

INDEPENDENT AUDITOR'S REPORT

To the Members of Sakhigopal Integrated Power Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sakhigopal Integrated Power Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the profit/ loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

- (i) Note 19 in the Standalone financial statement which indicates that the Ministry of Power (MoP), Government of India vide letter dated 26.07.2019 has asked from the State Government of Odisha/procurers to confirm about closure of the Ultra Mega Power Plant SPVs including the Company, so that further needful action can be taken by Power Finance Corporation Limited, the holding company of the Company (PFC Ltd / 'the Holding Company')/ PFC Consulting Limited (PFCCCL), however the response from the Government of Odisha/procurers is awaited as on date, therefore financial statements have been prepared on going concern basis irrespective of the fact that the Company's ability to continue as a going concern is highly contingent upon the aforesaid decision/confirmation.
- (ii) Note 21 in the Standalone financial statement which *inter alia* indicates that pursuant to the Financing Agreement with the Holding Company the total commitment advance received from the procurers shall be advanced to the latter to pay out the expenditure for the project on behalf of the Company and to invest/retain remaining unutilized portion of such amount. The expenditure incurred by the Holding Company till date is capitalized under capital work-in progress (refer Note 4 of the Standalone financial statement), irrespective of the fact that the Company's ability to realize future benefits out of such capitalization is dependent upon the outcome as discussed in the preceding paragraph.
- (iii) Note 22 in the Standalone financial statement which *inter alia* indicates that the Company pays interest to PFC Ltd. on the expenses incurred by them on behalf of the company from their funds and also to the Procurers on commitment advance on two parts bifurcating into fund

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utilized for the project and funds unutilized at rates as per the policy of the Holding Company/Company. Interest on unutilized portion of commitment advance is receivable from PFC Ltd. and the same is payable to procurers on back to back basis. Interest on utilized portion of commitment advance is recoverable from selected bidder and same is payable to procurers on back to back basis, which was being provided on accrual basis upto previous financial year, however in view of Note 19, as indicated above, it was been decided by the Holding Company that from current year and onwards, interest on utilised portion of commitment advance will not be provided.

Our opinion is not modified in respect of aforesaid matters.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as



amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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

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

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



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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended March 31, 2019, included in these standalone financial statements, have been audited by the predecessor auditor who expressed a qualified opinion on those statements on May 14, 2019. Our opinion is not modified 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**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with



by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) In our opinion the Company is a Government company and therefore, the provisions of Section 164(2) of the Act are not applicable to it.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company doesn't have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. A report on the matters as per the directions/sub-directions issued by C&AG u/s 143(5) of the Companies Act, 2013 is attached as "**Annexure – C & D**".

For **Agarwal Singhania & Co.**

Chartered Accountants

(Firm Registration No.: 004323N)


Ankur Agarwal

Partner

M. No. 502943



Place: New Delhi

Date: 18/06/2020

UDIN: 20502943 AAAA JL1705

Annexure A

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date of Sakhigopal Integrated Power Company Limited

The Annexure referred to in our report to the members of Sakhigopal Integrated Power Company Limited ('the Company') for the year ended 31st March 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account & other records examined by us in the normal course of audit and to the best of our knowledge and belief we report that:

- (i) The company has no fixed assets other than capital work in progress. Hence, provisions of clause (i) of the paragraph 3 of the order are not applicable to the company.
- (ii) The Company does not hold any inventory. Hence, the provisions of clause (ii) of paragraph 3 of the order are not applicable to the company.
- (iii) As informed, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us the company has not given any loans /investments /guarantees /securities during the financial year 2019-20. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) Based on our scrutiny of the company's records and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods/services. Therefore, in our opinion, the provisions of clause 3(vi) in respect of maintenance of cost records of the Order are not applicable to the Company.
- (vii) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to sales-tax, duty of custom and duty of excise are not applicable to the Company.

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- a. According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax, cess and other material statutory dues were in arrears as 31st March, 2020 for a period of more than six months from the date they became payable.
- b. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (viii) According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder. Hence, clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by its officers and employees of the Company has been noticed or reported during the year.
- (xi) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197 read with Schedule V of the Act, regarding managerial remuneration are not applicable to the company, hence clause (xi) of paragraph 3 of the Order is not applicable
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of Section 42 of the Companies Act, 2013 and paragraph 3(xiv) of the Order are not applicable to the Company.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) As per Section 45-I of the Reserve bank of India Act, 1934 read with RBI/2006-07/158 DNBS (PD) C.C. No. 81/03.05.002/2006-07 dated October 19, 2006, a Company whose 50% of total assets and 50% of total income is from financial activity, as at the latest audited Balance Sheet, is said to carry on financial activity as its principal business and hence is required to obtain registration as a Non-Banking Finance Company (NBFC). However, based on the facts and circumstances of the operations of the Company and the fact that the memorandum of association of the Company does not include financing activity as its principal business activity, the Company has represented to us that the registration as an NBFC is not required.

