

CHATURVEDI & PARTNERS

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANGAM POWER GENERATION COMPANY LIMITED

Report on the Audit of the Financial Statements

1. Qualified Opinion

We have audited the accompanying financial statements of Sangam Power Generation Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 below, 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, 2019, the losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We refer to Note 28 to the financial statements wherein expenditure incurred incidental to setting up of the project, Capital Advances and Security Deposits (Non-Current other financial assets) in respect of project (project assets) have been carried forward as 'Capital Work-in-Progress', Capital Advances and Security Deposits (Non-Current other financial assets) aggregating Rs.10,803.62 lakhs, Rs.2,247.89 lakhs and Rs.3,002.50 lakhs respectively. In view of circumstances discussed in the note including land being not in possession, the promoters of the company had requested Uttar Pradesh Power Corporation Ltd. (UPPCL) to take over the project/company and refund of investment made by it. Further, the Company has withdrawn all its undertakings given to UPPCL and lodged a claim of Rs.115,722 lakhs. Pending such settlement, no adjustment in the carrying value of project assets under non-current assets, for impairment, has been made. Moreover, the ultimate outcome of the settlement is at present not ascertainable. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and accordingly we are unable to comment on the consequential impact, if any, on the carrying value of such project assets under non-current assets and accompanying financial statements.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.



3. Emphasis of Matters

The company is yet to appoint key managerial person except Company Secretary as per the requirement of Section 203 of the Companies Act, 2013.

Our Opinion is not modified in respect of this matter.

4. Information Other than the Financial Statements and Auditor's 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 Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. Other Information as described in above paragraph is expected to be made available to us after the date of this Auditors' Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Reports including annexures to the Board's Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance to correct the same. If material misstatement of the other information remains uncorrected, we may take appropriate action considering our legal rights and obligations, to seek and have the uncorrected misstatement appropriately brought to the attention of the user for whom the Auditor's Report is prepared.

5. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

7. Report on Other Legal and Regulatory Requirements

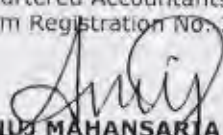
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, 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 including Other Comprehensive Income, The Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) Except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph;
- h) 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". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year. Accordingly, section 197(16) of the Act is not applicable to the Company.
- j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. the company has disclosed the claim towards expenditure incurred by it for the project the transfer of which is under consideration of Uttar Pradesh Power Corporation Ltd. (Refer Note 28). However, the possible impact whereof is not presently ascertainable on financial position of the company. Further, the company has disclosed the impact of other pending litigations on its financial position in its financial statements. (Refer Note 27 to the financial statements)
 - ii. Except for the possible effects of matter described in the basis of qualified opinion, 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


ANIL MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 06, 2019



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, 2019, 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 of Paragraph 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), (b) and (c) of paragraph 3 of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the company has not directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or given any guarantee or provide any security in connection with any loan taken by him or such other person. 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, the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including income tax deducted at sources (ITDS) and other statutory dues, as applicable with the appropriate authorities except the Income Tax demand which were outstanding as on the last day of the financial year concerned for more than six months from the date they became payable. The details are given below:

Name of the statute	Name of Dues	Gross Amount (Rs. in Lakhs)	Period to which it pertains	Due Date	Date of Payment	Remarks
The Income Tax Act, 1961	Income Tax	465.12	AY 2011-12	17-11-2017	-	Including interest
		47.96	AY 2012-13	17-11-2017	-	Including interest

- b. According to the information and explanation given to us, there were no disputed amounts payable in respect of income tax, service tax, goods and service tax, value added tax or cess as at March 31, 2019 except:

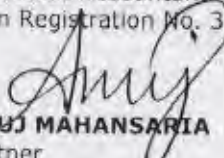
Name of the statute	Name of Dues	Gross Amount (Rs. in Lakhs)	Period to which it pertains	Forum where dispute is pending	Amount Paid (Rs. in Lakhs)
The Income Tax Act, 1961	Income Tax	360.00	AY 2011-12	ITAT, Lucknow	-
		40.00	AY 2012-13	ITAT, Lucknow	-
		43.27	AY 2013-14	CIT (Appeal)	38.78
		36.57	AY 2014-15	CIT (Appeal)	19.89



- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowings from financial institution, bank and Government 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. According to the information and explanation given to us, no 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, no managerial remuneration has been paid during the year. Accordingly, the clause xi of paragraph 3 of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company. Accordingly, the clause xii of paragraph 3 of the order are not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 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. Accordingly, the clause xiv of paragraph 3 of the order is 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 to its directors. 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


ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 06, 2019



ANNEXURE "B" REFERRED IN INDEPENDENT AUDITORS' REPORT OF EVEN DATE

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, 2019 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's Internal Financial Controls over Financial Reporting as at March 31, 2019:

The Company's internal financial controls in respect of supervisory and review controls over process of determining of (a) impairment of Capital Work in Progress and (b) recoverability/expected credit loss of capital advances and security deposits were not operating effectively.

The inadequate supervisory and review control over company process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially results in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.

