

CHATURVEDI & PARTNERS

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To The Members of
SANGAM POWER GENERATION COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SANGAM POWER GENERATION COMPANY LIMITED ("the Company")** which comprise the Balance sheet as at March 31, 2017, the Statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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



Basis for Qualified Opinion

We refer to note 27 to the financial statements wherein expenditure incurred and incidental to setting up of the project, Capital advances and other financial assets in respect of project (project assets) have been carried forward as 'Capital Work-in-Progress', Capital Advances and other financial assets. In view of abnormal delay in handing over the possession of land, 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. Uttar Pradesh Power Corporation Ltd. (UPPCL) has in principle agreed to take over the company and both the parties are under discussion for the valuation thereof. Pending such valuation/ settlement no adjustment in the carrying value of project assets under non-current assets, for impairment, has been made. The ultimate outcome of the settlement is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the carrying value of such project assets under non-current assets and accompanying financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph mentioned above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the , of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter:

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in the financial statements, are based on the previously issued audited financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) on which we issued auditors' report to the shareholders of the company dated May 24, 2016 and May 11, 2015 respectively expressing modified opinion on those financial statements. The differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the statement of changes in equity dealt with by this report are in agreement with the books of account;



- d. except for the effect of the matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder;
- e. The matters described in the "Basis for Qualified Opinion" paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph;
- h. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- i. In our opinion and to the best of our information and according to the explanation given to us, we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014:
 - i. The company has disclosed the claim towards expenditure incurred by it for the project the transfer of which is under consideration of Government of Uttar Pradesh (Refer Note 27). However, the possible impact whereof is not presently ascertainable on financial position of the company. Further, the company has disclosed the impact of other pending litigations on its financial position in its financial statements -Refer Note 27 to the financial statements.
 - ii. Except for the possible effect of matter described in the basis of qualified opinion paragraph and Note 27 to the financial statements, the effect whereof is not presently ascertainable, the company has made provision under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The company did not have any other long term contract including derivative contract.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 25 to the financial statements.

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



RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 16, 2017



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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. These Fixed assets have been physically verified by the management at reasonable interval during the year pursuant to a programme for physical verification. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
c. The title deed of immovable properties are held in the name of the company.
- ii. The Company did not hold any inventory during the year. Accordingly clauses ii of Para 3 of the Order are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the clause iii (a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the company has not directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or given any guarantee or provide any security in connection with any loan taken by him or such other person. Being infrastructure company, Section 186 of the Companies Act, 2013 is not applicable to the company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly the clause v of paragraph 3 of the Order is not applicable to the Company.
- vi. As the Company is in the construction stage, requirement of cost records to be maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 is not applicable for the year.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, value added tax, Cess and other statutory dues, as applicable with the appropriate authorities and no outstanding statutory dues as on the last day of the financial year concerned for more than six months from the date they became payable.
b. According to the information and explanation given to us, there were no disputed amounts payable in respect of income tax, sales tax, service tax, value added tax or cess as at March 31, 2017 except;

Name of the statute	Name of Dues	Amount in Rs. (Gross)	Period to which it pertains	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	32,236,701	AY 2011-12	High Court, (Lucknow)
		3,661,482	AY 2012-13	High Court, (Lucknow)
		3,294,945	AY 2013-14	CIT (Appeal)
		2,968,644	AY 2014-15	CIT (Appeal)

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institution or bank and has not issued any debentures during the year. Accordingly the clause viii of paragraph 3 of the Order are not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly the clause ix of paragraph 3 of the order are not applicable to the company.



- x. According to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi According to the information and explanation given to us, no managerial remuneration has been paid during the year. Accordingly the clause xi of paragraph 3 of the order is not applicable to the company.
- xii The Company is not a Nidhi Company. Accordingly the clause xii of paragraph 3 of the order are not applicable to the company.
- xiii The company has complied with the provisions of the section 177 and 188 of the Companies Act, 2013 and have disclosed as required by the applicable accounting standards with respect to the transactions with the related parties in the Financial Statements.
- xiv According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause xiv of paragraph 3 of the order is not applicable to the company.
- xv According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the clause xv of paragraph 3 of the order is not applicable to the company.
- xvi The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the clause xvi of paragraph 3 of the order is not applicable to the company.

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



RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 16, 2017



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

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

We have audited the internal financial controls over financial reporting of "SANGAM POWER GENERATION COMPANY LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E


RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

New Delhi
May 16, 2017



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SANGAM POWER GENERATION COMPANY LIMITED

CIN – U40102UP2007PLC032843

Note 1

General Information of the Company

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

Note 2

1 Recent accounting pronouncement

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable from April' 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The effect on the financial statements is being evaluated by the company.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding tax.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of cash-settled share-based payment transaction are modified with the result that it becomes with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment of the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

2 Significant Accounting Policies

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"). The Company has prepared its financial statements up to the year ended 31st March, 2016 in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial

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statements. The date of transition to Ind AS is 1st April, 2015. Refer note 2.26 below for the details of first time adoption exemptions availed by the Company.

2.2 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 opening financial statements have been prepared in accordance with 'Indian Accounting Standard 101' (First time Adoption of Indian Accounting Standards). The opening financial statement comprises Balance Sheet, Statement of Change in Equity and its related notes. It does not include Statement of profit or loss and Cash Flow Statement.

