



**SHARMA VATS & ASSOCIATES**  
CHARTERED ACCOUNTANTS

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**Independent Auditor's Report**

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

**Qualified Opinion**

We have audited the accompanying financial statements of SANGAM POWER GENERATION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, Statement of changes in equity and Statement of cash flows for the year ended 31st March 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of our observations stated in "Basis for Qualified Opinion" section below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss, changes in equity, and its cash flows for the year ended 31st March 2020.

**Basis for Qualified Opinion**

We refer to Note No.27 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 to Rs. 1,08,03,61,990, Rs. 22,47,89,296 and Rs. 30,02,50,000 respectively. In view of circumstances discussed and 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 Further the company has withdrawn all its undertakings given to UPPCL and lodged a claim of Rs. 1,15,722 lakhs. UPERC vide its Order dated 28.06.2019 has allowed the claim of SPGCL for Rs. 25,137 Lakhs along with interest @ 9% p.a. (Simple interest) on Rs.14,925 Lakhs for the period from 11.04.2014 to 31.03.2019 and also directed UPPCL to immediately release Performance Bank Guarantee to SPGCL and SPGCL to transfer the entire land in their possession to UPPCL. UPPCL and SPGCL has since appealed against the said order in APTEL, hearing in the case is completed and Order is reserved by APTEL. Pending these, no provision has been considered necessary by the management at this stage in the carrying value of project assets, for impairment. This indicates the existence of 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 results.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

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

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

- a) We have sought and obtained, except for the effect of the matter described in the "Basis for Qualified Opinion" paragraph, 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 effect of the matter 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, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) Except for the effect of the matter described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the "Basis of 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



- g) We Report that there is no Company Secretary as on 31.3.2020 as required by section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- h) The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the "Basis for Qualified Opinion" paragraph;
- i) 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 A". Our report expresses a Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting 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.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 26 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There are no amounts that were due for being transferred to the Investor Education and Protection Fund by the Company.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N

  
(CA Manoj Vats)  
Partner  
Membership No- 527922  
Place: Delhi  
Date: 22<sup>nd</sup> May, 2020  
UDIN- 20527922AAAAABQ6880



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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, 2020 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. 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.

#### **Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 31<sup>st</sup> March, 2020:

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 result 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 Control 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**

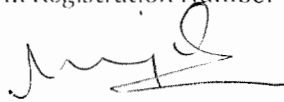
In our opinion, to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the material misstatements described in "Basis of Qualified Opinion" paragraph, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over



financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 financial statements of the company as at 31<sup>st</sup> March, 2020, 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 Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N



(CA Manoj Vats)  
Partner  
Membership No- 527922  
Place: Delhi  
Date: 22<sup>nd</sup> May, 2020  
UDIN- 20527922AAAAABQ6880



**ANNEXURE 'B' referred to in paragraph 2 of our report of even date to the members of SANGAM POWER GENERATION COMPANY LIMITED on the accounts of the Company for the year ended 31<sup>st</sup> March 2020.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A substantial portion of the Fixed Assets have been physically verified by the management during the year and to the best of our knowledge and information given to us, no material discrepancies were identified on such verification.
- (c) The title deed of immovable property is not in the name of the company as mentioned in Basis of Qualification.
- (ii) As the company has no inventory, Clause 3(ii) of the Order is not applicable.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made investments, given guarantees, and security, hence Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) In our opinion Clause (vi) of Para 3 of the Order relating to cost accounting records is not applicable.
- (vii) (a) As per records produced before us and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues applicable to it like, various taxes like GST, Excise, PF etc, and other material statutory dues applicable to it with the appropriate authorities, and there were no arrears of such dues at the end of the year which have remained outstanding for a period of more than six months from the date they became payable except Income Tax as mentioned below:

<u>Name of Statute</u>	<u>Nature of Dues</u>	<u>Amount in Rs.</u>	<u>Period to which it pertains</u>	<u>Remarks</u>
The Income Tax Act, 1961	Income Tax	5,17,39,934/-	AY 2011-12	Including Interest
		53,71,710/-	AY 2012-13	Including Interest

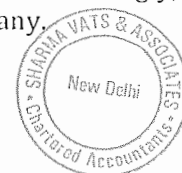




(b) As per records produced before us there are no dues of Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, GST and cess which have not been deposited on account of any dispute as on 31<sup>st</sup> March, 2020 except Income Tax as mentioned below:

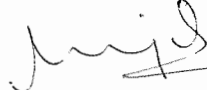
<u>Name of Statute</u>	<u>Nature of Dues</u>	<u>Amount (in Rs.)</u>	<u>Period to which it pertains</u>	<u>Forums where dispute is pending</u>	<u>Amount paid (in Rs.)</u>
The Income Tax Act, 1961	Income Tax	3,60,00,000/-	AY 2011-12	ITAT Lucknow	-
		40,00,000/-	AY 2012-13	ITAT Lucknow	-
		43,27,695/-	AY 2013-14	Including Interest	38,78,785/-
		36,57,481/-	AY 2014-15	Including Interest	19,89,549/-


- (viii) As the Company has not issued any debentures nor taken any loans from banks or financial institutions, Clause 3(viii) of the Order is not applicable.
- (ix) The Company has not taken any term loans nor raised any money by way of initial public offer or further public offer (including debt instruments) hence Clause 3(ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid any managerial remuneration hence Clause 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.



(xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration Number 031486N

  
(CA Manoj Vats)  
Partner  
Membership No- 527922  
Place: Delhi  
Date: 22<sup>nd</sup> May, 2020  
UDIN- 20527922AAAAABQ6880



# **SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

**BALANCE SHEET AS AT 31.03.2020**

**AND**

**PROFIT & LOSS ACCOUNT**

**For the period**

**01.04.2019 to 31.03.2020**

**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**

**Significant Accounting Policies**

**2.1 Basis of preparation of financial statements:-**

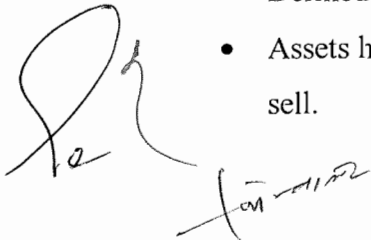
The Company has adopted accounting policies that comply with Indian Accounting standards (Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013, as required by the relevant applicability provisions prescribed in the same 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.