A material weakness is a deficiency, or a combination of deficiencies, in Internal Financial Controls over Financial Reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

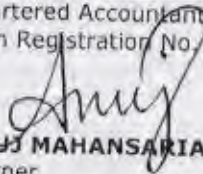
Qualified Opinion

In our opinion and according to the information and explanations given to us, except for the possible effects of the material weakness described in "Basis for qualified opinion" paragraph, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended March 31, 2019, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E


ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 06, 2019



SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
BALANCE SHEET AT MARCH 31, 2019

Particulars	Note	(Amount in Rs. Lakh)	
		As at March 31, 2019	As at March 31, 2018
Assets			
Non Current assets			
(I) Property, Plant and Equipment	3	6,750.41	6,750.55
(II) Capital work In progress	4	10,803.62	10,803.62
Financial Assets			
(I) Other Financial Assets	5	3,002.50	3,002.50
Non-Current Tax assets (Net)	6	70.65	67.90
Other non current assets	7	2,247.89	2,247.89
		<u>22,875.07</u>	<u>22,872.46</u>
Current Assets			
Financial Assets			
(I) Cash and Cash Equivalnts	8	10.76	4.93
(II) Bank balance other than (I) above	9	418.61	393.93
(III) Other financial assets	10	12.16	275.79
Other Current assets	11	19.47	0.04
		<u>461.00</u>	<u>674.69</u>
Total Assets		<u><u>23,336.07</u></u>	<u><u>23,547.15</u></u>
Equity			
(I) Equity Share Capital	12	55,197.72	55,197.72
(II) Other Equity	13	(32,383.48)	(31,652.43)
Total Equity		<u>22,814.24</u>	<u>23,545.29</u>
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Provisions	14	0.11	0.03
Total Non-Current Liabilities		<u>0.11</u>	<u>0.03</u>
Current Liabilities			
Financial Liabilities			
(I) Other Financial Liabilities	15	8.47	1.83
Other current liabilities	16	0.15	-
Provisions	17	-	-
Current Tax Liabilities (Net)	18	513.09	-
Total Current Liabilities		<u>521.71</u>	<u>1.83</u>
Total Equity and Liabilities		<u><u>23,336.06</u></u>	<u><u>23,547.15</u></u>

Summary of significant accounting policies 2
The note nos. 1 to 38 are Integral part of the financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E

Anuj Mahansaria
Partner
Membership No. 500819



For and on behalf of the Board

Rakesh Sharma
Director
DIN 00009952

Pankaj Gaur
Director
DIN 00008419

Manju Kaushal
Company Secretary
M.No.- A48313

Place: New Delhi
Date : May 06, 2019

Ravi

Ravi

SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note	(Amount in Rs. Lakh)	
		For the Year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations		-	-
Other Income	19	27.54	29.63
Total Income		<u>27.54</u>	<u>29.63</u>
Expenses:			
Employee benefits expense	20	7.12	5.79
Finance costs	21	352.19	130.69
Depreciation and amortization expense	22	0.15	0.42
Other expenses	23	2.59	16.82
Total expenses		<u>362.05</u>	<u>153.73</u>
Profit before exceptional Item and Tax		<u>(334.51)</u>	<u>(124.10)</u>
Exceptional Items	24 & 30	-	31,325.00
Profit before Tax		<u>(334.51)</u>	<u>(31,449.10)</u>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Taxes related to earlier year (Refer Note -29)		396.54	5.22
Profit/(loss) for the year		<u>(731.05)</u>	<u>(31,454.32)</u>
Other comprehensive Income			
a Items that will not be reclassified to profit or loss*		-	-
ii Income tax relating to Items that will not be reclassified to profit or loss		-	-
b Items that will be reclassified to profit or loss		-	-
ii Income tax relating to Items that will be reclassified to profit or loss		-	-
Total comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income)		<u>(731.05)</u>	<u>(31,454.32)</u>
Earnings per equity share		<u>(0.13)</u>	<u>(5.70)</u>

*Items that will not be classified to profit or loss Rs (45/-)(Previous year NIL)

Summary of significant accounting policies
The note nos. 1 to 38 are Integral part of the financial statements

2

As per our report of even date attached

For and on behalf of the Board

For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E


Anuj Mahansaria
Partner
Membership No. 500819




Rakesh Sharma
Director
DIN 00009952


Pankaj Gaur
Director
DIN 00008419


Manju Kaushal
Company Secretary
M.No. - A48313

Place: New Delhi
Date : May 06, 2019





SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(Amount in Rs. Lakh)	
	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flows from operating activities		
Profit for the year before tax	(334.51)	(31,454.32)
Adjustments for:		
Depreciation and amortization expenses	0.15	0.43
Interest Income	(27.54)	(29.56)
Exception Items (Advances written off)	-	31,325.00
Interest on Income Tax	116.55	-
Operating profit before working capital changes	(245.35)	(158.46)
Adjustments for :		
(Increase) / decrease in other financial assets (excluding advance tax)	263.74	(217.17)
(Increase) / decrease in other current assets	(19.44)	26.02
Increase / (decrease) in other current assets	0.15	(0.20)
Increase / (decrease) in other financial liabilities and provision	6.73	0.49
Cash generated from operations	5.83	(349.31)
Income tax refund / (paid)	(2.75)	175.45
Net Cash flow generated from operating activities	3.08	(173.86)
B Cash flow from investing activities		
Sale of Property, Plant and Equipments	-	-
Interest Income	27.43	32.94
Movement in Bank Balances other than cash and cash equivalents	(24.68)	(20.24)
Net cash flows (used in) Investing activities	2.75	12.71
C Cash flow from financing activities		
Loan from Related party	-	-
Changes in security deposit	-	-
Net cash flows (used in) / generated from financing activities	-	-
Net change in cash and cash equivalents (A+B+C)	5.83	(161.16)
Cash and cash equivalents at the beginning of the year	4.93	166.09
Cash and cash equivalents at the end of the year	10.76	4.93
Notes to cash flow statement:		
Cash and cash equivalents include :		
Cash on hand	0.76	3.76
Balances with banks:	10.00	1.17
Cash and cash equivalents at the end of the year	10.76	4.93
[refer note no 8]		

For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E

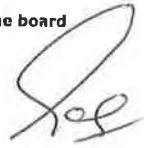
Anuj Mahansaria
Partner
Membership No. 500819