The adopted accounting policies comply with each Ind-AS effective at the end of its first Ind-AS reporting period i.e. 31st March 2017 except as specified in paragraphs 13-19 and Appendices B-D of Ind AS 101, in the opening financial statements:

- (i) All assets and liabilities have been recognised as required by Ind AS.
- (ii) All assets and liabilities have been derecognised not permitted by Ind AS.
- (iii) All assets, liabilities or components of equity have been reclassified in accordance with Ind AS.
- (iv) All assets and liabilities measured in accordance with Ind AS.

The accounting policies used by the Company in its opening financial statement may differ from those previously used in accordance with Indian Generally Acceptable Accounting Principles (IGAAP) or the previous GAAP. The resulting adjustments, which have arisen for events and transactions before the date of transition to Ind AS, have been directly recognized in retained earnings at the date of transition to Ind-AS i.e. 1st April 2015

The company estimates in accordance with Ind AS at the date of transition to Ind AS are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The company discloses in the financial statements how the transition from previous GAAP to Ind AS has affected its reported Balance sheet, Statement of Profit & loss. Accordingly, The Company's first Ind AS financial statements includes:

- (a) Reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS for both of the following dates:
 - (i) the date of transition to Ind AS; and
 - (ii) the end of the latest period presented in the company's most recent annual financial statements in accordance with previous GAAP.
- (b) Reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the Company's most recent annual financial statements. The starting point for that reconciliation being the profit or loss under previous GAAP.

The Company's first Ind AS financial statements includes three Balance Sheets (as on 31.03.2015, 31.03.2016 and 31.03.2017) and two Statements of profit and loss, two cash flow, two Statements of changes in equity and related notes for the financial year 2015-16 and 2016-17.

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 effect 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,

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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.

2.3 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.

2.4 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.

2.5 Segment Reporting:

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

2.6 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.

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2.7 Revenue:

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

2.8 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)

2.9 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.

2.10 Property, Plant and Equipment (PPE):

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any)) of an item of property, plant and equipment at, or before, the date of transition to Ind AS as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101.

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.

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

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.

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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.

2.11 Expenditure during construction period:-

Assets in the course of construction are capitalized in the assets and treated as capital work in progress and upon commissioning of project the assets are capitalized and transferred to appropriate category of PPE. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of PPE.

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:-

The undiscounted amount of short-term employee benefits i.e. wages and salaries, bonus, incentive, annual leave and sick leave etc. expected to be paid in exchange for the service rendered by employees are recognized as an expense except in so far as employment costs may be included within the cost of an asset during the period when the employee renders the services.

Retirement benefit in the form of provident fund and pension contribution is a defined contribution scheme and is recognized as an expense except in so far as employment costs may be included within the cost of an asset

Gratuity and leave encashment is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. The actuarial valuation is done as per Projected Unit Credit method.

Re measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to profit or loss through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

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.

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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:-

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.

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SANGAM POWER GENERATION COMPANY LIMITED

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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

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.

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SANGAM POWER GENERATION COMPANY LIMITED

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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.

ii) 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.

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SANGAM POWER GENERATION COMPANY LIMITED

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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 Derivative Financial Instruments:-

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on nature of the hedging relationship and the nature of the hedged item.

2.22 Embedded derivatives:-

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.23 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.



SANGAM POWER GENERATION COMPANY LIMITED

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- 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.

- iii. A contingent asset is neither recognised nor disclosed in the Financial Statements

2.24 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.

2.25 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 identified twelve months as its normal operating cycle.

3. Explanation of transition to Ind AS

As stated in Note 2 (1), the Company's financial statements for the year ended 31st March, 2017 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2015 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provide below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior period in order to assist companies with the transition process.

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SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843

3.1 Reconciliations: The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31st March, 2017, the financial statements for the year ended 31st March, 2016 and the preparation of an opening Ind As statement of financial position as at 1st April, 2015. In preparing its opening Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous IGAAP.

An explanation of how the transition from previous IGAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables:

I Reconciliation of equity:

Particulars	Rs.	
	As at March 31, 2016	As at April 1, 2015
Equity as per Previous GAAP	5,519,120,230	5,519,120,230
General overhead charged to statement of Profit & Loss	(9,926,747)	
Equity as per Ind AS	5,509,193,483	5,519,120,230

II Reconciliation of total comprehensive Income:

Particulars	Rs	
	As at March 31, 2016	
Profit for the year as per Previous IGAAP		-
General overhead charged to statement of Profit & Loss		(9,895,029)
Net Profit for the year as per Ind AS		(9,895,029)
Other Comprehensive income (net of taxes)		(31,718)
Total Comprehensive Income as per Ind AS		(9,926,747)

III Explanation of material adjustments to Statement of Cash Flows for the year ended 31st March, 2016:

The transition from Previous IGAAP to Ind AS has no material impact on the Statement of Cash Flows except on account of re-classification of certain items of Assets and Liabilities.

IV Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

The Company has elected to use a previous GAAP cost (cost less accumulated depreciation and impairment losses (if any) of an item of property, plant and equipment at or before the date transition to Ind AS as deemed cost at the date of transition in accordance with accounting policy option available in Ind AS 101.