For **Agarwal Singhania & Co.**
Chartered Accountants
(Firm Registration No.: 004323N)



Ankur Agarwal
Partner
M. No. 502943



Place: New Delhi

Date: 18/06/2020

UDIN: 20502943AAAAJL705

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(Referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our 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 **Sakhigopal Integrated Power Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 internal financial controls system over financial reporting with reference to these Standalone Financial Statements.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

For **Agarwal Singhania & Co.**

Chartered Accountants

(Firm Registration No.: 004323N)


Ankur Agarwal

Partner

M. No. 502943



Place: New Delhi

Date: 18/06/2020

UDIN: 20502943 AAAA JL1705

ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED


(Referred to in paragraph 3 under the heading "Report on other legal and regulatory requirements" of our report of even date)

Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the period ended 31st March 2020

S. No	Particulars	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT system. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate control system to verify the correctness of the entries posted in the IT system.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There are no such cases of waiver/write off of debts/loans/interest etc., hence this clause is not applicable.
3.	Whether funds received/receivable for specific schemes from Central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	There are no such funds received/receivable for specific schemes from Central/state agencies; hence this clause is not applicable.

Based on the above facts, in our opinion and to the best of our information and according to the explanations given to us, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.

For **Agarwal Singhania & Co.**
Chartered Accountants
(Firm Registration No.: 004323N)


Ankur Agarwal
Partner
M. No. 502943



Place: New Delhi
Date: 18/06/2020
UDIN:

Chartered Accountants

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ANNEXURE D

TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(Referred to in paragraph 3 under the heading "Report on other legal and regulatory requirements" of our report of even date)

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **M/S Sakhigopal Integrated Power Company Limited** for the year ended 31st March 2020 in accordance with the directions / sub directions issued by C&AG of India u/143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

For **Agarwal Singhania & Co.**
Chartered Accountants
(Firm Registration No.: 004323N)


Ankur Agarwal
Partner
M. No. 502943



Place: New Delhi

Date: 18/06/2020

UDIN: 20502943AAAAJM3012

Chartered Accountants

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SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(CIN:U40108DL2008GOI178409)

Balance Sheet as at March 31, 2020

(₹ in Hundreds)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(I)	ASSETS			
(1)	Non-current assets			
	(a) Capital work in progress	4	7,58,164.74	7,56,628.46
	(b) Financial assets			
	(i) Loans	5	11,15,469.49	11,30,006.79
	(ii) Other financial assets	6	9,44,932.63	8,87,354.46
	Total non-current assets		28,18,566.86	27,73,989.71
(2)	Current assets			
	(a) Financial Assets			
	(i) Cash and cash equivalents	7	298.20	306.62
	(b) Current Tax Assets (Net)	8	2,699.67	2,699.67
	Total current assets		2,997.87	3,006.29
	Total assets		28,21,564.73	27,76,996.00
(II)	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share Capital	9	5,000.00	5,000.00
	(b) Other Equity	10	(351.72)	(351.72)
	Total equity		4,648.28	4,648.28
(2)	Liabilities			
(A)	Non - Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	16,34,000.00	16,34,000.00
	(ii) Other financial liabilities	12	11,76,642.37	11,24,822.03
	Total Non - Current Liabilities		28,10,642.37	27,58,822.03
(B)	Current liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities	13	472.50	472.50
	(b) Other current liabilities	14	5,801.58	13,053.19
	Total current liabilities		6,274.08	13,525.69
	Total Equity and Liabilities		28,21,564.73	27,76,996.00

Significant Accounting Policies

1-3

See accompanying notes to the Financial Statements

1-36

For & on Behalf of Board of Directors


P.C. Hembram
 Director
 DIN:02750881


Rakesh Mohan
 Director
 DIN:08604221


P.K. Singh
 Chairman
 DIN:03548218

As per our report of even date

For & on Behalf of

Agarwal Singhania & Co.