Place: New Delhi
Date : May 06, 2019

For and on behalf of the board


Rakesh Sharma
Director
DIN 00009952


Pankaj Gaur
Director
DIN 00008419


Manju Kaushal
Company Secretary
M.No. - A48313





SANGAM POWER GENERATION COMPANY LIMITED

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Statement of changes In equity for the year ended as on March 31, 2019

A. Equity Share Capital

(Amount in Rs. Lakh unless otherwise stated)

Equity Shares of Rs 10/- each issued, subscribed and fully paid up.				
Balance as at April 01, 2017	Changes during the year	Balance as at March 31, 2018	Changes during the year	Balance as at March 31, 2019
55,197.72	-	55,197.72	-	55,197.72
Number of Shares		Number of Shares		Number of Shares
551,977,200	-	551,977,200	-	551,977,200

B. Other Equity

(Amount in Rs. Lakh)

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained earnings		
Balance as at April 1, 2017	(202.78)	4.69	(198.12)
Profit/(loss) during the year	(31,454.32)	-	(31,454.32)
Remeasurement of defined benefit plan	-	-	-
Total comprehensive income for the year	(31,454.32)	-	(31,454.32)
Balance as at March 31, 2018	(31,657.10)	4.69	(31,652.43)
Profit/(loss) during the year	(731.05)	-	(731.05)
Remeasurement of defined benefit plan*	-	-	-
Total comprehensive income for the year	(731.05)	-	(731.05)
Balance as at March 31, 2019	(32,389.14)	4.69	(32,383.48)

*Remeasurement Benefits Amounting to Rs (45/-)

Summary of Significant Accounting Policies

Note Nos. 1 to 38 are Integral part of Financial Statements.

As per our report of even date attached to Financial Statements.

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For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E

Anuj Mahansaria
Anuj Mahansaria
Partner
Membership No. 500819



FOR SANGAM POWER GENERATION COMPANY LTD.

Rakesh Sharma
Rakesh Sharma
Director
DIN 00009952

Pankaj Gaur
Pankaj Gaur
Director
DIN No. 00008419

Manju Kaushal
Manju Kaushal
Company Secretary
M.No. - A48313

Place: New Delhi
Date : May 06, 2019

Ravi

[Signature]

SANGAM POWER GENERATION COMPANY LIMITED

CIN – U40102UP2007PLC032843

Note 1

General Information of the Company

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

Note 2

1 Recent accounting pronouncement

Standards issued but not yet effective

Ind AS 116 Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.
- Certain practical expedients are available under both the methods.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.



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Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on Initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the Income tax consequences of dividends in profit or loss, other comprehensive Income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.
- Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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SANGAM POWER GENERATION COMPANY LIMITED

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2 Significant Accounting Policies

2.1 Basis of preparation of financial statements:-

The Company has adopted accounting policies that comply with Indian Accounting standards (Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013, as required by the relevant applicability provisions prescribed in the same notification. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and Instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom Ind AS applies.

The Company's financial statements have been prepared in accordance with the Ind AS prescribed. The preparation of the Company's financial statements in conformity with Indian Accounting Standard requires the Company to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. These estimates and assumptions are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances and presented under the historical cost convention on accrual basis of accounting.

2.2 Historical cost convention:-

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value,
- Defined benefit plans – plan assets measured at fair value
- Assets held for sale – measurement at lower of carrying amount or fair value less cost of sell.

2.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. 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 under different assumptions and conditions.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments: In the process of applying the Company's accounting policies, management has made the following judgments, which the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Company's defined benefit obligation:

In determining the appropriate discount rate of plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.



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Contingences and commitments:

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the note but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have materially adverse impact on the financial position of profitability.

Key sources of estimation uncertainty

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

Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Useful lives of property, plant and equipment: As described in note --, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

2.4 Operating cycle and Current versus non current classification

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division - II of Schedule II of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realized or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realized within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled with twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

2.5 Use of Estimates:

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of the financial statements and the reported amount of the revenue and the expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.6 Revenue:

Revenue is measured at the value of the consideration received or receivable. However, there is no revenue from operation as the commercial production has not yet stated.



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Interest Income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Tax Expenses:-

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Current Tax-Current Income tax relating to items recognized outside the profit and loss is recognized outside the profit and loss (either in other comprehensive income or in other component of equity)

Deferred tax: Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.8 Foreign Currencies:

Functional currency: The functional currency of the Company is the Indian Rupees.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

2.9 Property, Plant and Equipment (PPE):

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of PPE is cost of acquisition or construction inclusive of freight, erection & commissioning charges and any directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period up to the date the asset are put to use is included in cost of relevant assets. are put to use is included in cost of relevant assets.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

The carrying amount of a property, plant and equipment is de-recognised when no future economic benefits are expected from its use or on disposal.



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Depreciation on property, plant and equipment is provided on straight line method based on estimated useful life of assets as prescribed in part C of schedule II to the Companies Act, 2013.

Assets	Useful Lives
Building	5 - 60 Years
Plant and Machinery	15 - 40 years
Furniture and fittings	10 years
Office equipments	5 - 10 years
Vehicles	8 - 10 years
Computers	3 years

Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The property, plant and equipment acquired under finance leases, if any, is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Depreciation on the assets purchased during the year is provided on pro-rata basis from the date of purchase of the assets.

Gains and losses on de-recognition/disposals are determined as the difference between the net disposal proceeds and the carrying amount of those assets. Gains and Losses if any, are recognised in the statement of profit or loss on de-recognition or disposal as the case may be.

Freehold land is not depreciated.

2.10 Expenditure during construction period:-

Direct cost, related incidental expenses and attributable borrowing costs during the course of construction are treated as capital work in progress and upon commissioning of project, cost related to the specific assets are capitalized and transferred to appropriate category of PPE.