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SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
BALANCE SHEET AT MARCH 31, 2017


Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non Current assets				
(i) Property ,plant and equipment	4	675,097,917	675,482,775	675,716,968
(ii) Capital work in progress	5	1,080,361,990	1,080,361,991	1,080,361,991
Financial Assets				
(i) Other Financial Assets	6	300,250,000	300,250,000	300,250,000
Non-Current Tax assets (Net)	7	24,334,826	36,005,782	14,638,767
Other non current assets	8	3,357,288,924	3,357,881,924	3,357,881,924
		<u>5,437,333,657</u>	<u>5,449,982,472</u>	<u>5,428,849,650</u>
Current Assets				
Financial Assets				
(i)Cash and cash equivalents	9	16,608,897	344,007	33,869,446
(ii) Bank balance other than (i) above	10	37,369,596	35,197,942	52,841,325
(iii) Other financial assets	11	6,200,296	21,472,664	162,219
Other Current assets	12	2,605,892	2,603,042	3,694,710
		<u>62,784,681</u>	<u>59,617,655</u>	<u>90,567,700</u>
Total Assets		<u>5,500,118,338</u>	<u>5,509,600,126</u>	<u>5,519,417,350</u>
EQUITY AND LIABILITIES				
Equity				
(i) Equity Share Capital	13	5,519,772,000	5,519,772,000	5,519,772,000
(ii) Other Equity	14	(19,810,538)	(10,578,517)	(651,770)
Total Equity		<u>5,499,961,462</u>	<u>5,509,193,483</u>	<u>5,519,120,230</u>
Liabilities				
Non Current Liabilities				
Financial Liabilities				
Provisions	15	-	3,515	98,656
		-	3,515	98,656
Current Liabilities				
Financial Liabilities				
(i) Other financial liabilities	16	136,500	388,628	160,036
(ii) Other current liabilities	17	20,376	14,500	38,428
Total Current Liabilities		<u>156,876</u>	<u>403,128</u>	<u>198,464</u>
Total Equity and Liabilities		<u>5,500,118,338</u>	<u>5,509,600,126</u>	<u>5,519,417,350</u>

Summary of significant accounting policies 2
The note nos. 1 to 31 are integral part of the financial statements

As per our report of even date attached

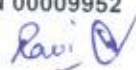
For Chaturvedi & Partners
Chartered Accountants
F.R.N. 307068E

For and on behalf of the Board


Ravindra Nath Chaturvedi
Partner
Membership No. 092087




Rakesh Sharma
Director
DIN 00009952




Pankaj Gaur
Director
DIN 00008419

Place: Noida
Date : 16.5.2017

SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	As at March 31, 2017	As at March 31, 2016
Revenue			
Other income	18	4,578,889	3,670,144
Total income		4,578,889	3,670,144
Expenses:			
Employee benefits expense	19	476,609	896,527
Finance costs	20	11,581,302	11,449,210
Depreciation and amortization expense	21	384,858	234,193
Other expenses	22	1,368,141	985,243
Total expenses		13,810,910	13,565,173
Profit before tax		(9,232,021)	(9,895,029)
Exceptional items		-	-
Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(loss) for the period from continuous operation		(9,232,021)	(9,895,029)
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			(31,718)
(b) Tax on above		-	-
Comprehensive income for the period		-	(31,718)
Total comprehensive income for the period		(9,232,021)	(9,926,747)
Earnings per equity share		(0.02)	(0.02)

Summary of significant accounting policies
The note nos. 1 to 31 are integral part of the financial statements

2

As per our report of even date attached

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

For and on behalf of the Board

Ravindra Nath Chaturvedi
Partner
Membership No. 092087



Rakesh Sharma
Director
DIN 00009952

Pankaj Gaur
Director
DIN 00008419

Place: Noida
Date : 16.5.2017

SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A Cash flows from operating activities		
Profit for the year	(9,232,021)	(9,895,029)
Adjustments for:		
Depreciation	384,858	234,193
Interest Income	(2,951,068)	(3,670,144)
Legal & Profession	593,000	-
Remeasurement of actuarial gain/loss	-	(31,718)
Operating profit before working capital changes	(11,205,231)	(13,362,698)
Adjustments for:		
(Increase) / decrease in other financial assets (excluding advance tax)	15,672,457	(21,363,933)
(Increase) / decrease in other current assets	(2,850)	1,091,668
Increase / (decrease) in other current liabilities	5,876	(23,928)
Increase / (decrease) in other financial liabilities and provision	(255,643)	133,451
Cash generated from operations	4,214,609	(33,525,440)
Income tax refund/ (paid)	11,670,956	(21,367,015)
Net Cash flow generated from operating activities	15,885,565	(54,892,455)
B Cash flow from investing activities		
Sale of Property, Plant and Equipments		
Interest Income	2,550,979	3,723,632
Movement in Other Bank Balances	(2,171,654)	17,643,383
Net cash flows (used in) investing activities	379,325	21,367,015
C Cash flow from financing activities		
Loan from Related party	-	-
Changes in security deposit	-	-
Net cash flows (used in)/ generated from financing activities	-	-
Net change in cash and cash equivalents (A+B+C)	16,264,890	(33,525,440)
Cash and cash equivalents at the beginning of the year	344,007	33,869,446
Cash and cash equivalents at the end of the year	16,608,897	344,007
Notes to cash flow statement:		
Cash and cash equivalents include:		
Cash on hand	92,790	57,256
Balances with banks:	1,516,107	286,751
Fixed deposit with maturity upto 3 months	15,000,000	-
Cash and cash equivalents at the end of the year [refer note no 9]	16,608,897	344,007

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



Ravindra Nath Chaturvedi
Partner
Membership No. 092087



Place: Noida
Date: 16.5.2017

For and on behalf of the board


Rakesh Sharma
Director
DIN 00009952




Pankaj Gaur
Director
DIN 00008419

SAMGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843
Statement of changes In equity for the year ended as on March 31, 2017

A. Equity Share Capital

(Amount in Rs.)