#### **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 14, 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.


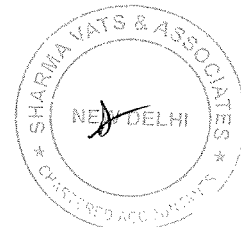

An asset is treated as current when it (a) Expected to be realized or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realized within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless 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, results 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 indentified 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 started.

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.

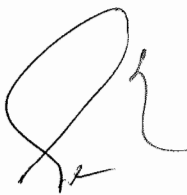
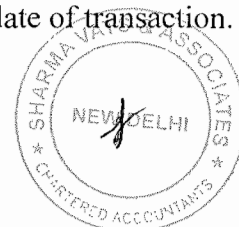

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. 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.

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.

<b>Assets</b>	<b>Useful Lives</b>
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

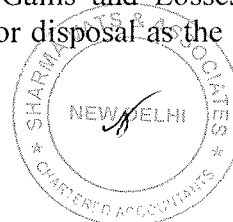
Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance 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.

**2.13 Employee Benefits:-**

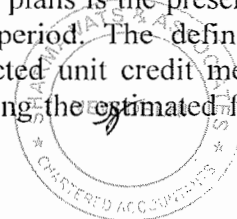
Employee benefits consist of contribution to employees state insurance, provident fund, gratuity fund and compensated absences.

**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:-**

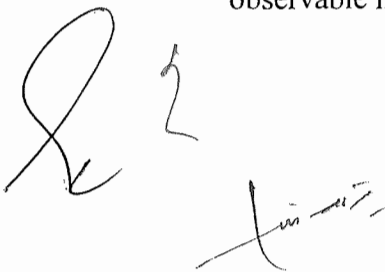
The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the 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 minimising the use of unobservable inputs.



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:-**



A handwritten signature in black ink, appearing to be "S. Vats".

A handwritten signature in black ink, appearing to be "S. Vats".

**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN – U40102UP2007PLC032843**

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.

**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**


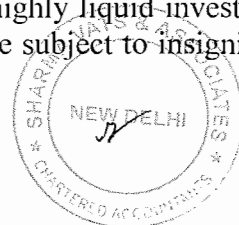
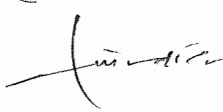
All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company 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.

**ii) Borrowings:-**

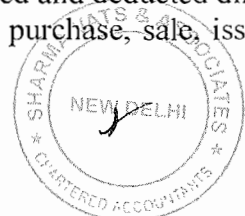
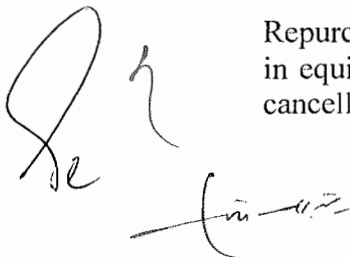
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using 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**

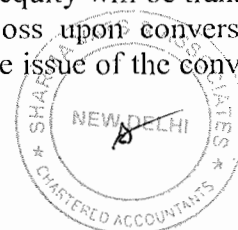
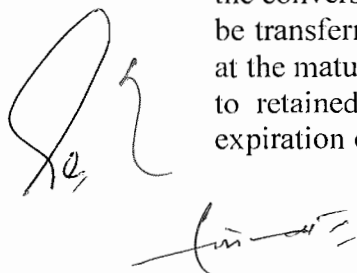
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised 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.

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 recognized 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.


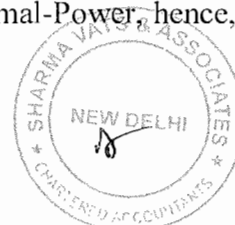
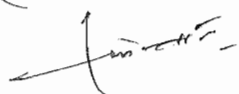
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## **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.

**2.24 Leases**

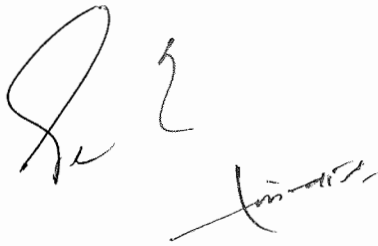
**Finance lease**

Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

**Operating lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Indian Accounting Standard (Ind AS) 116, Leases, was notified as part of the Companies (Indian Accounting Standards) (Amendment) Rules, 2019, issued by the Ministry of Corporate Affairs, Government of India, vide notification dated March 30, 2019. These Rules came into force w.e.f. April 1, 2019. Accordingly, Ind AS 116, comes into effect in respect of annual reporting periods beginning on or after 1st April, 2019. The same is not applicable to the company.







# SANGAM POWER GENERATION COMPANY LTD.

Regd. Office : Sector- 128, Noida - 201304 (U.P.)

AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31ST MARCH, 2020

(Amount in Rupees)


Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Unaudited	Audited	Audited
I Revenue from operations	-	-	-	-	-
II Other income	606,157	767,956	1,615,625	2,557,994	2,754,042
III Total Revenue (I+II)	606,157	767,956	1,615,625	2,557,994	2,754,042
IV Expenses					
Employee benefits expense	-	6,790	197,668	293,094	711,779
Finance costs	2,240,350	11,734,355	9,707,946	21,764,392	35,219,222
Depreciation and amortization	3,668	892	1,442	14,672	14,672
Other expenses	40,120	128,382	148,120	370,062	259,217
Total expenses (IV)	2,284,138	11,870,419	10,055,176	22,442,220	36,204,890
V Profit / (loss) before exceptional items and tax (III-IV)	(1,677,981)	(11,102,463)	(8,439,551)	(19,884,226)	(33,450,848)
VI Exceptional items	-	-	-	-	-
VII Profit / (loss) before tax (V+VI)	(1,677,981)	(11,102,463)	(8,439,551)	(19,884,226)	(33,450,848)
VIII Tax expense					
(1) Current tax	-	-	-	-	-
(2) MAT credit entitlement	-	-	-	-	-
(3) Income tax of earlier years	6,119,104	-	39,653,981	6,119,104	39,653,981
(4) Reversal of MAT credit entitlement of earlier years	-	-	-	-	-
(5) Deferred tax	-	-	-	-	-
IX Profit / (Loss) for the period (VII-VIII)	(7,797,085)	(11,102,463)	(48,093,532)	(26,003,330)	(73,104,829)
X Other Comprehensive Income					
a) i) Items that will not be reclassified to profit & loss account	468,701	-	(45)	468,701	(45)
ii) Income tax relating to items will be reclassified to profit & loss account	-	-	-	-	-
b) i) Items that will be reclassified to profit & loss account	-	-	-	-	-
ii) Income tax relating to items will be reclassified to profit & loss account	-	-	-	-	-
Other comprehensive income for the period (X)	468,701	-	(45)	468,701	(45)
Total comprehensive income for the period (IX+X) (Comprising Profit (Loss) and Other comprehensive income for the period)	(7,328,384)	(11,102,463)	(48,093,577)	(25,534,629)	(73,104,874)
XI					(3,238,346,980)
XII Other equity					
XIII Paid-up Equity Share Capital (Face Value of Rs 10/- per share)	551,977,200	551,977,200	551,977,200	551,977,200	551,977,200
XIV Earnings Per Share (EPS) (Rs.)					
a) Basic EPS	(0.01)	(0.02)	(0.09)	(0.05)	(0.13)
b) Diluted EPS	(0.01)	(0.02)	(0.09)	(0.05)	(0.13)