2.11 Impairment of PPE and intangibles assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

2.12 Inventories:-

Inventories are valued at the lower of cost or net realizable value. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the following basis:-

- Raw material, construction materials, stores & spares, packing materials, operating stores and supplies is determined on weighted average basis.
- Material-in-transit is valued at cost.



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2.13 Employee Benefits:-

Employee benefits consist of contribution to employees state insurance, provident fund, gratuity fund and compensated absences.

Defined Contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

The Company operates defined benefit plan in the form of gratuity. The liability or asset recognized in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The Interest expense is calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.14 Fair Value Measurement:-

The Company measures financial instruments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Ravi



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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. (May not consider above para)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.15 Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument

b) Measurement

i) Financial assets

A financial asset is measured at

- amortised cost or
- fair value either through other comprehensive income or through profit or loss

ii) Financial liability

A financial liabilities is measured at

- amortised cost using the effective interest method or
- fair value through profit or loss.

iii) Initial recognition and measurement:-

All financial assets and liabilities are recognized at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

iv) Subsequent measurement

Financial assets as subsequent measured at amortised cost or fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss.

Ravi



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c) Financial assets:

i) Trade Receivables

Trade receivables are the contractual right to receive cash or other financial assets and recognized initially at fair value. Subsequently measured at amortised cost (Initial fair value less expected credit loss). Expected credit loss is the difference between all contractual cash flows that are due to the company and all that the company expects to receive (i.e. all cash shortfall), discounted at the effective interest rate.

ii) Other equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair value to other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

d) Cash and cash Equivalents:-

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Impairment of Financial Assets:-

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

2.16 Financial liabilities

i) Trade payables :-

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year and which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Ravi



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ii) Borrowings:-

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

iii) Equity Instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of company after deducting all of its liabilities. Equity Instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17 Derecognition of financial instrument

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.18 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

2.19 Financial guarantee

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

2.20 Compound financial instruments

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.



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At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised directly in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible instrument using the effective interest method.

2.21 Provision and Contingent Liability

- i. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities, if material, are disclosed by way of notes and contingent assets, if any, are disclosed in the notes to financial statements.

- ii. A provision is recognized, when company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.23 Segment Reporting:

The Company has presently one segment i.e. Generation of Thermal-Power, hence, separate segment reporting is not applicable.

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SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 3: Property, Plant and Equipment

Particulars	(Amount in Rs. Lakh)					
	Land - Free Hold	Furniture and Fittings	Office Equipments	Vehicles	Computer	Total
Gross carrying value as at April 1, 2018	6,749.17	2.72	3.72	13.04	3.03	6,771.69
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Gross carrying value as at March 31, 2019	6,749.17	2.72	3.72	13.04	3.03	6,771.69
Accumulated Depreciation as at April 01, 2018	-	2.30	3.57	12.40	2.88	21.14
Charge for the year	-	0.15	-	-	-	0.15
As at March 31, 2019	-	2.45	3.57	12.40	2.88	21.29
Carrying Value as at March 31, 2019	6,749.17	0.28	0.15	0.65	0.15	6,750.41
Carrying Value as at April 01, 2018	6,749.17	0.43	0.15	0.65	0.15	6,750.55

The Changes in the carrying value of Property, Plant and equipment for the year ended March 31, 2018 were as follows:

Particulars	(Amount in Rs. Lakh)					
	Land - Free Hold	Furniture & Fittings	Office Equipments	Vehicles	Computer	Total
Gross carrying value as at April 1, 2017	6,749.17	2.73	3.72	13.04	3.03	6,771.69
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Gross carrying value as at March 31, 2018	6,749.17	2.73	3.72	13.04	3.03	6,771.69
Accumulated Depreciation as at April 01, 2017	-	2.05	3.57	12.22	2.88	20.72
Charge during the year	-	0.25	-	0.18	-	0.43
Accumulated Depreciation as at March 31, 2018	-	2.30	3.57	12.40	2.88	21.15
Carrying value as at March 31, 2018	6,749.17	0.43	0.15	0.65	0.15	6,750.55
Carrying value as at April 01, 2017	6,749.17	0.68	0.15	0.83	0.15	6,750.98

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SANGAM POWER GENERATION COMPANY LIMITED
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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(Amount in Rs. Lakh)	
	As at March 31, 2019	As at March 31, 2018
Note 4		
Capital work in progress		
Capital work in progress	10,803.62	10,803.62
	<u>10,803.62</u>	<u>10,803.62</u>
Note 5		
Other financial assets (unsecured considered good, unless otherwise stated)		
Security Deposits	3,002.50	3,002.50
	<u>3,002.50</u>	<u>3,002.50</u>
Note 6		
Non Current tax Asset (Net)		
Advance Income tax(net)	70.65	67.90
	<u>70.65</u>	<u>67.90</u>
Note 7		
Other non-current assets (unsecured considered good, unless otherwise stated)		
Capital advances	2,247.89	2,247.89
	<u>2,247.89</u>	<u>2,247.89</u>
Note 8		
Cash and Cash Equivalents		
Balance with banks current accounts	10.00	1.17
Cash on hand	0.76	3.76
	<u>10.76</u>	<u>4.93</u>
Note 9		
Bank balances other than Cash and cash equivalents		
Fixed deposits with original maturity within 12 months*	418.61	393.93
	<u>418.61</u>	<u>393.93</u>
*Pledged with Bank as margin money against Bank Guarantee		
Note 10		
Other financial assets (unsecured considered good, unless otherwise stated)		
Interest accrued on fixed deposit with banks	1.81	1.71
Advance to related party*	10.35	274.08
	<u>12.16</u>	<u>275.79</u>
*Receivable from Jaypee Meghalaya Power Ltd.		
Note 11		
Other current assets		
Prepaid - Insurance	-	0.04
Prepaid- Bank Guarantee Commission	19.47	-
	<u>19.47</u>	<u>0.04</u>

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SANGAM POWER GENERATION COMPANY LIMITED
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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(Amount in Rs. Lakh unless otherwise stated)	
	As at March 31, 2019	As at March 31, 2018
Note 12		
EQUITY SHARE CAPITAL		
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)	400,000.00	400,000.00
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)	55,197.72	55,197.72
Total	55,197.72	55,197.72
12.1 Reconciliation of Number of Equity Shares outstanding		
	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	551,977,200	551,977,200

12.2 The Company being wholly owned subsidiary, subscribed share capital Rs. 55,19,77,2000 (55,19,77,200 equity shares)(Previous year - Rs. 55,19,77,2000 (55,19,77,200 equity shares)), being more than 5 percent are held by Jalprakash Power Ventures Limited the Holding Company and its nominee.