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

As at April 1, 2015	Changes during the year	As at March 31, 2016	Changes during the year	As at March 31, 2017
5,519,772,000	-	5,519,772,000	-	5,519,772,000
Number of Shares		Number of Shares		Number of Shares
551,977,200		551,977,200		551,977,200

B. Other Equity

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained earnings		
Restated Balance as at April 1, 2015	(1,152,234)	500,464	(651,770)
Profit/(loss) during the year	(9,895,029)	-	(9,895,029)
Remeasurement of defined benefit plan	-	(31,718)	(31,718)
Total comprehensive income for the year	(9,895,029)	(31,718)	(9,926,747)
Balance as at March 31, 2016	(11,047,263)	468,746	(10,578,517)
Profit/(loss) during the year	(9,232,021)	-	(9,232,021)
Remeasurement of defined benefit plan	-	-	-
Total comprehensive income for the year	(9,232,021)	-	(9,232,021)
Balance as at March 31, 2017	(20,279,284)	468,746	(19,810,538)

The accompanying notes form an integral part of the financial statements

Summary of Significant Accounting Policies

2

Note Nos. 1 to 31 are integral part of Financial Statements.


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


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

FOR SANGAM POWER GENERATION COMPANY LTD.


Ravindra Nath Chaturvedi
Partner
Membership No. 092087




Rakesh Sharma
Director
DIN 00009952




Pankaj Gaur
Director
DIN No. 00008419

Place : New Delhi
Date : 16.5. 2017

SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 & April 1, 2015

Particulars	Note No	IGAAP As on March 31, 2016	Ind AS Adjustment	Ind AS as on March 31, 2016 Amount in (Rs)	IGAAP As on April 1, 2015	Opening Ind AS Adjustment	Ind AS as on April 1, 2015 Amount in (Rs)
ASSETS							
Non-current assets							
(i) Property, plant and equipment	4	675,482,775		675,482,775	675,716,968		675,716,968
(ii) Capital work-in-progress	5	1,090,288,737	(9,926,747)	1,080,361,991	1,080,361,991		1,080,361,991
Financial assets							
(i) Other financial assets	6	300,250,000		300,250,000	300,250,000		300,250,000
Non Current tax assets (Net)	7	36,005,782		36,005,782	14,638,767		14,638,767
Other non-current assets	8	3,357,881,924		3,357,881,924	3,357,881,924		3,357,881,924
Total non-current assets		5,459,909,218	(9,926,747)	5,449,982,472	5,428,849,650	-	5,428,849,650
Current assets							
Financial assets							
(i) Cash and cash equivalents	9	344,007		344,007	33,869,446		33,869,446
(ii) Bank balances other than (i) above	10	35,197,942		35,197,942	52,841,325		52,841,325
(iii) Other financial assets	11	21,472,664		21,472,664	162,219		162,219
Other current assets	12	2,603,042		2,603,042	3,694,710		3,694,710
Total current assets		59,617,655	-	59,617,655	90,567,700	-	90,567,700
Total assets		5,519,526,873	(9,926,747)	5,509,600,126	5,519,417,350	-	5,519,417,350
EQUITY AND LIABILITIES							
Equity							
(i) Equity share capital	13	5,519,772,000		5,519,772,000	5,519,772,000		5,519,772,000
(ii) Other equity	14	(651,770)	(9,926,747)	(10,578,517)	(651,770)		(651,770)
Total equity		5,519,120,230	(9,926,747)	5,509,193,483	5,519,120,230	-	5,519,120,230
Liabilities							
Non-current liabilities							
Provisions	15	3,515		3,515	98,656		98,656
Total non-current liabilities		3,515	-	3,515	98,656	-	98,656
Current liabilities							
Financial liabilities							
(i) Other financial liabilities	16	51,855		51,855	57,676		57,676
Other current liabilities	17	351,273		351,273	140,788		140,788
Total current liabilities		403,128	-	403,128	198,464	-	198,464
Total liabilities		406,643	-	406,643	297,120	-	297,120
Total equity and liabilities		5,519,526,873	(9,926,747)	5,509,600,126	5,519,417,350	-	5,519,417,350

Explanation for reconciliation of Balance sheet as previously reported under previous GAAP to Ind AS

1. General overhead has been charged off in Profit & Loss




SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

Effect of Ind AS adoption on the Profit & Loss as at March 31, 2016

Particulars	Notes	IGAAP As on April 1, 2016	Opening Ind AS Adjustment	Ind AS as on April 1, 2016 Amount in (Rs)
Revenue				
I Other income	18		3,670,144	3,670,144
II Total Income		-	3,670,144	3,670,144
Expenses				
III Employee benefits expense	19		896,527	896,527
IV Finance costs	20		11,449,210	11,449,210
V Depreciation and amortisation expetise	21		234,193	234,193
VI Other expenses	22		985,243	985,243
VII Total Expenses		-	13,565,173	13,565,173
VIII Profit before tax		-	(9,895,029)	(9,895,029)
IX Exceptional item		-		
X Profit before tax and exception items		-	(9,895,029)	(9,895,029)
XI Tax expense				
(1)Current tax			-	-
(2)Deferred tax			-	-
XII Profit/(Loss) for the period from continuing operations		-	(9,895,029)	(9,895,029)
XIII Profit for the period		-	(9,895,029)	(9,895,029)
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of taxes)			(31,718)	-
XIV Total other comprehensive income		-	(31,718)	-
Total comprehensive income for the period (XIII+XIV)		-	(9,926,747)	(9,895,029)

Explanation for reconciliation of Profit & Loss as previously reported under previous GAAP to Ind AS:

1. General overhead has been charged off in statement of Profit & Loss.
2. Remeasurment of gratuity has been reclassified to OCI from employee benefit cost.