(Chartered Accountants)

Firm Reg. No: 004323N


(Ankur Agarwal)
 Partner
 M. No.: 502943



Place : New Delhi

Date : 18/06/2020

VDIN: 20502943 AAAA JL 1705

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED**(CIN:U40108DL2008GOI178409)****Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in Hundreds)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operations		-	-
Other income		-	-
Total Income (I)		-	-
Expenses			
Other expenses			
Total expenses (II)		-	-
Profit before tax (I- II =III)		-	-
Tax expense: (IV)			
Current tax		-	-
Deferred tax		-	-
Net Profit after tax (III - IV = V)		-	-
Other Comprehensive Income (VI)		-	-
Total Comprehensive Income for the period (V + VI =VII)		-	-
Earnings per equity share : (VIII)			
Basic & Diluted in Rs. (Par value of Rs.10 each)	16	-	-


Significant Accounting Policies

1-3

See accompanying notes to the Financial Statements

1-36

For & on Behalf of Board of Directors


P.C. Hembram
Director
DIN:02750881


Rakesh Mohan
Director
DIN:08604221


P.K. Singh
Chairman
DIN:03548218

As per our report of even date

For & on Behalf of

Agarwal Singhania & Co.

(Chartered Accountants)

Firm Reg. No: 004323N


(Ankur Agarwal)
Partner
M. No.: 502943



Place : New Delhi

Date : 18/06/2020

UDIN : 20502943 AAAA JL1705

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(CIN:U40108DL2008GOI178409)

Statement of cash flows for the year ended March 31, 2020

(₹ in Hundreds)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A.	Cash flow from operating activities:		
	Net profit/(loss) before tax	-	-
	Adjustments:	-	-
	Operating Profit before Working Capital changes	-	-
	Adjustments for changes in Working Capital :		
	- Increase/(decrease) other non current financial liabilities	51,820.34	1,17,085.06
	- Increase/(decrease) other current financial liabilities	-	-
	- Increase/(decrease) other current liabilities	(7,251.61)	1,125.61
	Cash generated from operating activities	44,568.73	1,18,210.67
	Income taxes paid (net of refund)	-	706.72
	Net Cash from operating activities	44,568.73	1,17,503.95
B.	Cash flow from Investing activities:		
	Change in Capital work in progress	(1,536.28)	(62,773.74)
	- (Increase)/decrease in loans & other current financial Assets	(43,040.87)	(69,965.13)
	Net cash from Investing activities	(44,577.15)	(1,32,738.87)
C.	Cash flow from Financing Activities:		
	Proceeds from borrowings	-	15,278.90
	Net cash from Financing activities	-	15,278.90
	Net Increase/(Decrease) in cash & cash equivalents(A+B+C)	(8.42)	43.98
	Opening Cash and cash equivalents as at 1st April 2019	306.62	262.64
	Closing Cash and cash equivalents as at 31st March 2020 (Note 7)	298.20	306.62
	Comprising of :		
	Balance with banks	298.20	306.62

See accompanying notes to the Financial Statements

1-36

For & on Behalf of Board of Directors



P.C. Hembram
Director
DIN:02750881



Rakesh Mohan
Director
DIN:08604221



P.K. Singh
Chairman
DIN:03548218

As per our report of even date

For & on Behalf of

Agarwal Singhania & Co.

(Chartered Accountants)

Firm Reg. No: 004323N


(Ankur Agarwal)
Partner
M. No.: 502943



Place : New Delhi

Date : 18/06/2020

UDIN: 20502943AAAA JL1705

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(CIN:U40108DL2008GOI178409)

Statement of Changes in Equity for the year ended March 31, 2020

a. Equity share capital

(₹ in Hundreds)

Particulars	Amount
Balance at April 01, 2018	5,000.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	5,000.00
Changes in equity share capital during the year	-
Balance at March 31, 2020	5,000.00

b. Other Equity

(₹ in Hundreds)

Particulars	Amount
Retained earnings	
Balance at April 01, 2018	(351.72)
Total comprehensive income for the year	-
Balance at March 31, 2019	(351.72)
Total comprehensive income for the year	-
Balance at March 31, 2020	(351.72)

See accompanying notes to the Financial Statements

1-36

For & on Behalf of Board of Directors



P.C. Hembram
Director
DIN:02750881



Rakesh Mohan
Director
DIN:08604221



P.K. Singh
Chairman
DIN:03548218

As per our report of even date

For & on Behalf of

For & on Behalf of

Agarwal Singhania & Co.

