Less : Income tax refund	-	-
Add: Income Tax Expenses	-	-
<b>Total</b>	<b>1,090,288,737</b>	<b>1,080,361,991</b>



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*SPC*  
*[Signature]*



**SANGAM POWER GENERATION COMPANY LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016**  
CIN- U40102UP2007PLC032843

(Amount in Rupees)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 9: LONG TERM LOANS AND ADVANCES</b>		
Advance for Capital Work in Progress	3,321,320,665	3,321,320,665
Security Deposits		
- With Govt. Corporations	300,250,000	300,250,000
Tax deducted at source & advance tax	38,005,782	14,638,767
<b>Total</b>	<b>3,657,576,447</b>	<b>3,636,209,432</b>



Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 10: CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents		
Balances with Banks		
- in Current Accounts	286,751	33,665,756
- in Fixed deposit accounts with original maturity of less than three months	-	-
- in Free Fixed Deposit Account with maturity of less than three months	-	-
Cash in hand	57,256	203,690
Sub Total	<b>344,007</b>	<b>33,869,446</b>
Other Bank Balances		
- in Free Fixed Deposit Account with maturity of more than three months but less than twelve months	-	-
Held as margin money deposits against guarantees	35,197,942	52,841,325
Sub Total	<b>35,197,942</b>	<b>52,841,325</b>
<b>Total</b>	<b>35,541,949</b>	<b>86,710,771</b>

Note: Cash and cash equivalents as of March 31, 2016 and March 31, 2015 include restricted cash and bank balances of Rs. 3,51,97,942/- and Rs. 5,28,41,325/- respectively. The restrictions are primarily on account of deposits held as margin money against guarantee.

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 11: SHORT TERM LOANS AND ADVANCES</b>		
Other Advances	23,966,975	3,694,589
Prepaid insurance expenses	-	121
<b>Total</b>	<b>23,966,975</b>	<b>3,694,710</b>

Particulars	As at 31-03-2016	As at 31-03-2015
<b>NOTE - 12: OTHER CURRENT ASSETS</b>		
Interest accrued on deposits with banks	108,731	162,219
<b>Total</b>	<b>108,731</b>	<b>162,219</b>





## Sangam Power Generation Company Limited

### Notes to the Accounts

13. The Company is setting up a 1980 MW, domestic coal based thermal power project at Tehsil Karchhana, District Allahabad, Uttar Pradesh and Company is 100% subsidiary of Jaiprakash Power Ventures Limited.

### 14. Contingent Liabilities & Capital Commitments:

Particulars	Amount (Rs.)
(i) Outstanding amount of Bank Guarantees (Previous Period ₹ 3,37,45,000) Margin Money against above (Previous Period ₹ 5,28,41,325)	3,37,45,000 3,51,97,942
(ii) Estimated amounts of Contracts remaining to be executed on Capital Account (Net of advances) Previous year (₹ 64,98,41,67,447)	67,28,27,25,366
(iii) Income Tax matter under appeal Previous year- Nil (Rs 2,10,00,000/- (previous year -Nil) paid against the demand.)	4,32,29,379

15. The Company was incorporated by U.P. Power Corporation Ltd. (UPPCL) as a Special Purpose Vehicle (SPV) for implementing 1320 MW (2 X 660MW) Thermal Power Project namely Karchhana TPP at Tehsil-Karchhana, Dist. Allahabad, Uttar Pradesh. UPPCL invited bids for implementation of Karchhana Project under Case-II bidding guidelines. The Project was awarded to JAL. In the year 2009, JPVL, subsidiary of JAL, executed the Share Purchase Agreement with UPPCL and assumed the responsibility of implementing the Project as per guidelines on Build, Own, Operate and Maintain (BOOM) basis and acquired 100% Shareholding of the Company from UPPCL against consideration under Case-II bidding guidelines. As part of agreement 583 Ha. land was to be handed over to SPGCL (the Company) for development of the Karchhana TPP. UPPCL is yet to hand over physical possession of land to SPGCL.

The farmers of Tehsil Karchhna had filed Writ Petition before the Hon'ble High Court of Allahabad challenging the acquisition of their Land. The Hon'ble High Court vide order dated 13th April 2012 allowed the Writ Petition of the farmers with the following verdict:-

*"Writ Petition No. 3689 of 2010 (Anand Prakash and another vs. State of U. P. and others) and five other writ petitions relating to Tehsil Karchhana, Dist. Allahabad are allowed. The notification dated 23<sup>rd</sup> November, 2007 issued under Section 4 read with Section 17 (1) and 17 (4) of the Act as well as the declaration under Section 6 of the Act dated 3<sup>rd</sup> March, 2008 are quashed **subject to deposit of compensation, if any, received by the petitioners before The Chairman, U. P. Electricity Regulatory Commission.**"*

***It shall be open for the State Government to proceed afresh for acquisition of land relating to relevant villages of Tehsil Karchhana, district Allahabad in accordance with law."***

Due to abnormal delay in handing over the possession of land and steps to be taken by Govt. of U. P. as per the Orders of Hon'ble High Court, SPGCL has requested UPPCL for takeover of the Project and refund of investment made. The matter is under consideration of UPPCL.