12.3 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. In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.



SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 2019

Note 13

Particulars	(Amount in Rs. Lakh)	
	As at March 31, 2019	As at March 31, 2018
Other Equity		
(I) Reserve & Surplus		
(A) Retained Earning		
Opening balance	(31,657.12)	(202.80)
Profit/(Loss) for the year	(731.05)	(31,454.32)
Closing Balance	(32,388.17)	(31,657.12)
Total	(32,388.17)	(31,657.12)
(II) Other comprehensive Income		
(A) Remeasurement of Defined benefit plan		
Opening balance	4.69	4.69
Addition/Deduction during the year*	-	-
Less: amount transferred to general reserve	-	-
Closing balance	4.69	4.69
Total	(32,383.48)	(31,652.43)

Nature and purpose of Reserves

1. Retained earnings comprises of the profits of the Company earned till date net of distributions and other adjustments.

2. Other Comprehensive Income: The Company has recognized remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity.

* Addition/ Deduction during the year Rs. (45/-)(Previos year NIL)

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SANGAM POWER GENERATION COMPANY LIMITED
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(Amount in Rs. Lakh)	
	As at March 31, 2019	As at March 31, 2018
Note 14		
Non Current Liabilities		
Provisions		
Provision for employee benefits		
(I) Gratuity	0.07	0.03
(II) Leave Encashment	0.05	-
	<u>0.11</u>	<u>0.03</u>
Note 15		
Other financial liabilities		
Salary and benefits Payable	0.50	0.48
Payable to Related Party*	6.62	-
Provision / Payable for Expenses	1.35	1.35
	<u>8.47</u>	<u>1.83</u>
*Payable to Jalprakash Associates Ltd.		
Note 16		
Other current liabilities		
Statutory Dues Payable	0.15	-
	<u>0.15</u>	<u>-</u>
Note 17		
Current Liabilities		
Provisions		
Provision for employee benefits		
(I) Gratuity*	-	-
(II) Leave encashment**	-	-
	<u>-</u>	<u>-</u>
*Provision for Gratuity Rs. 12/- (Previous Year Rs. 5/-)		
**Provision for Leave Encashment Rs. 253/- (Previous Year NIL)		
Note 18		
Current Tax Liabilities(Net)		
Provision for Income Tax(Net) (Refer Note - 29)	513.09	-
	<u>513.09</u>	<u>-</u>

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SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(Amount in Rs. Lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 19		
Other Income		
Interest from		
-Bank deposits	27.54	29.56
-Refund of Income Tax	-	0.02
Excess provision written back	-	0.05
	27.54	29.63
Note 20		
Employee benefit expense		
Salaries and wages *	7.12	5.79
	7.12	5.79
(Including gratuity Rs. 0.04 (Previous Year Rs 0.04))		
Note 21		
Finance cost		
Interest on Gratuity*	-	-
Interest on Income Tax (Refer Note - 29)	116.55	0.23
Other Borrowing Cost	235.64	130.46
	352.19	130.69
*Interest on Gratuity Rs 226/- (Previous Year NIL)		
Note 22		
Depreciation and amortization expense		
Depreciation on tangible assets	0.15	0.42
Amortization of Intangible assets	-	-
	0.15	0.42
Note 23		
Other expenses		
Consultancy, legal and professional fee	0.92	15.00
Miscellaneous expenses	0.22	0.03
Printing and stationery	0.05	-
Rent , Taxes and fees*	-	-
Travelling and conveyance	-	0.03
Vehicle running and maintenance	-	0.04
Indirect Tax	-	0.37
Insurance	0.22	0.14
Statutory Audit Fee	1.18	1.21
	2.59	16.82
* Rent, taxes & Fees NIL (Previous year Rs. 14/-)		
Note 24		
Exceptional Items		
Loss on Advance		
Loss on Advance paid to L&T	-	13,605.06
Loss on Advance paid to L&T MHI	-	17,719.94
Tax	-	-
	-	31,325.00

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Note 25 : Fair Value Measurement

Categories of financial instruments

(Amount in Rs. Lakh)

Financial assets	As at March 31, 2019	As at March 31, 2018
Measured at amortised cost		
(i) Cash and Cash Equivalents	10.76	4.93
(ii) Bank Balances other than Cash and Cash Equivalents	418.61	393.93
(iii) Other financial assets	3,014.66	3,278.29
Total	3,444.03	3,677.15
Financial liabilities		
Measured at amortised cost		
(i) Other financial liabilities	8.47	1.83
Total	8.47	1.83

Particulars	Carrying value	
	As at March 31, 2019	As at March 31, 2018
i) Financial assets - Current		
Cash and cash equivalents	10.76	398.87
Bank Balances other than Cash and Cash Equivalents	418.61	393.93
Other Financial assets	3,014.66	3,278.29
ii) Financial liabilities - Current		
Other financial liabilities	8.47	1.83

The fair values of cash and cash equivalents, balances other than cash and cash equivalents, loan to related party, security deposit to government department, other financial liability are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.