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SANGAM POWER GENERATION COMPANY LIMITED

CIN- U40102UP2007PLC032843

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 4

Particulars	Land Free Hold	Furniture & Fittings	Office Equipments	Vehicles	Computer	Total
Cost or deemed cost						
Gross Block						
As at April 1, 2015	674,917,240	272,576	371,606	1,304,541	303,477	677,169,440.00
As at March 31, 2016	674,917,240	272,576	371,606	1,304,541	303,477	677,169,440
As at March 31, 2017	674,917,240	272,576	371,606	1,304,541	303,477	677,169,440.00
Accumulated Depreciation						
As at April 1, 2015		155,418	331,709	677,038	288,307	1,452,472
Charge for the year		24,736	25,063	184,394	-	234,193
As at March 31, 2016	-	180,154	356,772	861,432	288,307	1,686,665
Charge for the year		24,736	-	360,122	-	384,858
As at March 31, 2017	-	204,890	356,772	1,221,554	288,307	2,071,523.04
Net Block(As at March 31, 2015)	674,917,240	117,158	39,897	627,503	15,170	675,716,968
Net Block(As at March 31, 2016)	674,917,240	92,422	14,834	443,109	15,170	675,482,775
Net Block(As at March 31, 2017)	674,917,240	67,686	14,834	82,987	15,170	675,097,917



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SANGAM POWER GENERATION COMPANY LIMITED

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 5			
Capital work in progress			
Capital work in progress	1,080,361,990	1,080,361,991	1,080,361,991
	<u>1,080,361,990</u>	<u>1,080,361,991</u>	<u>1,080,361,991</u>
Note 6			
Other financial assets			
Security Deposits	300,250,000	300,250,000	300,250,000
	<u>300,250,000</u>	<u>300,250,000</u>	<u>300,250,000</u>
Note 7			
Non Current tax Assest (Net)			
Advance income tax	24,334,826	36,005,782	14,638,767
	<u>24,334,826</u>	<u>36,005,782</u>	<u>14,638,767</u>
Note 8			
Other non-current assets			
Capital advances	3,320,727,665	3,321,320,665	3,321,320,665
Advances for land	36,561,259	36,561,259	36,561,259
	<u>3,357,288,924</u>	<u>3,357,881,924</u>	<u>3,357,881,924</u>
Note 9			
Cash bank balances			
Balance with banks current accounts	1,516,107	286,751	33,665,756
Fixed deposit with maturity upto 3 months	15,000,000	-	-
Cheques, drafts on hand	-	-	-
Cash on hand	92,790	57,256	203,690
	<u>16,608,897</u>	<u>344,007</u>	<u>33,869,446</u>
Note 10			
Bank balances			
Deposits pledged with govt. banks			
Margin money	37,369,596	35,197,942	52,841,325
	<u>37,369,596</u>	<u>35,197,942</u>	<u>52,841,325</u>
Note 11			
Other financial assets			
Interest accrued on fixed deposit with banks	508,820	108,731	162,219
Advance to related party*	5,691,476	21,363,933	-
	<u>6,200,296</u>	<u>21,472,664</u>	<u>162,219</u>
*Receivable from Jaiprakash Associates Ltd. - a related party			
Note 12			
Other current assets			
Prepaid Insurance	2,850	-	121
Staff imprest & advances	-	-	10,385
Advance to vendor	2,603,042	2,603,042	3,684,204
	<u>2,605,892</u>	<u>2,603,042</u>	<u>3,694,710</u>



SANGAM POWER GENERATION COMPANY LIMITED
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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 13			
SHARE CAPITAL			
Authorised			
4,00,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,00,000 Equity Shares of Rs. 10 each)	40,000,000,000	40,000,000,000	40,000,000,000
Issued, Subscribed and Fully Paid up			
55,19,77,200 Equity Shares of Rs. 10 each (Previous year 55,19,77,200 Equity Shares of Rs.10 each)	5,519,772,000	5,519,772,000	5,519,772,000
Total	5,519,772,000	5,519,772,000	5,519,772,000
13.1 Reconciliation of Number of Equity Shares outstanding	Number of Shares	Number of Shares	Number of Shares
Number of Shares outstanding at the beginning of the Period	551,977,200	551,977,200	551,977,200
Add: Issued during the Period	-	-	-
Number of Shares outstanding at the end of the Period	551,977,200	551,977,200	551,977,200

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

13.3 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 assests 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.

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SANGAM POWER GENERATION COMPANY LIMITED
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 14

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Equity			
(i) Reserve & Surplus			
(A) Retained Earning			
Opening balance	(11,047,263)	(1,152,234)	(651,770)
Profit/(Loss) for the year	(9,232,021)	(9,895,029)	(500,464)
Closing Balance	(20,279,284)	(11,047,263)	(1,152,234)
Total	(20,279,284)	(11,047,263)	(1,152,234)
(ii) Other comprehensive Income			
(A) Remeasurement of Defined benefit plan			
Opening balance	468,746	500,464	-
Addition/Deduction during the year	-	(31,718)	500,464
Closing balance	468,746	468,746	500,464
Total	468,746	468,746	500,464
	(19,810,538)	(10,578,517)	(651,770)

Nature and purpose of eserves

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

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Note 15			
Long term provisions			
Provision for employee benefit			
Gratuity	-	3,069	40,365
Compensated absences	-	446	58,291
	-	3,515	98,656
Note 16			
Other financial liabilities			
Salary Payable	-	51,855	57,676
Processing fees payable	-	-	-
Provision / Payable for Expenses	136,500	336,773	102,360
	136,500	388,628	160,036
Note 17			
Other current liabilities			
Statutory Dues Payable	20,376	14,500	38,428
	20,376	14,500	38,428