(Chartered Accountants)

Firm Reg. No: 004323N



(Ankur Agarwal)

Partner

M. No.: 502943



Place : New Delhi

Date : 18/06/2020

UDIN: 20302943 AAAAJL1705

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GOI178409
Notes to the Financial Statements for the year ended March 31, 2020

1 Corporate Information

Sakhigopal Integrated Power Company Limited ("the Company") is a wholly owned subsidiary of Power Finance Corporation Limited (PFC), a Govt. of India Undertaking and was incorporated on May 21, 2008 under the Companies Act, 1956. Certificate for Commencement of Business was issued on April 17, 2009. The registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001. The Company is a special purpose vehicle incorporated to facilitate the acquisition of land and complete preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in the state of Odisha (Project).

2 General

(a) Basis of Preparation and Statement of Compliance

These financial statements have been prepared on historical cost and accrual basis of accounting and are in compliance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and applicable provisions of the Companies Act, 2013.

The Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

Amounts in these financial statements have been rounded off to 'nearest hundreds upto two decimal points (unless otherwise indicated).

(b) Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

3 Significant Accounting Policies

(a) Recognition of Income/ Expenditure

Income and expenses (except as stated below) are accounted for on accrual basis.

Fees for advisory and professional services for developing Ultra Mega Power Project payable to PFC/PFCCL is recognised in the year of transfer of the company to the successful bidder.

(b) Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction of fixed assets which take substantial time to get ready for its intended use are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to Statement of Profit and Loss in the year in which they are incurred.

(c) Capital work-in-progress

Expenditure incurred on Land Acquisition/ Survey/ Studies/ Investigation/ Consultancy/ Administration/ Depreciation/Interest etc and other expenditures during construction period is capitalised and treated as Capital-work-in-progress.

(g) Prior Period Expenses

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

(h) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Cash Flow Statement

Cash flow Statement is prepared in accordance with the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

(j) Taxation

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of Previous Years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all parts of the asset to be recovered.

(k) Provisions, contingent liabilities and contingent assets

i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ii. Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

iii. Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.

iv. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.



(l) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that are attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis.

i) Classification and Measurement of Financial assets (other than Equity instruments)

a) Financial assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

b) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

ii) Impairment of financial assets

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL. ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

iii)

1.2 Financial liabilities

i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(m) Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
(CIN:U40108DL2008GOI178409)
Notes forming part of the financial statements for the year ending March 31, 2020
4. Capital work in progress

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Capital work in progress	7,56,628.46	6,93,854.72
Add: Transferred from Expenditure during construction period (Note no-15)	1,536.28	62,773.74
	7,58,164.74	7,56,628.46

5. Loans (Non Current)

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Unsecured, considered good</u>		
Loans to related parties (Power Finance Corporation Ltd) (Refer note 11.2)	11,15,469.49	11,30,006.79
	11,15,469.49	11,30,006.79

6. Other financial assets

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due from related party (Power Finance Corporation Ltd)	9,44,932.63	8,87,354.46
	9,44,932.63	8,87,354.46

7. Cash and cash equivalents

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Banks in current accounts	298.20	306.62
	298.20	306.62

8. Current Tax Assets (Net)

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax refundable	2,699.67	2,699.67
	2,699.67	2,699.67



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(CIN:U40108DL2008GOI178409)

Notes forming part of the financial statements for the year ending March 31, 2020

9. Equity share capital

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
50,000 equity shares of Rs 10 each (As at March 31, 2019: 50,000)	5,000.00	5,000.00
Issued, subscribed and paid up capital comprises:		
50,000 equity shares of Rs 10 each (As at March 31, 2019: 50,000) Fully paid up	5,000.00	5,000.00
	5,000.00	5,000.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	Amount	Number of shares held	Amount
Shares outstanding at the beginning of the year	50,000	5,000.00	50,000	5,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,000.00	50,000	5,000.00

(ii) Rights, preferences and restriction attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per

(iii) Detail of equity shares held by holding company

Particulars	No of shares	Amount
As at 31st March 2020	50,000	5,000.00
Power Finance Corporation Limited*		
As at 31st March 2019	50,000	5,000.00
Power Finance Corporation Limited*		

(iv) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	%	Number of shares held	%
Fully paid up equity shares				
Power Finance Corporation Limited, the Holding Company*	50,000	100%	50,000	100%

* Equity shares are held by Power Finance Corporation Limited and through its nominees.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
(CIN:U40108DL2008GOI178409)
Notes forming part of the financial statements for the year ending March 31, 2020
10. Other equity

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance at the beginning of the period	(351.72)	(351.72)
Add: Total comprehensive income for the period	-	-
Balance at the end of the period	(351.72)	(351.72)

11. Borrowings (Non Current)

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Commitment advance	16,34,000.00	16,34,000.00
	16,34,000.00	16,34,000.00

Notes:

11.1 Terms of repayment for borrowings: Repayable within 15 days from the date of transfer of the Company to its successful bidder.