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Notes to Financial Statements as at March 31, 2019

Note 26 : FINANCIAL RISK MANAGEMENT

Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of total equity of the Company. Equity consists of equity capital and Retained Earning.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Capital Management

(a) The company objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Financial Risk Management

The Company's principal financial liabilities and financial assets comprise of other payables and cash and cash equivalents/ Bank balances/ Other Financial Assets (Security deposits and advances) respectively.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

The Company does not have any borrowing therefore, the company is not exposed to interest rate risk.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any international operation, foreign currency loan and foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

(c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

II. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

Amount in Rs. Lakh					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
As at March 31, 2019					
Other financial liabilities	8.47			8.47	8.47
Total					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
As at March 31, 2018					
Other financial liabilities	1.83			1.83	1.83
Total					

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SANGAM POWER GENERATION COMPANY LIMITED**CIN – U40102UP2007PLC032843**

- 27 (a) Contingent Liabilities & Other Commitments not provided for as at March 31, 2019 are as under:

Particulars	As at March 31, 2019 (Rs. in Lakh)	As at March 31, 2018 (Rs. in Lakh)
(i) Outstanding amount of Bank Guarantees	337.45	337.45
Margin Money against above	418.61	393.94
(ii) Estimated amounts of Contracts remaining to be executed on Capital Account (Net of advances) Refer Note : 28 & 30	-	-
(iii) Income Tax matter under appeal (Rs 59,09 Lakh (previous year - Rs. 59.09 Lakh paid against the demand.)	5,67.08	992.94

(b) Uttar Pradesh Power Corporation Limited vide letter dated March 05, 2019 issued Preliminary Default Notice under Article 14 read with Article 4.6 of the Power Purchase Agreement and demanded certain compensation, as liquidated damages. However, The Company vide it's letter dated March 14, 2019, refuted that no claim lies in favour of UPPCL/Procurers as UPPCL/Procurer(s) have admittedly defaulted in fulfilling its obligations under the RFQ/RFP/PPA, by not handing over the possession of the requisite land to SPGCL without any encumbrances. The company denied each and every allegation made and the claim placed for the LDs being untenable under law.

- 28 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 23rd 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 3rd 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 opened for the State Govt. 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 and a

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SANGAM POWER GENERATION COMPANY LIMITED**CIN - U40102UP2007PLC032843**

Committee has been constituted under the Chairmanship of Managing Director, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited for amicably closing the Power Purchase Agreement (PPA). Draft of Share Purchase Agreement (SPA), as prepared by Company's Legal Counsel, has been sent to UPPCL/ UPRVUNL for approval. The response from U.P. Government is awaited. There was abnormal delay in resolving the matter by UPPCL, therefore SPGCL has withdrawn all its undertakings given to UPPCL and lodged a claim of Rs. 115,722 Lakh (inclusive of Rs 31,324.99 Lakh paid to L&T towards BTG advance) on them vide its letter no. SPGCL/NOIDA/2018/01 dated 13.03.2018.

Further SPGCL has filed a petition with Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC) for release of performance bank guarantee and payment of claim of Rs. 115,722 lakhs.

Pending decision on above petition, projects assets comprising Capital work in progress, Security Deposits (Non-Current Other Financial assets) and Capital Advances aggregating to Rs. 1,0803.62 Lakh, Rs. 3,002.50 Lakh and Rs. 2,247.89 Lakh respectively are considered recoverable.

- 29 The Income Tax Authority had demanded Income Tax on Interest Income for the assessment year 2011-12 and 2012-13 and the case was decided in favour of the Income Tax Department in the Hon'ble High Court of Lucknow. Further the company decided not to file appeal against the order in the higher court. Accordingly, the Company had accounted provision for Income Tax and Interest thereon amounting to Rs. 396.54 Lakh and Rs. 116.55 Lakh respectively as per order passed by the assessing authority.

30 Exceptional Item

During the previous year ended March 31, 2018, certain disputes have arisen with L&T and L&T-MHPS with respect to the works carried out by L&T and L&T-MHPS for Karchana Project and the advance paid by SPGCL to L&T and L&T-MHPS for Karchana Project. A settlement agreement has reached on 14.12.2017 and agreed to settle all their disputes and claims. In terms of Settlement Agreement dated 14.12.2017 entered and executed between Larsen & Toubro Limited (L&T), L&T-MHPS Boilers Pvt. Ltd. (L&T-MHPS), Jaiprakash Power Ventures Limited and Sangam Power Generation Company Limited it has been agreed that the amount of Rs.31,324.99 Lakh (Rupees Three Hundred Thirteen Crore Twenty Four Lacs Ninety Nine Thousand only) paid by SPGCL as an advance to L&T, L&T-MHPS in terms of letter of Award dated 23.10.2010 accepting Bid of Larsen & Toubro Limited (L&T), L&T-MHPS Boilers Pvt. Ltd. (L&T-MHPS) for providing Steam Turbine Generator package and Steam Generator Package respectively for Karchhانا Thermal Power Project (Karchhانا Project) of SPGCL has fully been utilized for various expenses towards Karchhانا Thermal Power Project by L&T, L&T-MHPS and accordingly the entire advance amount has charged off in the Books of SPGCL as exceptional items. Any recovery from UPPCL, as and when recovered, would be accounted for.

31 Due to Micro and Small Enterprises:

The disclosures regarding dues to the suppliers registered under Micro and Small Enterprises Development Act, 2006 (MSMED Act) are follows:-

(Amount in Rs. Lakh)

S. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
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	Nil	Nil

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SANGAM POWER GENERATION COMPANY LIMITED

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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

The above information is as complied with the Management and relied upon by the Auditors.