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SANGAM POWER GENERATION COMPANY LIMITED

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	As at March 31, 2017	As at March 31, 2016
Note 18		
Other income		
Rent	-	-
Interest from		
Bank deposits	2,951,068	3,670,144
Other income	1,620,177	-
Excess provision written back	7,644	
	<u>4,578,889</u>	<u>3,670,144</u>
Note 19		
Employee benefit expense		
Salaries and wages	476,609	896,527
	<u>476,609</u>	<u>896,527</u>
Note 20		
Finance cost		
Interest & financial charges	11,581,302	11,449,210
	<u>11,581,302</u>	<u>11,449,210</u>
Note 21		
Depreciation and amortization expense		
Depreciation on tangible assets	384,858	234,193
Amortization of intangible assets		
	<u>384,858</u>	<u>234,193</u>
Note 22		
Other expenses		
Consultancy, legal & professional fee	1,049,913	623,269
Miscellaneous expenses	813	1,000
Printing & stationery	410	10,873
Rent , Taxes & fees	-	2,150
Travelling & conveyance	7,030	7,990
Vehicle running & maintenance	186,004	212,059
Insurance	8,971	11,762
Audit Fee	115,000	116,140
	<u>1,368,141</u>	<u>985,243</u>

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SANGAM POWER GENERATION COMPANY LIMITED
CIN- U40102UP2007PLC032843

Note 23 : Fair Value Measurement
Categories of financial instruments

Financial assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Measured at amortised cost			
(i) Cash and Bank balance	53,978,493	35,541,949	86,710,771
(ii) Other financial assets	306,450,296	321,722,664	300,412,219
	360,428,789	357,264,613	387,122,990
Financial liabilities			
Measured at amortised cost			
(i) Other financial liabilities	136,500	388,628	160,036
Total	136,500	388,628	160,036

The fair values of cash & bank balances, 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

	Carrying value		
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) Financial assets - Current			
Cash and cash equivalents	53,978,493	35,541,949	86,710,771
Other Financial assets	306,450,296	321,722,664	300,412,219
ii) Financial liabilities - Current			
Other financial liabilities	136,500	388,628	160,036

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



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Notes to Financial Statements as at March 31, 2017

Note 24 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

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 and the Company has not obtained any loan 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 operates internationally and as the Company has not obtained any foreign currency loans and also doesn't have any 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.

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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:

Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
As at March 31, 2017					
Other financial liabilities	136,500			136,500	136,500
Total					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
As at March 31, 2016					
Other financial liabilities	388,628			388,628	388,628
Total					
Particulars	Within 1 year	1-3 years	More than 3 years	Total	Carrying amount
As at 1 April, 2015					
Other financial liabilities	160,036			160,036	160,036
Total					

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SANGAM POWER GENERATION COMPANY LIMITED
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Note 25

Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 30th December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:

(Rs.)			
Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	34,500.00	214.00	34,714.00
(+) Permitted receipts	—	100,000.00	100,000.00
(-) Permitted payments	—	48,724.00	48,724.00
(-) Amount deposited in Banks	34,500.00	—	34,500.00
Closing cash in hand as on 30.12.2016	-	51,490.00	51,490.00

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SANGAM POWER GENERATION COMPANY LIMITED

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26 Contingent Liabilities & Capital Commitments:

Particulars	As at March 31, 2017 Amount (Rs.)	As at March 31, 2016 Amount (Rs.)	As at April 1, 2015 Amount (Rs.)
(i) Outstanding amount of Bank Guarantees	3,37,45,000	3,37,45,000	3,37,45,000
Margin Money against above	3,73,69,596	3,51,97,942	5,28,41,325
(ii) Estimated amounts of Contracts remaining to be executed on Capital Account (Net of advances)	67,18,76,56,280	67,28,27,25,366	64,98,41,67,447
(iii) Income Tax matter under appeal	4,21,61,772	4,32,29,379	Nil
(Rs Nil (previous year – Rs 2,10,00,000/-) paid against the demand.)			

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

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

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

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

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

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

S. No.	Particulars	For the year ended March 31, 2017 Amount (Rs.)	For the year ended March 31, 2016 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

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

List of Related Parties and Relationship

I. Holding Company

Jaiprakash Power Ventures Limited (JPVL)

II. Ultimate Holding Company

Jaiprakash Associates Limited (JAL) (till 17.02.2017 as JPVL was subsidiary of JAL till that date)

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SANGAM POWER GENERATION COMPANY LIMITED

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III. Fellow Subsidiary Companies

1. Jaypee Powergrid Limited (**JV subsidiary** of JPVL)
2. Jaypee Arunachal Power Limited (**JV subsidiary** of JPVL)
3. Prayagraj Power Generation Company Limited (subsidiary of JPVL)
4. Jaypee Meghalaya Power Limited (subsidiary of JPVL)
5. Bina Power Supply Limited (subsidiary of JPVL)
6. Jaypee Infratech Limited (JIL) (subsidiary of JAL) (till 17.02.2017)
7. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL) (till 17.02.2017)
8. Himalyan Expressway Limited (subsidiary of JAL) (till 17.02.2017)
9. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL) (till 17.02.2017)
10. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL) (till 17.02.2017)
11. Jaypee Agra Vikas Limited (subsidiary of JAL) (till 17.02.2017)
12. Jaypee Fertilizers & Industries Limited (subsidiary of JAL) (till 17.02.2017)
13. Jaypee Cement Corporation Limited (subsidiary of JAL) (till 17.02.2017)
14. Himalyaputra Aviation Limited (subsidiary of JAL) (till 17.02.2017)
15. Jaypee Assam Cement Limited (subsidiary of JAL) (till 17.02.2017)
16. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL) (till 17.02.2017)
17. Jaypee Healthcare Limited (subsidiary of JIL) (till 17.02.2017)
18. Jaypee Cement Hockey (India) Limited (subsidiary of JAL) (till 17.02.2017)
19. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL) (till 17.02.2017)