11.2 Loan from related party has been adjusted with loan to related party referred in note 5.

12. Other financial liabilities (Non Current)

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	11,76,642.37	11,24,822.03
	11,76,642.37	11,24,822.03

13 Other financial liabilities (Current)

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Expenses payable	472.50	472.50
	472.50	472.50

14 Other current liabilities

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	5,801.58	13,053.19
	5,801.58	13,053.19



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(CIN:U40108DL2008GOI178409)

Notes forming part of the financial statements for the year ending March 31, 2020

15 Expenditure during construction period

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31,2019
Consultancy Charges & Professional Fee	-	1,723.24
Legal & Professional Fees	828.14	432.35
Tour & Travelling	-	223.63
Audit Fee	516.25	516.25
Administrative Expenses	191.89	455.62
Sub-total (A)	1,536.28	3,351.09
<u>Interest expenses</u>		
Utilised	-	59,422.65
Unutilised	57,578.17	70,671.85
Less: Interest receivable from PFC on unutilised portion	(57,578.17)	(70,671.85)
Sub-total (B)	-	59,422.65
Total expenses (transferred to note 4)	1,536.28	62,773.74

16 Earnings per share

Particulars	For the Year ended March 31, 2020	For the Year ended March 31,2019
Basic and diluted Earning Per Share		
Face value per Equity Share	10	10
Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	-	-
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	50,000	50,000
Basic and diluted Earning Per Share	-	-
There are no dilutive instruments issued by the company.		



17. Financial Instruments**(1) Capital management**

The company manages its capital to ensure that it will be able to meet capital requirement related to acquisition of land and expenses related to preliminary work regarding statutory clearances including that of environment, forest etc. for the purpose of establishing Ultra Mega Power Project of 4000 MW in state of Odisha. Company funds its operations through amount received as commitment advance.

The entity is not subject to any externally imposed capital requirements.

The Company's board reviews the capital structure on need basis. The funding requirements are met through a mixture of borrowings and advances.

The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

(i) Categories of financial instruments

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Recorded at amortised cost		
Financial assets		
Cash and bank balances	298.20	306.62
Loans	11,15,469.49	11,30,006.79
Other financial assets	9,44,932.63	8,87,354.46
Financial liabilities		
Borrowings	16,34,000.00	16,34,000.00
Other financial liabilities	11,77,114.87	11,25,294.53

(ii) Financial risk management objectives

The Company's corporate treasury function monitors and manages the financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

(iii) Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(iv) Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at the rate of interest under category of "State Sector Borrowers (Category 'A') as determined from time to time (fluctuating rate of interest).

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(v) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis for a 50 basis points fluctuation in interest and all other variables were held constant is explained below:

(₹ in Hundreds)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact for Profit or Loss	-	-
Impact for Other comprehensive	-	-

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments and the increase in interest rate swaps to swap floating rate debt to fixed rate debt.

(vi) Other price risks

The company is not exposed to price risk as it does not hold any investments.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
(CIN:U40108DL2008GOI178409)
Notes to the Financial Statements for the year ended March 31, 2020
17. Financial Instruments
(vii) Credit risk management

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 limited exposure to credit risk owing to the balance of loan receivable from PFC as mentioned in Note 5. Company does not have trade receivable. Further the loan receivable is from its Holding company (PFC).

Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

(viii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2020;

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in more than 5th Year	Due date not specified	Total contracted cash flows
Financial Liabilities						
Borrowings	16,34,000.00	-	-	-	16,34,000.00	16,34,000.00
Other financial liabilities	11,77,114.87	472.50	-	-	11,76,642.37	11,77,114.87

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019;

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in more than 5th Year	Due date not specified	Total contracted cash flows
Borrowings	16,34,000.00	-	-	-	16,34,000.00	16,34,000.00
Other financial liabilities	11,25,294.53	472.50	-	-	11,24,822.03	11,25,294.53

The table below provides details regarding the contractual maturities of financial assets as at 31 March 2020:

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in more than 5th Year	Due date not specified	Total contracted cash flows
Loans	11,15,469.49	-	-	-	11,15,469.49	11,15,469.49
Other financial assets	9,44,932.63	-	-	-	9,44,932.63	9,44,932.63

The table below provides details regarding the contractual maturities of financial assets as at 31 March 2019:

(₹ in Hundreds)