32 Income Tax Expense

(Amount in Rs. Lakh)

(A)	Components of Income Tax Expenses	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
	Current Tax	-	-
	Deferred Tax on account of temporary differences	-	-
	Tax related to earlier years	396.54	5.22
	Tax expense recognized in the statement of Profit and Loss	396.54	5.22

(B) Reconciliation on Income tax expense to the accounting profit for the year is not required as the company has incurred losses during the year ended March 31, 2019 and March 31, 2018.

(Amount in Rs. Lakh)

(C)	Tax Assets and Liabilities	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
	Non-Current tax assets (net)	70.65	6,7.90
	Current tax liabilities (net)	513.09	-

33 Earning Per Share(EPS)

(Rs. In Lakhs unless otherwise stated)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Net Profit/ (Loss) for the period (before OCI)	(731.05)	(31454.32)
Weighed average no. of Equity Shares	55,19,77,200	55,19,77,200
Basic and Diluted Earning per Share (Rs)	(0.13)	(5.70)
Face Value of each Share (Rs)	10/-	10/-

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SANGAM POWER GENERATION COMPANY LIMITED

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34 Related Party Disclosures, as required in terms of 'IND-AS-24' are given below:

List of Related Parties and Relationship

I. Holding Company

1. Jaiprakash Power Ventures Limited (JPVL)

II. Fellow Subsidiary Companies

1. Jaypee Powergrid Limited (JV subsidiary of JPVL)
2. Jaypee Meghalaya Power Limited (JV subsidiary of JPVL)
3. Prayagraj Power Generation Company Limited (subsidiary of JPVL) (till 17.12.2017 as PPGCL was subsidiary of JPVL till that date)
4. Bina Power Supply Limited (subsidiary of JPVL)
5. Jaypee Arunachal Power Generation Company Limited (subsidiary of JPVL)

Note: SBICAP Trustee on 18th December, 2017 enforced the pledge of shares and transferred all shares (261,91,89,200 Equity Shares of Rs.10/- each and 27,00,00,000 Preference Shares of Rs.10/- each) held by the Company in PPGCL. Consequent upon invocation of entire pledged shares of JPVL in PPGCL held by SBICAP Trustee on behalf of banks/financial institutions, in favour of SBICAP Trustee Company Limited on 18th December, 2017, PPGCL ceased to be subsidiary of JPVL.

III. Entity to whom the Company is an Associate Company:

Jaiprakash Associates Limited (JAL) (w.e.f. 18.02.2017, it became Associate in place of Holding Company)

IV. Subsidiaries of the Entity (JAL) to whom the Company is an Associate Company:

1. Jaypee Infratech Limited (JIL) (subsidiary of JAL)
2. Bhilai Jaypee Cement Limited (JV subsidiary of JAL)
3. Himalyan Expressway Limited (subsidiary of JAL)
4. Gujarat Jaypee Cement & Infrastructure Limited (JV subsidiary of JAL)
5. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL)
6. Jaypee Agra Vikas Limited (subsidiary of JAL)
7. Jaypee Fertilizers & Industries Limited (subsidiary of JAL)
8. Jaypee Cement Corporation Limited (subsidiary of JAL)
9. Himalyaputra Aviation Limited (subsidiary of JAL)
10. Jaypee Assam Cement Limited (subsidiary of JAL)
11. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL)
12. Jaypee Healthcare Limited (subsidiary of JIL)
13. Jaypee Cement Hockey (India) Limited (subsidiary of JAL)
14. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL)
15. **Yamuna Expressway Tolling Limited** (new name of Yamuna Expressway Tolling Private Limited w.e.f. 05.04.2017, which again is the new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) **(subsidiary of JAL w.e.f. 25.03.2017 & wholly owned subsidiary of JAL w.e.f. 20.04.2017)**
16. Jaypee Uttar Bharat Vikas Private Limited (JUBVPL) (JV Associate Co. till 25.07.17. It became wholly owned subsidiary of JFIL [hence of JAL also] w.e.f. 26.07.17)
17. Kanpur Fertilizers & Cement Limited (JV Associate Co. till 25.07.17. It became subsidiary of JUBVPL [hence of JFIL & JAL also] w.e.f. 26.07.17)

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V. KMP based Associate Cos.

1. Jaiprakash Kashmir Energy Limited (KMP based Associate Co.) (controlled by Shri Manoj Gaur & his relatives)
2. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur) Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
3. Bhumi Estate Developers Private Limited (KMP based Associate Co) (controlled by relatives of Shri Manoj Gaur)
4. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
5. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
6. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
7. JC Wealth & Investments Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
8. CK World Hospitality Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
9. First Light Estates Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur)
10. Akasva Associates Private Limited (KMP based Associate Co.) (controlled by Shri Suren Jain and his relative)
11. Akasva Infrastructure Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Suren Jain)
12. Gandharv Buildcon Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
13. Vlaan Technologies (P) Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
14. Renaissance Lifestyle Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
15. Lucky Strike Financers Private Limited (KMP based Associate Co.) (controlled by Ms. Sunita Joshi and her relative)
16. Samvridhi Advisors LLP (KMP based partnership firm)
17. (Controlled by Shri R.N. Bhardwaj and his relatives)
18. Sandhar Hospitality (KMP based partnership firm) (Controlled by Ms. Sunita Joshi and her relative)
19. Kram Infracon Private Limited (KIPL) (subsidiary of Bhumi Estate Developers Private Limited) (KMP based Associate Co.)
(Bhumi Estate holds 67% in Kram Infracon.)