**Notes:-**


- 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.
- 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. SPGCL has withdrawn all its undertakings given to UPPCL and lodged a claim of Rs. 115.722 Lakh 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.
- Hon'ble UPERC has concluded the hearing and vide order dated 28.6.2019 directed as under:-
  - The Power Purchase Agreement dated 17.10.2008 and the Share Purchase Agreement dated 23.07.2009 would stand terminated. As a consequence of termination of share purchase agreement, the UPPCL shall become the owner of Sangam Power Generation Company Ltd
  - Allowed reimbursement of actual expenditure for Rs 251.37 crores and allowed interest @ 9% (simple) on Rs 149.25 crores which includes expenditure on Land, Advances and Admin. Expenses.
  - The UPPCL will immediately release the Bank Guarantees provided by the Petitioner (SPGCL).
  - UPPCL has filed an appeal with APTEL and Hearing is concluded and Order is reversed by Authority.
- 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 vide their order dated 31.8.2017. 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.


As per our report of even date attached

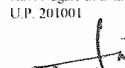
For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N

  
Manoj Vats  
Partner  
Membership No. 527922

For and on behalf of the Board

  
D.P. Goyal  
Managing Director  
DIN 00211541  
Address:- KK/97  
Kavi Nagar, Ghaziabad,  
U.P. 201001

  
Pankaj Gaur  
Director  
DIN 00008419  
Address:- A/17  
Vasant Vihar, New Delhi  
Pin 110057

  
Satish Senwal  
CFO  
PAN ASGPS7187J

Date : 22nd May, 2020  
Place: New Delhi

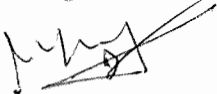
**SANGAM POWER GENERATION COMPANY LIMITED**  
CIN- U40102UP2007PLC032843  
**BALANCE SHEET AT MARCH 31, 2020**

Particulars	Note	As at MARCH 31, 2020	As at March 31, 2019
<b>(Amount in Rupees)</b>			
<b>Assets</b>			
<b>Non Current assets</b>			
(i) Property, Plant and Equipment	3	67,50,26,078	67,50,40,750
(ii) Capital work in progress	4	1,08,03,61,991	1,08,03,61,991
<b>Financial Assets</b>			
(i) Other Financial Assets	5	30,02,50,000	30,02,50,000
Non-Current Tax assets (Net)	6	73,20,255	70,65,153
Other non current assets	7	22,47,89,296	22,47,89,296
		2,28,77,47,620	2,28,75,07,190
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Cash and Cash Equivalnts	8	2,26,378	10,75,924
(ii) Bank balance other than (i) above	9	4,42,32,175	4,18,61,459
(iii) Other financial assets	10	11,41,328	12,16,126
Other Current assets	11	21,92,155	19,47,169
		4,77,92,036	4,61,00,678
<b>Total Assets</b>		2,33,55,39,656	2,33,36,07,868
<b>Equity</b>			
(i) Equity Share Capital	12	5,51,97,72,000	5,51,97,72,000
(ii) Other Equity	13	(3,26,43,50,310)	(3,23,83,46,980)
<b>Total Equity</b>		2,25,54,21,690	2,28,14,25,020
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Provisions	14	-	11,217
<b>Total Non-Current Liabilities</b>		-	11,217
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Other Financial Liabilities	15	2,26,79,992	8,47,496
Other current liabilities	16	10,000	15,000
Provisions	17	-	265
Current Tax Liabilities (Net)	18	5,74,27,974	5,13,08,870
<b>Total Current Liabilities</b>		8,01,17,966	5,21,71,631
<b>Total Equity and Liabilities</b>		2,33,55,39,656	2,33,36,07,868

**Summary of Significant Accounting Policies** Note-2  
Note Nos. 1 to 35 are integral part of Financial Statements

As per our report of even date attached

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N



**Manoj Vats**  
Partner  
Membership No. 527922




Place: New Delhi  
Date : 22nd May, 2020


For and on behalf of the Board

  
**D.P. Goyal**  
Managing Director  
DIN 00211541

Address:- KK/97  
Kavi Nagar, Ghaziabad,  
U.P. 201001

  
**Pankaj Gaur**  
Director  
DIN 00008419

Address:- A1/7  
Vasant Vihar, New Delhi  
Pin 110057

  
**Satish Semwal**  
CFO  
PAN ASGPS7187J

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

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2020**

(Amount in Rupees)

Particulars	Note	For the Period Ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from Operations</b>			
Other income	19	25,57,994	27,54,042
<b>Total income</b>		<b>25,57,994</b>	<b>27,54,042</b>
<b>Expenses:</b>			
Employee benefits expense	20	2,93,094	7,11,779
Finance costs	21	2,17,64,392	3,52,19,222
Depreciation and amortization expense	22	14,672	14,672
Other expenses	23	3,70,062	2,59,217
<b>Total expenses</b>		<b>2,24,42,220</b>	<b>3,62,04,890</b>
<b>Profit before exceptional Item and Tax</b>		<b>(1,98,84,226)</b>	<b>(3,34,50,848)</b>
Exceptional items		-	-
<b>Profit before Tax</b>		<b>(1,98,84,226)</b>	<b>(3,34,50,848)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Taxes related to earlier year ( Refer Note -30)		61,19,104	3,96,53,981
<b>Profit/(loss) for the year</b>		<b>(2,60,03,330)</b>	<b>(7,31,04,829)</b>
<b>Other comprehensive income</b>			
a i Items that will not be reclassified to profit or loss		4,68,701	(45)
ii Income tax relating to items that will not be reclassified to profit or loss		-	-
b i Items that will be reclassified to profit or loss		-	-
ii Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the period</b>	<b>(Comprising Profit/(Loss) and Other Comprehensive Income)</b>	<b>(2,55,34,629)</b>	<b>(7,31,04,874)</b>
<b>Earnings per equity share</b>		<b>(0.05)</b>	<b>(0.13)</b>