Note: Jaiprakash Power Ventures Limited (JPVL) ceased to be a subsidiary of JAL as it allotted 51% of its share capital to its various lenders on 18.02.2017 and consequently, JAL's holding in JPVL reduced to 29.74%. Accordingly, Company (PPGCL) also ceased to be subsidiary of JAL and Accordingly, Fourteen subsidiaries of JAL (mentioned at S. No. 6 to 19 above) also ceased to be fellow subsidiaries of the Company from that date.

IV. Associate Companies:

1. Jaiprakash Associates Limited (JAL) (w.e.f. 18.02.2017, it became Associate in place of Ultimate Holding Company)
2. Jaypee Infratech Limited (JIL) (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
3. Bhilai Jaypee Cement Limited (**JV subsidiary** of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
4. Himalyan Expressway Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
5. Gujarat Jaypee Cement & Infrastructure Limited (**JV subsidiary** of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
6. Jaypee Ganga Infrastructure Corporation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
7. Jaypee Agra Vikas Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
8. Jaypee Fertilizers & Industries Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
9. Jaypee Cement Corporation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)

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SANGAM POWER GENERATION COMPANY LIMITED

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10. Himalyaputra Aviation Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
11. Jaypee Assam Cement Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
12. Jaypee Infrastructure Development Limited (new name of Jaypee Cement Cricket (India) Limited) (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
13. Jaypee Healthcare Limited (subsidiary of JIL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
14. Jaypee Cement Hockey (India) Limited (subsidiary of JAL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
15. Jaiprakash Agri Initiatives Company Limited (subsidiary of JCCL) (w.e.f. 18.02.2017, it became Associate in place of Fellow Subsidiary Company)
16. MP Jaypee Coal Limited (**JV Associate** of JAL) (till 17.02.2017)
17. MP Jaypee Coal Fields Limited (**JV Associate** of JAL) (till 17.02.2017)
18. Madhya Pradesh Jaypee Minerals Limited (**JV Associate** of JAL) (till 17.02.2017)
19. Jaypee Uttar Bharat Vikas Private Limited (**JV Associate** of JAL) (till 17.02.2017)
20. Kanpur Fertilizers & Cement Limited (**JV Associate** of JAL) (till 17.02.2017)
21. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV) (Associate of JAL) (till 17.02.2017)
22. Jaypee Development Corporation Limited (JDCL) (Subsidiary of JIV) (till 17.02.2017)
23. Andhra Cements Limited (subsidiary of JDCL) (till 17.02.2017)
24. JIL Information Technology Limited (JILIT) (Subsidiary of JIV) (till 17.02.2017)
25. Gaur & Nagi Limited (Subsidiary of JILIT) (till 17.02.2017)
26. Jaypee International Logistics Company Private Limited (subsidiary of JIV) (till 17.02.2017)
27. Tiger Hills Holiday Resort Private Limited (subsidiary of JDCL) (till 17.02.2017)
28. Anvi Hotels Private Limited (subsidiary of JIV) (**dissolved w.e.f. 16.07.16**)
29. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV) (till 17.02.2017)
30. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16) (till 17.02.2017)
31. RPJ Minerals Private Limited (RPJMPL) (Associate of JAL) (till 17.02.2017)
32. Sarveshwari Stone Products Private Limited (subsidiary of RPJMPL) (till 17.02.2017)
33. Rock Solid Cement Limited (subsidiary of RPJMPL) (till 17.02.2017)
34. Sonebhadra Minerals Private Limited (Associate of JAL) (till 17.02.2017)
35. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (w.e.f. 25.03.2017, it became a subsidiary of JAL, hence Associate of Company w.e.f. that date) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)

KMP based Associate Cos.

36. Jaiprakash Kashmir Energy Limited
37. Yamuna Expressway Tolling Private Limited (new name of Jaypee Mining Ventures Private Limited w.e.f. 24.03.2017) (KMP based Associate Co. till 24.03.2017) (controlled by Shri Sunil Kumar Sharma and Shri Suren Jain). (w.e.f. 25.03.2017, it became a subsidiary of JAL) (new name Yamuna Expressway Tolling Limited w.e.f. 05.04.2017)
38. Ceekay Estates Private Limited
39. Jaiprakash Exports Private Limited
40. Bhumi Estate Developers Private Limited
41. Pac Pharma Drugs and Chemicals Private Limited

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42. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company)
43. Think Different Enterprises Private Limited
44. JC World Hospitality Private Limited
45. JC Wealth & Investments Private Limited
46. CK World Hospitality Private Limited
47. Librans Venture Private Limited
48. Librans Real Estate Private Limited
49. Akasva Associates Private Limited
50. Renaissance Lifestyle Private Limited
51. Lucky Strike Financers Private Limited
52. Samvridhi Advisors LLP
53. Sandhar Hospitality