16. In the opinion of the Board of Directors, the "Current Assets, Loans and Advances", have a value on realization, in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.



## Sangam Power Generation Company Limited

17. Disclosure as required under Notification No.G.S.R. 719 (E) dated 16<sup>th</sup> November, 2007 issued by the Ministry of Corporate Affairs (As certified by the Management):

S. No.	Particulars	For the year ended March 31, 2015 Amount (₹)	For the year ended March 31, 2014 Amount (₹)
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplies beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

18. Related Party Disclosures, as required in terms of 'Accounting Standard AS-18' are given below:

List of Related Parties and Relationship

**I. Holding Company**

Jaiprakash Power Ventures Limited

**II. Ultimate Holding Company**

Jaiprakash Associates Limited

**III. Fellow Subsidiaries Companies**

1. Jaypee Powergrid Limited (**JV subsidiary** of JPVL)
2. Jaypee Arunachal Power Limited (**JV subsidiary** of JPVL)
3. Prayagraj Power Generation Company Limited (subsidiary of JPVL)
4. Jaypee Meghalaya Power Limited (subsidiary of JPVL)
5. **Himachal Baspa Power Company Limited (subsidiary of JPVL till 07.09.15, No more a subsidiary w.e.f. 08.09.15)**
6. Bina Power Supply Limited (**new name w.e.f. 28.09.15** of Himachal Karcham Power Company Limited) (subsidiary of JPVL)
7. Jaypee Infratech Limited (JIL) (subsidiary of JAL)
8. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL)
9. Himalyan Expressway Limited (subsidiary of JAL)
10. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL)
11. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
12. Jaypee Agra Vikas Limited (subsidiary of JAL)
13. Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
14. Jaypee Cement Corporation Limited (subsidiary of JAL)
15. Himalyaputra Aviation Limited (subsidiary of JAL)
16. Jaypee Assam Cement Limited (subsidiary of JAL)
17. Jaypee Cement Cricket (India) Limited (subsidiary of JAL)






## Sangam Power Generation Company Limited

18. Jaypee Healthcare Limited (subsidiary of JIL)
19. Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
20. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)

Note-1: **Bokaro Jaypee Cement Limited** (BoJCL) ceased to be a subsidiary of the Company w.e.f. 29<sup>th</sup> November 2014, consequent to sale of JAL's entire 74% stake in it.)

Note-2: **Jaypee Sports International Limited** (JPSI) ceased to be a subsidiary of JAL as it amalgamated into JAL on 16.10.15 w.e.f. the Appointed Date 01.04.14)

#### IV. Associates Companies

1. MP Jaypee Coal Limited (JV Associate Co.)
2. MP Jaypee Coal Fields Limited (JV Associate Co.)
3. Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
4. Jaypee Uttar Bharat Vikas Private Limited (JV Associate Co. w.e.f 01.04.2014)
5. Kanpur Fertilizers & Cement Limited (JV Associate Co.w.e.f 01.04.2014)
6. Jaypee Infra Ventures (A Private Company with Unlimited Liability)
7. Jaypee Development Corporation Limited (subsidiary of Jaypee Infra Ventures)
8. Andhra Cements Limited (subsidiary of Jaypee Development Corp. Ltd.)
9. JIL Information Technology Limited (subsidiary of Jaypee Infra Ventures)
10. Gaur & Nagi Limited (subsidiary of JIL Information Technology Limited)
11. Jaypee International Logistics Company Private Limited (subsidiary of Jaypee Infra Ventures)
12. Tiger Hills Holiday Resort Private Limited (subsidiary of Jaypee Development Corporation Ltd)
13. Anvi Hotels Private Limited (subsidiary of Jaypee Infra Ventures)
14. RPJ Minerals Pvt. Limited
15. Sarveshwari Stone Products Private Limited (subsidiary of RPJ Minerals Private Limited)
16. Rock Solid Cement Limited (subsidiary of RPJ Minerals Private Limited)
17. Sonebhadra Minerals Pvt. Limited
18. Jaiprakash Kashmir Energy Limited
19. Indesign Enterprise Private Limited (subsidiary of Jaypee Infra Ventures)

The Following are the details of transactions with the related parties:

Particulars	(₹ in Rs)		
	Referred in (I) above	Referred in (II) above	Referred in (III) above
<b>Bank Guarantee Commission Paid</b>	-	112,59,361 (111,23,644)	
<b>Advances Given (Prayagraj Power Generation Company Limited)</b>			3,30,00,000 (-)
<b>Expenses incurred/ Refund Given (Prayagraj Power Generation Company Limited)</b>	-		1,16,36,067 (-)
<b>Outstanding Receivables with Related Parties:</b>		26,03,042 (36,84,204)	213,63,933 (-)
<b>Guarantees provided discharged during the year:</b> Second Charge on the Assets of the Company in favour of IDBI Trusteeship Services Limited for Financial Assistance provided by the bank(s) to Jaiprakash Power Ventures Limited as referred to in (I)above	(750,00,00,000)	-	
<b>Guarantees provided outstanding:</b> a) Second Charge on the Assets of the Company in favour of IDBI Trusteeship Services Limited for Financial Assistance provided by the bank(s) to Jaiprakash Power Ventures Limited as referred to in (I)above	(-)	-	
b) Performance Bank Guarantee Given on Behalf of the Company.	(-)	99,00,00,000 (99,00,00,000)	