Summary of Significant Accounting Policies  
Note Nos. 1 to 35 are integral part of Financial Statements  
As per our report of even date attached

Note-2

For and on behalf of the Board

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N



**Manoj Vats**  
Partner  
Membership No. 527922



Place: New Delhi  
Date : 22nd May, 2020

  
**D.P. Goyal**

**Managing Director**  
DIN 00211541

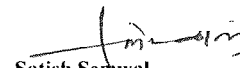
Address:- KK/97  
Kavi Nagar, Ghaziabad,  
U.P. 201001



**Pankaj Gaur**

**Director**  
DIN 00008419

Address:- A1/7  
Vasant Vihar, New Delhi  
Pin 110057


  
**Satish Semwal**

**CFO**  
PAN ASGPS7187J

**SANGAM POWER GENERATION COMPANY LIMITED**  
**CIN- U40102UP2007PLC032843**  
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(Amount in Rupees)</b>		
<b>A Cash flows from operating activities</b>		
Profit for the year before tax	(1,98,84,226)	(3,34,50,847)
Adjustments for:		
Depreciation and amortization expenses	14,672	14,672
Interest Income	(25,51,020)	(27,54,042)
Exception items (Advances written off)	-	-
Interest on Income Tax	-	1,16,54,889
<b>Operating profit before working capital changes</b>	<b>(2,24,20,574)</b>	<b>(2,45,35,329)</b>
Adjustments for :		
(Increase) / decrease in other financial assets (excluding advance tax)	-	2,63,73,525
(Increase) / decrease in other current assets	(2,44,986)	(19,43,663)
Increase / (decrease) in other current liabilities	(5,000)	15,000
Increase / (decrease) in other financial liabilities and provision	2,22,89,715	6,73,278
<b>Cash generated from operations</b>	<b>(3,80,845)</b>	<b>5,82,811</b>
	<b>(2,55,102)</b>	<b>(2,75,405)</b>
<b>Net Cash flow generated from operating activities</b>	<b>(6,35,947)</b>	<b>3,07,406</b>
<b>B Cash flow from investing activities</b>		
Sale of Property, Plant and Equipments	-	-
Interest Income	26,25,818	27,43,453
Movement in Bank Balances other than cash and cash equivalents	(23,70,716)	(24,68,048)
<b>Net cash flows (used in) investing activities</b>	<b>2,55,102</b>	<b>2,75,405</b>
<b>C Cash flow from financing activities</b>		
Loan from Related party	-	-
Changes in security deposit	-	-
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>(3,80,845)</b>	<b>5,82,811</b>
Cash and cash equivalents at the beginning of the year	10,75,924	4,93,112
Cash and cash equivalents at the end of the year	<b>6,95,079</b>	<b>10,75,924</b>
<b>Notes to cash flow statement:</b>		
Cash and cash equivalents include :		
Cash on hand	56,740	76,149
Balances with banks:	1,69,638	9,99,775
<b>Cash and cash equivalents at the end of the year</b>	<b>2,26,378</b>	<b>10,75,924</b>
[refer note no 8]		

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N



**Manoj Vats**  
Partner  
Membership No. 527922



Place: New Delhi  
Date : 22nd May, 2020

For and on behalf of the board



**D.P. Goyal**  
Managing Director  
DIN 00211541

Address:- KK/97  
Kavi Nagar, Ghaziaba  
U.P. 201001



**Pankaj Gaur**  
Director  
DIN 00008419

Address:- A1/7  
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Pin 110057



**Satish Semwal**  
CFO  
PAN ASGPS7187J

**SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

Statement of changes In equity for the period ended as on March 31, 2020

**A. Equity Share Capital**

(Amount in Rupees)

Equity Shares of Rs 10/- each issued, subscribed and fully paid up.

Balance as at April 01, 2018	Changes during the year	Balance as at March 31, 2019	Changes during the year	Balance as at March 31, 2020
5,51,97,72,000	-	5,51,97,72,000	-	5,51,97,72,000
<b>Number of Shares</b>		<b>Number of Shares</b>		<b>Number of Shares</b>
55,19,77,200	-	55,19,77,200	-	55,19,77,200

**B. Other Equity**

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained earnings		
<b>Balance as at April 1, 2018</b>	<b>(3,16,57,10,853)</b>	<b>4,68,746</b>	<b>(3,16,52,42,107)</b>
Profit/(loss) during the year	(7,31,04,829)		(7,31,04,829)
Remeasurement of defined benefit plan	-	(45)	(45)
Total Profit/ (Loss) After Comprehensive income for the year	(7,31,04,829)	(45)	(7,31,04,874)
<b>Balance as at March 31, 2019</b>	<b>(3,23,88,15,681)</b>	<b>4,68,701</b>	<b>(3,23,83,46,980)</b>
Profit/(loss) during the year	(2,60,03,330)	-	(2,60,03,330)
Remeasurement of defined benefit plan	4,68,701	(4,68,701)	-
Total Profit/ (Loss) After Comprehensive income for the year	(2,55,34,629)	(4,68,701)	(2,60,03,330)
<b>Balance as at March 31, 2020</b>	<b>(3,26,43,50,310)</b>	<b>-</b>	<b>(3,26,43,50,310)</b>

**Summary of Significant Accounting Policies**


Note-2

Note Nos. 1 to 35 are integral part of Financial Statements

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


For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N

FOR SANGAM POWER GENERATION COMPANY LTD.