Key Management Personnel

1. Shri Pankaj Gaur
2. Shri Rakesh Sharma
3. Shri G. P. Singh
4. Shri Naveen Kumar Singh
5. Smt. Anjali Jain
6. Shri Shri Suren Jain (KMP of JPVL)
7. Shri Manoj Gaur (KMP of JPVL)
8. Shri Sunil Kumar Sharma (KMP of JPVL)
9. Dr. Jagannath Gupta (KMP of JPVL)
10. Shri R. N. Bhardwaj (KMP of JPVL)
11. Shri B. B. Tandon (KMP of JPVL)
12. Shri A. K. Goswami (KMP of JPVL)
13. Shri S. S. Gupta (KMP of JPVL)
14. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
15. Shri K. N. Bhandari (KMP of JPVL)
16. Shri S. L. Mohan (KMP of JPVL)

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17. Shri Ram Krishna Eda (KMP of JPVL)
 18. Ms. Sunita Joshi (KMP of JPVL)
 19. Shri K. P. Rau (KMP of JPVL)
 20. Shri M. K. V. Rama Rao (KMP of JPVL)

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

(Amount in Rs Lakh)

Particulars	Year	Referred in (I) above	Referred in (II) above	Referred in (III) above
Bank Guarantee Commission Paid	2019 2018	-	253.12 (128.51)	
Advances Given - Jaypee Meghalaya Power Limited	2019 2018		- -	- (344.00)
Expenses incurred/Refund Given by Jaypee Meghalaya Power Limited	2019 2018			153.54 (1,80.10)
Outstanding Receivables with Related Parties:	2019 2018		- (110.19)	10.35 (163.89)
Outstanding Payable with Related Parties:	2019 2018		6.62 (-)	
Guarantees provided outstanding: Performance Bank Guarantee Given on Behalf of the Company.	2019 2018	- (-)	9900.00 (9900.00)	

35. Details of Employee benefits as required by the Ind AS 19 "Employee Benefits" are give below:-

S. No.	Particulars	Non-Funded (Amount in Rs. Lakhs)			
		Gratuity		Leave Encashment	
		FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
I	Expenses Recognized in the Statement of Profit and Loss during the year				
1	Current Service Cost	0.038	0.029	0.045	-
2	Interest Cost	0.002	-	-	-
3	Employee Contribution	-	-	-	-
4	Actuarial (Gains)/Loss	-*	-	-	-
5	Expected Return on Plan Assets	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	0.014	0.029	0.045	-
II	Net Assets/(Liability) recognized in the Balance Sheet	-	-	-	-
1	Present Value of Defined Benefit Obligation	0.070	0.029	-	-
2	Fair Value of Plan Assets	-	-	-	-
3	Funded Status (Surplus/Deficit)	-	-	-	-
4	Excess of actual over estimated	-	-	-	-
5	Net Assets/(Liability) at the end of the year	(0.070)	(0.029)	-	-

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III	Change in Obligation during the year				
1	Present value of Defined Benefit Obligation at the beginning of the year	0.029	-	-	-
2	Current Service Cost	0.038	0.029	0.045	-
3	Interest Cost	0.002	-	-	-
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contribution	-	-	-	-
7	Actuarial (Gain)/Losses	-*	-	-	-
8	Benefit Payments	-	-	-	-
9	Present Value of Defined Benefit at the end of the year	0.070	0.029	0.045	-
IV	Change in Assets during the year				
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	-	-	-	-
5	Contribution by Employer	-	-	-	-
6	Short fall in opening liability	-	-	-	-
7	Actual Benefit Paid	-	-	-	-
8	Actuarial (Gains)/Losses	-	-	-	-
9	Plan Assets at the end of the year	-	-	-	-

* Actuarial (Gain)/Losses Rs. 45 (Previous Year Nil)

Sensitivity Analysis of the defined benefit obligation - Gratuity

(Amount in Rs. Lakh)

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	0.070
a)	Impact due to Increase of 0.50%	(0.005)
b)	Impact due to decrease of 0.50 %	0.006
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	0.070
a)	Impact due to increase of 0.50%	0.006
b)	Impact due to decrease of 0.50 %	(0.005)

Sensitivity Analysis of the defined benefit obligation - Leave Encashment

a) Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	0.045
a)	Impact due to Increase of 0.50%	(0.003)
b)	Impact due to decrease of 0.50 %	0.003
b) Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	0.045
a)	Impact due to increase of 0.50%	0.003
b)	Impact due to decrease of 0.50 %	(0.003)

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SANGAM POWER GENERATION COMPANY LIMITED**CIN – U40102UP2007PLC032843**

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

Maturity Profile of Defined Obligation

Year	Gratuity	Leave Encashment
	Amount	Amount
0 to 1 Year	~*	0.003
1 to 2 Year	0.001	0.002
2 to 3 Year	0.001	0.002
3 to 4 Year	0.003	0.002
4 to 5 Year	0.003	0.002
5 to 6 Year	0.003	0.002
6 Year onwards	0.059	0.033
Total	0.070	0.045

*0 to 1 Year Rs. 12

Actuarial Assumptions

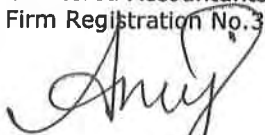
	FY 2018-19	FY 2017-18
(i) Discount Rate	7.66%	7.80%
(ii) Mortality	-	-
(iii) Future Salary Increase	5.50%	5.50%

36. The company is yet to appoint key managerial person except Company Secretary as per the requirement of Section 203 of the Companies Act, 2013.
37. As Commercial operations have not yet commenced for the reasons stated in Note 28, therefore no deferred tax liability/assets has been provided as on March 31, 2019.
38. All amounts in the financial statements and notes have been rounded off to lakhs in two decimals as per the requirement of Schedule III except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures.

As per our report even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E


Anuj Mahansaria
Partner
Membership No. 500819

**For and on behalf of the Board**


Rakesh Sharma
Director
DIN No. 00009952


Pankaj Gaur
Director
DIN No. 00008419


Manju Kaushal
Company Secretary
M.N.- A 48313

Place: New Delhi
Date: May 06, 2019