Particulars	Carrying amount	Due in 1st year	Due in 2-5 year	Due in more than 5th Year	Due date not specified	Total contracted cash flows
Loans	11,30,006.79	-	-	-	16,34,000.00	16,34,000.00
Other financial assets	8,87,354.46	-	-	-	8,87,354.46	8,87,354.46

(xi) Fair value of financial assets and financial liabilities that are not measured at fair value:

(₹ in Hundreds)

Particulars	Fair value hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	Level 3	298.20	298.20	306.62	306.62
Loans	Level 3	11,15,469.49	11,15,469.49	11,30,006.79	16,34,000.00
Other financial assets	Level 3	9,44,932.63	9,44,932.63	8,87,354.46	8,87,354.46
Financial Liabilities					
Borrowings	Level 3	16,34,000.00	16,34,000.00	16,34,000.00	21,37,993.21
Other financial liabilities	Level 3	11,77,114.87	11,77,114.87	11,25,294.53	11,25,294.53

The fair value of financial assets and liabilities approximate with the carrying amount recognized in the financial statements. There was no transfer between Level 1, Level 2 and Level 3 in the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
(CIN:U40108DL2008GOI178409)
Notes to the Financial Statements for the year ended March 31, 2020
18 STATEMENT OF TRANSACTIONS WITH RELATED PARTIES
18.1 Name of related parties and description of relationship:

18.1	Name of related parties and description of relationship:			
	Holding Company			
	1	Power Finance Corporation Limited (PFCL)		
	Fellow Subsidiary			
	1	PFC Consulting Limited	2	REC Limited (RECL)
	3	REC Power Distribution Company Ltd (through RECL)	4	REC Transmission Projects Company Limited (through RECL)
	5	Power Equity Capital Advisors (Pvt) Limited		
	Associate of Fellow Subsidiary			
	1	Tanda Transmission Company Limited	2	Shongtong Karcham-Wangtoo Transmission Limited
	3	Bijawar-Vidarbha Transmission Limited	4	Vapi II North Lakhimpur Transmission Limited
	5	Karur Transmission Limited	6	Koppal-Narendra Transmission Limited
	7	Meerut-Simbhawali Transmission Limited transferred to PGCIL on 19th December, 2019	8	Bikaner-Khetri Transmission Limited transferred to ATL on 19th September, 2019
	9	Bhuj-II Transmission Limited transferred to PGCIL on 16th October, 2019	10	Fatehgarh-II Transco Limited transferred to PGCIL on 14th October, 2019
	11	Lakadia-Vadodara Transmission Project Limited transferred to Sterlite on 26th November, 2019		
	Associate through PFCL			
	1	Coastal Maharashtra Mega Power Limited (through PFCL)	2	Ghogarpalli Integrated Power Company Limited (through PFCL)
	3	Orissa Integrated Power Company Limited (through PFCL)	4	Coastal Karnataka Power Limited (through PFCL)
	5	Coastal Tamil Nadu Power Limited (through PFCL)	6	Chhattisgarh Surguja Power Limited (through PFCL)
	7	Tatiya Andhra Mega Power Limited (through PFCL)	8	Deoghar Mega Power Limited (through PFCL)
	9	Deoghar Infra Limited (through PFCL)	10	Cheyur Infra Limited (through PFCL)
	11	Bihar Infrapower Limited (through PFCL)	12	Odisha Infrapower Limited (through PFCL)
	13	Jharkhand Infrapower Limited (through PFCL)	14	Bihar Mega Power Limited (through PFCL)
	Associate through RECL			
	15	Mandar Transmission Limited (through RECL)	16	Chandil Transmission Limited (through RECL)
	17	Koderma Transmission Limited (through RECL)	18	Dumka Transmission Limited (through RECL)
	19	Dinchang Transmission Limited (through RECL)	20	Bhind-Guna Transmission Limited (through RECL) - transferred to PGCIL on 11th September 2019
	21	Ajmer Phagi Transco Limited (through RECL) - transferred to PGCIL on 3rd October, 2019	22	Udupi Kasagode Transmission Limited (through RECL) - transferred to Sterlite Grid on 12th September, 2019
	23	WRSS XXI (A) Transco Limited (through RECL) - transferred to Adani Transmission Limited on 14th October, 2019	24	Khetri Transco Limited (through RECL)- transferred to PGCIL on 29th August 2019
25	Lakadia Banaskantha Transco Limited (through RECL) - transferred to Adani Transmission Limited on 13th November, 2019	26	Rampur Shambhal Transco Limited - Incorporated on 02.05.2019 and transferred to Power Grid Corporation of India Limited (PGCIL) on 12th	
27	Jam Khambaliya Transco Limited (through RECL) - transferred to Adani Transmission Limited on 13th November, 2019			
Joint Venture				
1	Energy Efficiency Services Limited (through PFCL)	2	Ceighton Energy Limited (through EESL)	
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisitions Limited (through EESL)	
5	Aneco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)	
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)	
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)	
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)	
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)	
15	EPSL Trigenation Private Limited (through EESL)	16	NEESL Private Limited (through EESL)	