  
Manoj Vats  
Partner  
Membership No. 527922




Place: New Delhi  
Date : 22nd May, 2020

  
D.P. Goyal  
Managing Director  
DIN 00211541

Address:- KK/97  
Kavi Nagar, Ghaziabad,  
U.P. 201001

  
Pankaj Gaur  
Director  
DIN 00008419

Address:- A1/7  
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Satish Semwal  
CFO  
PAN ASGPS7187J

**SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

**NOTE 3: NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2020**

Particulars	Land Free Hold	Furniture & Fittings	Office Equipments	Vehicles	Computer	Total
Cost or deemed cost						
Gross Carrying Value						
As at April 1, 2018	67,49,17,240	2,72,576	3,71,606	13,04,541	3,03,477	67,71,69,440
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Exchange translation adjustments	-	-	-	-	-	-
As at April 1, 2019	67,49,17,240	2,72,576	3,71,606	13,04,541	3,03,477	67,71,69,440
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Exchange translation adjustments	-	-	-	-	-	-
Balance as at March, 31,2020	67,49,17,240	2,72,576	3,71,606	13,04,541	3,03,477	67,71,69,440
<b>Accumulated Depreciation</b>						
As at April 1, 2018		2,29,626	3,56,772	12,39,313	2,88,307	21,14,018
Charge for the year	-	14,672	-	-	-	14,672
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at April 1, 2019		2,44,298	3,56,772	12,39,313	2,88,307	21,28,690
Charge for the year	-	14,672	-	-	-	14,672
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at March, 31,2020	-	2,58,970	3,56,772	12,39,313	2,88,307	21,43,362
Net Carrying Value as at March 31,2018	67,49,17,240	42,950	14,834	65,228	15,170	67,50,55,422
Net Carrying Value as at March 31,2019	67,49,17,240	28,278	14,834	65,228	15,170	67,50,40,750
Net Carrying Value as at March 31,2020	67,49,17,240	13,606	14,834	65,228	15,170	67,50,26,078

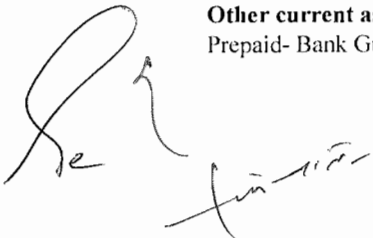


**SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 4</b>		
<b>Capital work in progress</b>		
Capital work in progress	1,08,03,61,991	1,08,03,61,991
	<b>1,08,03,61,991</b>	<b>1,08,03,61,991</b>
<b>Note 5</b>		
<b>Other financial assets</b>		
(unsecured considered good, unless otherwise stated)		
Security Deposits	30,02,50,000	30,02,50,000
	<b>30,02,50,000</b>	<b>30,02,50,000</b>
<b>Note 6</b>		
<b>Non Current tax Assest (Net)</b>		
Advance income tax(net)	73,20,255	70,65,153
	<b>73,20,255</b>	<b>70,65,153</b>
<b>Note 7</b>		
<b>Other non-current assets</b>		
(unsecured considered good, unless otherwise stated)		
Capital advances	22,47,89,296	22,47,89,296
	<b>22,47,89,296</b>	<b>22,47,89,296</b>
<b>Note 8</b>		
<b>Cash and Cash Equivalents</b>		
Balance with banks current accounts	1,69,638	9,99,775
Cash on hand	56,740	76,149
	<b>2,26,378</b>	<b>10,75,924</b>
<b>Note 9</b>		
<b>Bank balances other than Cash and cash equivalents</b>		
Fixed deposits with original maturity within 12 months*	4,42,32,175	4,18,61,459
	<b>4,42,32,175</b>	<b>4,18,61,459</b>
*Pledged with Bank as margin money against Bank Guarantee		
<b>Note 10</b>		
<b>Other financial assets</b>		
(unsecured considered good, unless otherwise stated)		
Interest accrued on fixed deposit with banks	1,06,561	1,81,359
Advance to related party*	10,34,767	10,34,767
	<b>11,41,328</b>	<b>12,16,126</b>
*Receivable from Jaypee Meghalaya Power Ltd.		
<b>Note 11</b>		
<b>Other current assets</b>		
Prepaid- Bank Guarantee Commission	21,92,155	19,47,169
	<b>21,92,155</b>	<b>19,47,169</b>




## SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 12</b>		
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
4,00,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,00,000 Equity Shares of Rs. 10 each)	40,00,00,00,000	40,00,00,00,000
<b>Issued, Subscribed and Fully Paid up</b>		
55,19,77,200 Equity Shares of Rs. 10 each (Previous year 55,19,77,200 Equity Shares of Rs.10 each)	5,51,97,72,000	5,51,97,72,000
<b>Total</b>	<b>5,51,97,72,000</b>	<b>5,51,97,72,000</b>

**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	55,19,77,200	55,19,77,200
Add: Issued during the Period	-	-
Number of Shares outstanding at the end of the Period	<b>55,19,77,200</b>	<b>55,19,77,200</b>

12.2 The Company being wholly owned subsidiary, subscribed share capital 55,19,77,2000 (55,19,77,200 equity shares), being more than 5 percent are held by Jaiprakash Power Ventures Limited the Holding Company.

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.

*Se*  
*Am*





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

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

**Note 13**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Equity</b>		
<b>(i) Reserve &amp; Surplus</b>		
<b>(A) Retained Earning</b>		
Opening balance	(3,23,88,15,681)	(3,16,57,10,853)
Profit/(Loss) for the year	(2,60,03,330)	(7,31,04,829)
Addition/Deduction during the year	4,68,701	
<b>Closing Balance</b>	<b>(3,26,43,50,310)</b>	<b>(3,23,88,15,681)</b>
<b>Total</b>	<b>(3,26,43,50,310)</b>	<b>(3,23,88,15,681)</b>
<b>(ii) Other comprehensive Income</b>		
<b>(A) Remeasurement of Defined benefit plan</b>		
Opening balance	4,68,701	4,68,746
Addition/Deduction during the year	(4,68,701)	(45)
Less: amount transferred to general reserve	-	-
<b>Closing balance</b>	<b>-</b>	<b>4,68,701</b>
<b>Total</b>	<b>-</b>	<b>4,68,701</b>
<b>Total</b>	<b>(3,26,43,50,310)</b>	<b>(3,23,83,46,980)</b>

**Nature and purpose of Reserves**

1. Retained earnings comprises of the profits of the Company earned till date net of disributions 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.