Key Management Personnel

1. Shri Pankaj Gaur
2. Shri Naveen Kumar Singh
3. Smt. Anjali Jain
4. Shri Rakesh Sharma
5. Shri Gajendra Pal Singh
6. Shri S C K Patne
7. Shri Sanjay Nagi
8. Shri Manoj Gaur (KMP of JPVL)
9. Shri Sunil Kumar Sharma (KMP of JPVL)
10. Shri Suren Jain (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)
14. Shri A. K. Goswami (KMP of JPVL)
15. Shri Gyan Prakash Gaur (KMP of JPVL)
16. Shri S. S. Gupta (KMP of JPVL)
17. Shri Praveen Kumar Singh (KMP of JPVL)
18. Lt. Gen. (Retd.) Shri Ravindra Mohan Chadha (KMP of JPVL)
19. Shri D. P. Goyal (KMP of JPVL)
20. Shri K. N. Bhandari (KMP of JPVL)
21. Shri Arun Balakrishnan (KMP of JPVL)
22. Shri Atanu Sen (KMP of JPVL)
23. Shri S. L. Mohan (KMP of JPVL)
24. Shri Umesh Jain (KMP of JPVL)

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25. Ms. Sunita Joshi (KMP of JPVL)
 26. Shri K. P. Rau (KMP of JPVL)
 27. Shri M. K. V. Rama Rao (KMP of JPVL)

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
Bank Guarantee Commission Paid	2017 2016	-	115,81,301 (112,59,361)	
Advances Given (Prayagraj Power Generation Company Limited)	2017 2016			- (3,30,00,000)
Expenses incurred/Refund Given (Prayagraj Power Generation Company Limited)	2017 2016 2015			2,13,63,933 (1,1,6,36,067) (-)
Outstanding Receivables with Related Parties:	2017 2016 2015		82,94,518 (26,03,042) (36,84,204)	- (213,63,933) (-)
Guarantees provided discharged during the year: Second Charge on the Assets of the Company in favour of IDBI Trusteeship Services Limited for Financial Assistance provided by the bank(s) to Jaiprakash Power Ventures Limited as referred to in (I) above	2017 2016 2015 2017 2016 2015	- (-) (-)	() (-) (750,00,00,000)	
Guarantees provided outstanding: a) Second Charge on the Assets of the Company in favour of IDBI Trusteeship Services Limited for Financial Assistance provided by the bank(s) to Jaiprakash Power Ventures Limited as referred to in (I) above	2017 2016 2015	- (-) (-)	-	
b) Performance Bank Guarantee Given on Behalf of the Company.	2017 2016 2015	- (-) (-)	99,00,00,000 (99,00,00,000) (99,00,00,000)	

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- 30** Gratuity – the liability for Gratuity has not been provided on the basis of Actuarial Valuation at the end of financial year as no employee is working on the roll of the Company.
- a. Leave Encashment-Defined Benefit Plans-Provision has not been made on the basis of Actuarial valuation as no employee is working on the roll of the Company.

S. No.	Particulars	Non-Funded (Amount in Rs.)			
		Gratuity		Leave Encashment	
		FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
I	Expenses Recognized in the Statement of Preoperative Expenditure During Project Implementation, Pending Allocation for the Year ended March 31, 2016				
1	Current Service Cost	-	3,069	-	446
2	Interest Cost	-	3,229	-	4,663
3	Employee Contribution	-	-	-	-
4	Actuarial (Gains)/Loss	-	17,872	-	13,846
5	Expected Return on Plan Assets	-	(873)	-	-
6	Settlement Cost	-	-	-	-
7	Total Expenses	-	23,297	-	18,955
II	Net Assets/(Liability) recognized in the Balance Sheet as at March 31, 2016	-	-	-	-
1	Present Value of Defined Benefit Obligation	-	3,069	-	446
2	Fair Value of Plan Assets	-	49,108	-	-
3	Funded Status (Surplus/Deficit)	-	46,039	-	(446)
4	Excess of actual over estimated	-	(24)	-	-
5	Net Assets / (Liability) as at March 31, 2016	-	46,039	-	(446)
III	Change in Obligation during the year ended March 31, 2016	-	-	-	-
1	Present value of Defined Benefit Obligation at the beginning of the year	-	40,365	-	58,291
2	Current Service Cost	-	3,069	-	446
3	Interest Cost	-	3,229	-	4,663
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contribution	-	-	-	-
7	Actuarial (Gain)/Losses	-	17,848	-	13,846
8	Benefit Payments	-	(61,442)	-	(76,800)
9	Present Value of Defined Benefit at the end of the year	-	3,069	-	446
IV	Change in Assets during the year ended March 31, 2016	-	9701	-	-
1	Plan Assets at the beginning of the year	-	-	-	-

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

2	Assets acquired on amalgamation in the previous year	-	-	-	-
3	Settlements	-	-	-	-
4	Expected return on Plan Assets	-	873	-	-
5	Contribution by Employer	-	100,000	-	-
6	Short fall in opening liability	-	-	-	-
7	Actual Benefit Paid	-	(61,442)	-	-
8	Actuarial (Gains)/Losses	-	(24)	-	-
9	Plan Assets at the end of the year	-	49,108	-	-

Actuarial Assumptions

	FY 2016-17	FY 2015-16
(i) Discount Rate	-	8%
(ii) Mortality	-	LIC (1994-96)
(iii) Future Salary Increase	-	5.50%

31. As Commercial operations have not yet commenced, therefore there is no deferred tax liability as on March 31, 2017.

As per our report even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No.307068E


Ravindra Nath Chaturvedi
Partner
Membership No.092087



Place: Noida
Date: 16th May 2017

For and on behalf of the Board


Rakesh Sharma
Director
DIN No. 00009952




Pankaj Gaur
Director
DIN No. 00008419