Key Managerial Persons (KMP)**				
S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri P.K. Singh	Chairman	04.06.2018	Continuing
2	Shri Rakesh Mohan	Director	18.11.2019	Continuing
3	Shri P.C. Hembram	Director	16.01.2019	Continuing
4	Shri Alok Singhal	Director	16.09.2016	31/10/2019

* Under process of striking off

** Employee of the Holding Company (PFC) and deployed on Part Time basis

18.2.1 Transactions with Related Party:

(₹ in Hundreds)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Power Finance Corporation, Holding Company</u>		
Borrowings	-	-
Loan received (Net)	(14,537.30)	15,279.00
Interest Receivable from PFC for unutilised portion	57,578.17	70,671.85

18.2.2 Outstanding balances with Related Party:

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Power Finance Corporation, Holding Company</u>		
Borrowings	-	-
Loans given	11,15,469.49	11,30,006.79
Interest receivable/accrued but not due	9,44,932.63	8,87,354.46

Compensation of Key Management Personnel:

The employees in the company are on contractual terms as per agreement entered with the Holding Company (PFC). No sitting fees has been paid to the directors.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED**(CIN:U40108DL2008GOI178409)****Notes to the Financial Statements for the year ended March 31, 2020**

- 19 Ministry of Power (MoP), Govt of India vide letter dated 26.07.2019 has asked from Govt. of Odisha/procueres to confirm about closure of the UMPP company, so that further needful action can be taken by PFC/PFCCL, however the response from the Govt. of Odisha/procueres is awaited on balance sheet date, therefore financial statements have been prepared on going concern basis.
- 20 Pursuant to decision of Ministry of Power, Government of India, the Company is to receive Commitment Advance of ₹ 40,00,000.00/-(in Hundred) from the Power Procuring Utilities (Procueres), as their contribution against allotment of specified quota of power to be made on completion of the project by way of a Power Purchase Agreement with respective Procueres and successful bidder. The sum of ₹ 16,34,000.00/- (in Hundred)(Previous year ₹ 16,34,000.00/-(in Hundred)) is received from procueres and ₹ 23,66,000.00/-(in Hundred) is yet to be received from the State of Assam (₹ 1,20,000.00/-(in Hundred)), Delhi (₹ 1,000.00/-(in Hundred)), Jammu & Kashmir (₹ 75,000.00 (in Hundred)), Nagaland (₹ 50,000.00/-(in Hundred)), Orissa (₹ 20,00,000.00/-(in Hundred)) and Punjab (₹ 1,20,000.00/-(in Hundred)). The commitment advance received has been shown in the Balance Sheet as Borrowings (Non Current). The Company is under no obligation to pay interest on the commitment advance received, however, as per the decision taken by the Company/Holding Company, interest has been provided on these commitment advance. The said commitment advance along with accrued interest as per terms of financing agreement shall be repayable to the procueres within 15 days from the date of transfer of the company by the Holding Company to its successful bidder.
- 21 Pursuant to the Financing Agreement with PFC Ltd. total commitment advance of ₹ 16,34,000.00/-(in Hundred) received from procueres was parked with the Holding Company (PFC Ltd.) to pay out expenditures for the project on behalf of the company and to invest/ retain remaining unutilized portion. The amount parked with holding company is shown as long-term loans and advances and interest due thereon is appearing under the head Other non-current assets in the Balance Sheet. The expenditure incurred by PFC till date is capitalised under capital work in progress.
- 22 The Company pays interest to PFC Ltd. on the expenses incurred by them on behalf of the company from their funds and also to the Procueres on commitment advance on two parts bifurcating into fund utilized for the project and funds unutilized at rates as per the policy of the Holding Company/Company. Interest on unutilized portion of commitment advance is receivable from PFC Ltd. and the same is payable to procueres on back to back basis. Interest on utilized portion of commitment advance is recoverable from selected bidder and same is payable to procueres on back to back basis, which was being provided on accrual basis upto previous financial year, however in view of note 19 above, it has been decided by the holding company that from current year and onwards, interest on utilised portion of commitment advance will not be provided. The rate of interest charged on the utilized amount of funds is as applicable in PFC Ltd. for the Project Loan/Schemes (Generation) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time and on unutilized portion of funds, the interest received/paid is on "monthly average deposit rate of PFC Ltd.". Interest on unutilized portion of funds is receivable from PFC Ltd. and the same is payable to Procueres. Total Interest Expense amounting to Rs 57,578.179/-(in Hundred) (Previous Year Rs 1,30,094.50/-(in Hundred)) has been accounted for in the books of account for the year.
- 23 As per the scheme of setting up of the project, entire expenditure to be incurred by the company for project exploration and initial spade work, including interest on funds deployed and professional fees of ₹ 50,00,000.00/-(in Hundred) plus applicable taxes will be recovered from the successful bidder of the project as acquisition price for purchase of 100% equity shareholding of the company from its holding company (PFC Ltd.), consequent upon which the company along with all its assets and liabilities shall stand transferred to such bidder as per the share purchase agreement to be entered into. The shares of the company shall be transferred by the Holding Company to the successful bidder of the project after completion of bidding process. The amount of consideration payable by the successful bidder as acquisition price for purchase of 100% equity shareholding of company and for taking over all assets and liabilities of company shall be at par at book value.
- 24 The Company has agreed to pay a sum of ₹ 50,00,000.00/- (in Hundred) plus applicable taxes to PFCL/PFCCL on account of fees for providing advisory & professional services rendered by PFCL/PFCCL. The fees for providing advisory & professional services is payable to PFCL/PFCCL only when successful bidder for the Project will be selected and company will be transferred to successful bidder, therefore no liability has been provided for fees payable to PFCL/PFCCL, since the same will be charged in the year of transfer of the company to successful bidder only in the event of transfer of the company.
- 25 The shares of the Company shall be transferred by the Holding Company to the successful bidder of the project after completion of bidding process. The amount of consideration payable by the successful bidder as acquisition price for purchase of 100% equity shareholding of Company and for taking over all assets and liabilities of Company shall be at par at book value.
- 26 The expenses appearing as other Administrative Expenses are mainly allocated by PFCL/PFCCL to SPVs as per assessment of expenditure made by these companies. Original Supporting bills in respect of such expenditure incurred by the PFCL/PFCCL are in the name of PFCL/PFCCL and retained by them of which copies are available with the Company. PFCL/PFCCL is complying with all statutory provisions relating to the 'Deduction of tax at source and Goods and Service tax etc. as applicable to these expenses.
- 27 Other expenses incurred during the year (Note 15) have been capitalised and shown as Capital work-in-progress.