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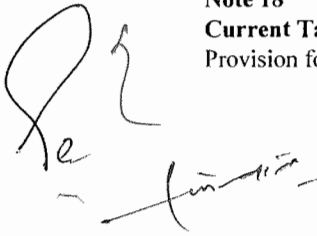


## SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

Particulars	(Amount in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 14</b>		
<b>Long term provisions</b>		
Provision for employee benefits		
(i) Gratuity	-	6,962
(ii) Leave Encashment	-	4,255
	-	<u>11,217</u>
<b>Note 15</b>		
<b>Other financial liabilities</b>		
Salary and benefits Payable	-	50,454
Payable to Related Party*	2,25,71,092	6,62,042
Provision / Payable for Expenses	1,08,900	1,35,000
	<u>2,26,79,992</u>	<u>8,47,496</u>
*Payable to Jaiprakash Associates Ltd.		
<b>Note 16</b>		
<b>Other current liabilities</b>		
Statutory Dues Payable	10,000	15,000
	<u>10,000</u>	<u>15,000</u>
<b>Note 17</b>		
<b>Short term provisions</b>		
Provision for employee benefits		
(i) Gratuity	-	12
(ii) Leave encashment	-	253
	-	<u>265</u>
<b>Note 18</b>		
<b>Current Tax Liabilities(Net)</b>		
Provision for Income Tax(Net) ( Refer Note - 30)	5,74,27,974	5,13,08,870
	<u>5,74,27,974</u>	<u>5,13,08,870</u>

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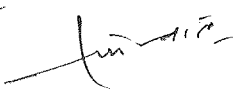
## SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

Particulars	(Amount in Rupees)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Note 19</b>		
<b>Other income</b>		
Interest on Bank deposits	25,51,020	27,54,042
Miscellaneous income	6,974	-
	<u>25,57,994</u>	<u>27,54,042</u>
<b>Note 20</b>		
<b>Employee benefit expense</b>		
Salaries and wages (including gratuity Rs. Nil (Previous Year Rs 3,811/-)	2,93,094	7,11,779
	<u>2,93,094</u>	<u>7,11,779</u>
<b>Note 21</b>		
<b>Finance cost</b>		
Interest on Gratuity	-	226
Interest on Income Tax ( Refer Note -31)	-	1,16,54,889
Other Borrowing Cost	2,17,64,392	2,35,64,107
	<u>2,17,64,392</u>	<u>3,52,19,222</u>
<b>Note 22</b>		
<b>Depreciation and amortization expense</b>		
Depreciation on tangible assets	14,672	14,672
	<u>14,672</u>	<u>14,672</u>
<b>Note 23</b>		
<b>Other expenses</b>		
Consultancy, legal and professional fee	77,604	91,784
Miscellaneous expenses	1,40,185	22,464
Printing and stationery	-	5,076
Travelling and conveyance	9,960	-
Insurance	13,693	21,893
Auditors Remuneration		
~Statutory Audit Fee/Expenses	1,18,000	1,18,000
~Certification Charges	10,620	-
	<u>3,70,062</u>	<u>2,59,217</u>



**SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

**Note 24 : Fair Value Measurement**

**Categories of financial instruments**

(Amount in Rs)

<b>Financial assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Measured at amortised cost</b>		
(i) Cash and Cash Equivalents	2,26,378	10,75,924
(ii) Bank Balances other than Cash and Cash Equivalents	4,42,32,175	4,18,61,459
(iii) Other financial assets	30,13,91,328	30,14,66,126
<b>Total</b>	<b>34,58,49,881</b>	<b>34,44,03,509</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>	-	-
(i) Other financial liabilities	2,26,79,992	8,47,496
<b>Total</b>	<b>2,26,79,992</b>	<b>8,47,496</b>

<b>Particulars</b>	<b>Carrying value</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>i) Financial assets - Current</b>		
Cash and cash equivalents	2,26,378	10,75,924
Bank Balances other than Cash and Cash Equivalents	4,42,32,175	4,18,61,459
Other Financial assets	30,13,91,328	30,14,66,126
		-
<b>ii) Financial liabilities - Current</b>		
Other financial liabilities	2,26,79,992	8,47,496

The fair values of cash & 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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**SANGAM POWER GENERATION COMPANY LIMITED**

CIN- U40102UP2007PLC032843

Notes Forming part of Standalone Financials Statements for the period ended on 31st March, 2020

**Financial Instruments and Risk Management**

**Note - 25 - Fair Value Measurement**

**(i) Financial instruments by category**

	31.03.2020		31.03.2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
- Equity Instruments	-	-	-	-
- Preference Shares	-	-	-	-
- Mutual Fund	-	-	-	-
- Bonds	-	-	-	-
- Interest in Beneficiary Trust	-	-	-	-
Trade Receivables	-	-	-	-
Loans	-	-	-	-
Other Financial Assets	-	11,41,328	-	12,16,126
Cash and Cash Equivalents	-	2,26,378	-	10,75,924
Bank Balance Other than Cash and Cash	-	4,42,32,175	-	4,18,61,459
<b>Total Financial Assets</b>	-	<b>4,55,99,881</b>	-	<b>4,41,53,509</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities	-	2,26,79,992	-	8,47,496
<b>Total Financial Liabilities</b>	-	<b>2,26,79,992</b>	-	<b>8,47,496</b>

**Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

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

The fair values of cash & bank balances, security deposit to government department, current creditors and current borrowings and other financial liability are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities

Particulars	As at March,	
	2020	As at March, 2019
<b>(i) Financial Assets- Current</b>		
Other Financial Assets	11,41,328	12,16,126
Cash and Cash Equivalents	2,26,378	10,75,924
Bank Balance Other than Cash and Cash Equivalents	4,42,32,175	4,18,61,459
<b>Total</b>	<b>4,55,99,881</b>	<b>4,41,53,509</b>
<b>(i) Financial Liabilities- Current</b>		
Other Financial Liabilities	2,26,79,992	8,47,496
<b>Total</b>	<b>2,26,79,992</b>	<b>8,47,496</b>

**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.

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables, trade payables, short term borrowing, other financial assets/ Liabilities, cash and cash equivalents, are considered to be their fair value, due to their short term nature.



Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

## (ii) : 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 .

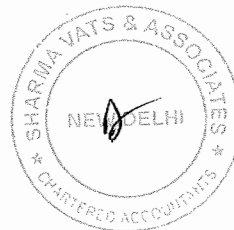
The Company does not have any borrowing therefore, the company is not exposed to Interest rate risk.