**Sangam Power Generation Company Limited**

**19** Gratuity - the liability for Gratuity is provided on the basis of Actuarial Valuation made at the end of each financial year. The Actuarial Valuation is made on Projected United Credit method as per AS15 (revised). Jaiprakash Associates Limited {JAL} (the ultimate holding company) has constituted a Gratuity Fund under the name Jaiprakash Associates Employees Gratuity Fund Trust vide Trust Deed dated March 30, 2009 for JAL and its subsidiaries and appointed SBI Life Insurance Co. Ltd. for the management of the Trust Funds for the benefits of employees. As a ultimate subsidiary of JAL(The Company being subsidiary of Jaiprakash Power Ventures Limited {JPVL} and JPVL being subsidiary of JAL), the Company is participating in the Trust Fund by contributing its liability accrued upto the close of each financial year to the Trust Fund.

a. Leave Encashment-Defined Benefit Plans-Provision has been made as Actuarial valuation.

S. No.	Particulars	Non-Funded (Amount in ₹)			
		Gratuity		Leave Encashment	
		FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
I	Expenses Recognized in the Statement of Preoperative Expenditure During Project Implementation, Pending Allocation for the Year ended March 31, 2016				
1	Current Service Cost	3,069	8,557	446	12,357
2	Interest Cost	3,229	14,604	4,663	15,997
3	Employee Contribution				
4	Actuarial (Gains)/Loss	17,872	(79,302)	13,846	(7,003)
5	Expected Return on Plan Assets	(873)	(949)	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	23,297	(57,090)	18,955	21,351
II	Net Assets/(Liability) recognized in the Balance Sheet as at March 31, 2016				
1	Present Value of Defined Benefit Obligation	3,069	40,365	446	58,291
2	Fair Value of Plan Assets	49,108	9,701	-	-
3	Funded Status (Surplus/Deficit)	46,039	(30,664)	(446)	(58,291)
4	Excess of actual over estimated	(24)	(124)	-	-
5	Net Assets / (Liability) as at March 31, 2016	46,039	(30,664)	(446)	(58,291)
III	Change in Obligation during the year ended March 31, 2016				
1	Present value of Defined Benefit Obligation at the beginning of the year	40,365	1,82,545	58,291	1,99,957
2	Current Service Cost	3,069	8,557	446	12,357
3	Interest Cost	3,229	14,604	4,663	15,997
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contribution	-	-	-	-
7	Actuarial (Gain)/Losses	17,848	(79,426)	13,846	(7,003)
8	Benefit Payments	(61,442)	(85,915)	(76,800)	(1,63,017)
9	Present Value of Defined Benefit at the end of the year	3,069	40,365	446	58,291



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## Sangam Power Generation Company Limited

IV	Change in Assets during the year ended March 31, 2016	9701	10548		
1	Plan Assets at the beginning of the year	-	-	-	-
2	Assets acquired on amalgamation in the previous year	-	-	-	-
3	Settlements	-	-	-	-
4	Expected return on Plan Assets	873	949	-	-
5	Contribution by Employer	100,000	-	-	-
6	Short fall in opening liability	-	(1672)		
7	Actual Benefit Paid	(61,442)	-	-	-
8	Actuarial (Gains)/Losses	(24)	(124)	-	-
9	Plan Assets at the end of the year	49,108	9,701	-	-

### Actuarial Assumptions

	FY 2015-16	FY 2014-15
(i) Discount Rate	8%	8%
(ii) Mortality	LIC (1994-96)	LIC (1994-96)
(iii) Future Salary Increase	5.50%	5.50%

- 20.** As Commercial operations have not yet commenced, therefore there is no deferred tax liability as on March 31, 2016.
- 21.** Previous year's figures have been regrouped/re-arranged wherever considered necessary to make them conform to the figures for the year as per Revised Schedule III of Companies Act, 2013.

As per our report even date attached

#### For CHATURVEDI & PARTNERS

Chartered Accountants  
Firm Registration No.307068E



**RAVINDRA NATH CHATURVEDI**  
Partner  
Membership No.092087



Place: Noida  
Date: 24<sup>th</sup> May 2016

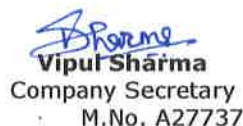
#### FOR AND ON BEHALF OF THE BOARD



**Pankaj Gaur**  
Director  
DIN No. 00008419



**G. P. Singh**  
Director  
DIN No. 00703083



**Vipul Sharma**  
Company Secretary  
M.No. A27737