28 Employee benefit plans

Since there are no employees in the company, the obligation as per Ind AS- 19 do not arises.

29 Commitments:

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Estimated amounts of contracts remaining to be executed on capital account, and not provided	-	-
Other commitments	-	-

30 Contingent liabilities and contingent assets

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period	-	-
Further, No contingent assets and contingent gains are probable to the company.	-	-

31 The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), based on the information available with the Company:

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(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 of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

32 Auditors Remuneration

(₹ in Hundreds)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit Fees (including GST)	516.25	516.25

33 Segment Information

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company. The Company is mainly incorporated with the objects of generation of power and presently engaged in setting up of power plant and all activities of the Company revolve around this main business as a single unit. Further there are no geographical segments as all the operations of the Company are in India. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".



34 Other Disclosures:

- (a) Expenditure in foreign currency- NIL
- (b) Income in foreign exchange- NIL

35 Impact of COVID-19 Global Pandemic outbreak: The world is facing unprecedented situation in all facets of business and economy with the COVID-19 pandemic. However in view of the management, there will not be any adverse or material impact on the project being undertaken by the company and/or carrying value of its assets. The management also do not estimate and perceive any impact on going concern continuity of the business operations of the company due to COVID-19 pandemic.

36 Approval of financial statements

The Financial Statements for the year ended 31st March 2020 were approved by the Board of Directors and authorised for issue on 18/06/2020

For & on Behalf of Board of Directors



P.C. Hembram
Director
DIN:02750881



Rakesh Mohan
Director
DIN:08604221



P.K. Singh
Chairman
DIN:03548218

As per our report of even date

For & on Behalf of

For & on Behalf of

Agarwal Singhania & Co.

(Chartered Accountants)

Firm Reg. No: 004323N



(Ankur Agarwal)
Partner
M. No.: 502943



Place : New Delhi

Date : 18/06/2020

UDIN: 20502943 AAAA SL1705