#### (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.					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
<b>As at March 31, 2020</b>					
Other financial liabilities	2,26,79,992			2,26,79,992	2,26,79,992
<b>Total</b>					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
<b>As at March 31, 2019</b>					
Other financial liabilities	8,47,496			8,47,496	8,47,496
<b>Total</b>					



Handwritten signature and initials, possibly "S. V." and "S. V.", written in black ink.

## Note 25 (iii) Capital Management

### (A) Risk Management

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt

### Gearing ratio

The gearing ratio at end of the reporting period was as follows.

(Rupees in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt*	-	-
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	2,26,378	10,75,924
<b>Net debt</b>	<b>(2,26,378)</b>	<b>(10,75,924)</b>
Total Equity	2,25,54,21,690	2,28,14,25,020
<b>Net Debts and Total equity</b>	<b>2,25,51,95,312</b>	<b>2,28,03,49,096</b>
Net debt to equity ratio	-0.01%	-0.05%

\*Debt is defined as long-term and short-term borrowings including current maturities and books overdraft

Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.



A handwritten signature in black ink, appearing to be 'S. Vats'.



**SANGAM POWER GENERATION COMPANY LIMITED****CIN – U40102UP2007PLC032843****Note- 26**

(a) **Contingent Liabilities & Other Commitments not provided for as at March 31, 2020 are as under:**

Particulars	As at March 31, 2020 Amount (Rs.)	As at March 31, 2019 Amount (Rs.)
(i) Outstanding amount of Bank Guarantees	3,37,45,000	3,37,45,000
Margin Money against above	4,42,32,175	4,18,61,459
(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	4,79,85,176	5,67,07,684
Rs. Nil paid against the demand. (Nil Paid in Previous Year)		

(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.

**Note- 27**

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:-



**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN – U40102UP2007PLC032843**

*“Writ Petition No. 3689 of 2010 (Anand Prakash and another vs. State of U. P. and others) and five other writ petitions relating to Tehsil Karchhana, Dist. Allahabad are allowed. The notification dated 23<sup>rd</sup> November, 2007 issued under Section 4 read with Section 17 (1) and 17 (4) of the Act as well as the declaration under Section 6 of the Act dated 3<sup>rd</sup> March, 2008 are quashed subject to deposit of compensation, if any, received by the petitioners before The Chairman, U. P. Electricity Regulatory Commission. It shall be 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 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. 115722 Lakh (inclusive of Rs 31324.99 Lakh paid to L&T towards BTG advance) on them vide its letter no. SPGCL/NOIDA/2018/01 dated 13.03.2018 and subsequently filed an appeal with UPERC.

UPERC vide its Order dated 28.06.2019 has allowed the claim of SPGCL for Rs. 25,137 Lakhs along with interest @ 9% p.a. (Simple interest) on Rs.14,925 Lakhs for the period from 11.04.2014 to 31.03.2019 and also directed UPPCL to immediately release Performance Bank Guarantee to SPGCL and SPGCL to transfer the entire land in their possession to UPPCL.

UPPCL and SPGCL has since appealed against the said order in APTEL, hearing in the case is completed and Order is reserved by APTEL. Pending decision of Appeal with APTEL, projects assets comprising Capital work in progress, Security Deposits (Non-Current Other Financial assets) and Capital Advances aggregating to Rs. 1,080,361,990, Rs. 300,250,000 and Rs. 224,789,296 respectively are considered recoverable.

**Note-28**

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. 3,96,53,981 and Rs. 1,16,54,889 respectively as per order passed by the assessing authority.



**SANGAM POWER GENERATION COMPANY LIMITED****CIN – U40102UP2007PLC032843****Note- 29****Due to Micro and Small Enterprises:**

Disclosure as required under Notification dated 22nd January, 2019 issued by the Ministry of Corporate Affairs (As certified by the Management)

S. No.	Particulars	For the year ended March 31, 2020 Amount (Rs.)	For the year ended March 31, 2019 Amount (Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier		
	-Principal Amount	Nil	Nil
	-Interest Amount	Nil	Nil
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payment made to the supplies beyond the appointed day.	Nil	Nil
c)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed during year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d)	The amount of interest accrued and remaining unpaid	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

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



**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN - U40102UP2007PLC032843**

**Note- 30**

**Income Tax Expense**

**(Amount in Rs.)**

(A)	Components of Income Tax Expenses	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Current Tax	-	-
	Deferred Tax on account of temporary differences	-	-
	Tax related to earlier years	-	39,653,981
	<b>Tax expense recognized in the statement of Profit and Loss</b>	-	39,653,981

(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, 2020 and March 31, 2019.

**(Amount in Rs.)**

(C)	Tax Assets and Liabilities	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Non-Current tax assets (net)	73,20,255	7,065,153
	Current tax liabilities (net)	57,427,974	51,308,870

**Note- 31**

**Earnings Per Share (EPS)**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Net Profit/ (Loss) for the period (before OCI)	(2,60,03,330)	(7,31,04,829)
Weighed average no. of Equity Shares	55,19,77,200	55,19,77,200
Basic and Diluted Earning per Share (Rs)	(0.05)	(0.13)
Face Value of each Share (Rs)	10/-	10/-

*Se*  
*for*



**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN – U40102UP2007PLC032843**

**Note- 32**

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

List of Related Parties and Relationship

**I. AS PER ACCOUNTING STANDARD (IND-AS-24)**

**I. Holding Company**

1. Jaiprakash Power Ventures Limited (JPVL)

**II. Fellow Subsidiary Companies**

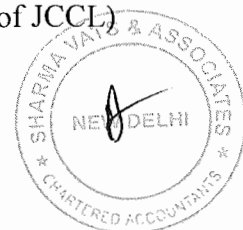
1. Jaypee Powergrid Limited (**JV subsidiary** of JPVL)
2. Jaypee Arunachal Power Limited (**JV subsidiary** of JPVL)
3. Jaypee Meghalaya Power Limited (subsidiary of JPVL)
4. Bina Power Supply Limited (subsidiary of JPVL)

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

Jaiprakash Associates Limited (JAL)

**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)



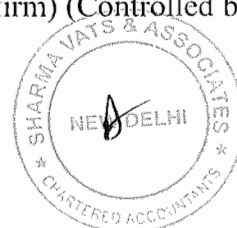
**SANGAM POWER GENERATION COMPANY LIMITED**

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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)
16. Jaypee Uttar Bharat Vikas Private Limited (**JUBVPL**)
17. Kanpur Fertilizers & Cement Limited

**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)
3. Jaiprakash Exports 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. Renaissance Lifestyle Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
13. Gandharv Buildcon Private Limited (KMP based Associate Co.) (controlled by relative of Shri Suren Jain)
14. Viaan Technologies (P) 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) (Controlled by Shri R.N. Bhardwaj and his relatives)



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17. **Sandhar Hospitality** (KMP based partnership firm) (controlled by Ms. Sunita Joshi and her relative)
18. Librans Ventures Private Limited
19. Saindhar Infosystems Private Limited
20. Kenbee Consultants LLP

**Key Management Personnel**

1. Shri Dharam Paul Goyal
2. Shri Pankaj Gaur
3. Shri Rakesh Sharma
4. Shri Naveen Kumar Singh
5. Shri Gajendra Pal Singh
6. Smt. Anjali Jain
7. Shri Sunil Kumar Sharma (KMP of JPVL)
8. Shri Manoj Gaur (KMP of JPVL)
9. Shri Suren Jain (KMP of JPVL)
10. Shri Praveen Kumar Singh (KMP of JPVL)
11. Dr. Jagannath Gupta (KMP of JPVL)
12. Shri R. N. Bhardwaj (KMP of JPVL)
13. Shri B. B. Tandon (KMP of JPVL) (upto 17.07.2019)
14. Shri A. K. Goswami (KMP of JPVL)
15. Shri S. S. Gupta (KMP of JPVL)
16. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
17. Shri K. N. Bhandari (KMP of JPVL)
18. Shri S. L. Mohan (KMP of JPVL)
19. Shri Jagmohan Garg (KMP of JPVL) (w.e.f. 16.10.2019)
20. Ms. Sunita Joshi (KMP of JPVL)
21. Shri K. P. Rau (KMP of JPVL)
22. Shri M. K. V. Rama Rao (KMP of JPVL) (upto 08.12.2019)
23. Shri Ram Krishna Eda (KMP of JPVL)



**SANGAM POWER GENERATION COMPANY LIMITED**

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

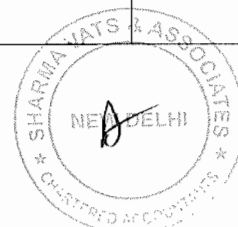
(Amount in Rs)

Particulars	Year	Referred in (I) above	Referred in (II) above	Referred in (III) above
<b>Bank Guarantee Commission Paid</b>	2020	-	-	2,17,64,274
	2019	-	-	(2,35,64,106)
<b>Expenses incurred/Refund Given by Jaypee Meghalaya Power Limited</b>	2020	-	-	-
	2019	-	(1,53,54,387)	-
<b>Outstanding Receivables with Related Parties:</b>	2020	-	10,34,767	-
	2019	-	(10,34,767)	-
<b>Outstanding Payable to Related Parties:</b>	2020	900	-	2,25,71,092
	2019	(-)	-	(6,62,041)
<b>Guarantees provided outstanding: Performance Bank Guarantee Given on Behalf of the Company.</b>	2020	-	-	99,00,00,000
	2019	-	-	(99,00,00,000)

**Note- 33**

As there are no employees at the end of current year, provision for leave encashment and gratuity is not made.

S. No.	Particulars	Non-Funded (Amount in Rs.)			
		Gratuity		Leave Encashment	
		FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
I	Expenses Recognized in the Statement of Profit and Loss during the year				
1	Current Service Cost	-	3,811	1,142	4,508
2	Interest Cost	-	226	-	-
3	Employee Contribution	-	-	-	-
4	Actuarial (Gains)/Loss	-	45	-	-
5	Expected Return on Plan Assets	-	-	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	-	4,082	1,142	4,508
II	Net Assets/(Liability) recognized in the Balance	-	-	-	-





**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN - U40102UP2007PLC032843**

	Sheet				
1	Present Value of Defined Benefit Obligation	-	6,974	-	-
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		(6,974)	-	-
III	Change in Obligation during the year				
1	Present value of Defined Benefit Obligation at the beginning of the year		2,892	-	-
2	Current Service Cost		3,811		-
3	Interest Cost		226		-
4	Settlement Cost		-		-
5	Past Service Cost		-		-
6	Employee Contribution		-		-
7	Actuarial (Gain)/Losses		45		-
8	Benefit Payments		-		-
9	Present Value of Defined Benefit at the end of the year		6,974		-
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	-	-	-	-

*Signature*



**SANGAM POWER GENERATION COMPANY LIMITED****CIN – U40102UP2007PLC032843****Sensitivity Analysis of the defined benefit obligation - Gratuity**

<b>a) Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	-
b)	Impact due to decrease of 0.50 %	-
<b>b) Impact of the change in salary increase</b>		
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	-
b)	Impact due to decrease of 0.50 %	-

**Sensitivity Analysis of the defined benefit obligation – Leave Encashment**

<b>a) Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	-
b)	Impact due to decrease of 0.50 %	-
<b>b) Impact of the change in salary increase</b>		
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	-
b)	Impact due to decrease of 0.50 %	-

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**

The maturity profile of defined obligation is not provided as there is no employee in the company as on 31.03.2020.

**Actuarial Assumptions**

	<b>FY 2019-20</b>	<b>FY 2018-19</b>
(i) Discount Rate	N.A	7.66%
(ii) Mortality	-	-
(iii) Future Salary Increase	N.A	5.50%

**Note- 34**

As Commercial operations have not yet commenced for the reasons stated in Note 27, therefore no deferred tax liability/assets has been provided as on March 31, 2020.



**SANGAM POWER GENERATION COMPANY LIMITED**

**CIN – U40102UP2007PLC032843**

**Note-35**

Previous Year's figures have been regrouped/ re-arranged, wherever considered necessary to make them conform to the figures for the current year.

As per our report even date attached

For Sharma Vats & Associates  
Chartered Accountants  
Firm Registration No. 031486N



(Manoj Vats)

Partner

Membership No. 527922

Place: New Delhi

Date: 22<sup>nd</sup> May, 2020



**For and on behalf of the Board**



**D.P Goyal**

Managing Director

DIN No.


00211541

Address:-

KK/97, Kavi Nagar

Ghaziabad, U.P.

201001



**Pankaj Gaur**

Director

DIN No.

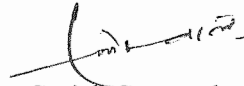
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Satish Semwal

CFO

PAN :-

ASGPS7187J