

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

10TH ANNUAL REPORT

(2017-18)

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CORPORATE INFORMATION

<i>CIN</i>	<i>U40108DL2008GOI178409</i>
<i>Date of Incorporation</i>	<i>21st May, 2008</i>
<i>Share Capital</i>	<i>Authorized Capital - ₹5,00,000</i> <i>Paid Up Capital - ₹5,00,000</i>
<i>Registered Office</i>	<i>First Floor, Urjanidhi,1- Barakhamba Lane, Connaught Place New Delhi- 110001.</i>
<i>Board of Directors</i>	<i>1. Shri P.K. Singh : Chairman</i> <i>2. Shri Alok Singhal : Director</i> <i>3. Shri R. Rahman : Director</i>
<i>Statutory Auditor</i>	<i>M/s. Deepak Gulati & Associates</i>

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited)

Regd. Office: First Floor, Urjanidhi, 1-Barakhamba lane, Connaught Place, New Delhi – 110001

NOTICE

Notice is hereby given that the 10th Annual General Meeting of Sakhigopal Integrated Power Company Limited will be held on **Tuesday the 4th day of September, 2018 at 12.00 Noon** at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi - 110001, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, along with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Alok Singhal (DIN 00795955), who retires by rotation and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of section 142(1) of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed/to be appointed by Comptroller and Auditor General of India for the Financial Year 2018-19, as may be deemed fit by the Board."

SPECIAL BUSINESS

4. Appointment of Shri Yogesh Juneja as a Director of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri Yogesh Juneja (DIN 02913155), who was appointed as an additional Director w.e.f. 18th October, 2017 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Shri P.K. Singh as a Director of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of section 161(1) and other applicable provisions, if any, of the Companies Act, 2013, Shri P.K. Singh (DIN 03548218), who was appointed as an additional Director w.e.f. 04th June, 2018 and who hold office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By order of the Board of Directors
For Sakhigopal Integrated Power Company Limited**

**Sd/-
(Yogesh Juneja)
Director & Project-in Charge**

Date: 09.08.2018

Place: New Delhi

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 4 & 5 of the Notice is annexed hereto. The relevant details as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the persons seeking appointment/re-appointment as Director under item No. 2, 4 & 5 of the Notice are also annexed.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him/her and such proxy need not be a member of the Company.** Pursuant to the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting. Proxy so appointed shall not have any right to speak at the meeting.
3. The Statutory Registers and other records under the Companies Act, 2013 and rules made thereunder, will be available for inspection by Members at the venue of AGM.

4. Pursuant to Section 139(5) of Companies Act, 2013 the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) within a period of 180 days from the commencement of the financial year and in terms of section 142(1) of the Companies Act, 2013, their remuneration has to be fixed by the Company in Annual General Meeting. The members may authorize the Board of Directors of the Company to fix an appropriate remuneration of auditors appointed by the Comptroller and Auditor General of India for the financial year 2018-19.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

Power Finance Corporation Limited (PFC), the holding company, nominated Shri Yogesh Juneja, ED, PFCCL as Director of the Company in place of Shri Rizwanur Rahman, EVP, PFCCL. Accordingly, Shri Yogesh Juneja was inducted on the Board as additional Director w.e.f. 18th October, 2017.

Pursuant to the provision of section 161(1) and other applicable provisions of the Companies Act, 2013, Shri Yogesh Juneja will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of Section 160 of the Companies Act 2013 has been made for the appointment of Shri Yogesh Juneja as Director of the company.

Your Directors recommend the resolution as contained in Item No. 4 of the Notice for approval of the members.

Shri Yogesh Juneja is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

Item No. 5

Power Finance Corporation Limited (PFC), the holding company, nominated Shri P.K. Singh, ED, PFC as Director of the Company in place of Shri D. Ravi, Director (Commercial), PFC, who on attaining the age of superannuation, retired from the services of PFC w.e.f. 31st May, 2018. Accordingly, Shri P.K. Singh was inducted on the Board as additional Director w.e.f. 04th June, 2018.

Pursuant to the provision of section 161(1) and other applicable provisions of the Companies Act, 2013, Shri P.K. Singh will hold office till the date of ensuing Annual General Meeting. The Compliance with respect to the provisions of Section 160 of the Companies Act 2013 has been made for the appointment of Shri P.K. Singh as Director of the company.

Your Directors recommend the resolution as contained in Item No. 5 of the Notice for approval of the members.

Shri P.K. Singh is interested in this resolution to the extent of his appointment as a Director of the Company. No other Director of the Company is in anyway concerned/interested in the proposed resolution.

**By order of the Board of Directors
For Sakhigopal Integrated Power Company Limited**

**Sd/-
(Yogesh Juneja)
Director & Project-in Charge**

**Date: 09.08.2018
Place: New Delhi**

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/ RE- APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

Name of Director	Shri Praveen Kumar Singh	Shri Alok Singhal	Shri Yogesh Juneja
Date of Birth	20.01.1962	02.10.1959	05.08.1960
Date of Appointment	04.06.2018	16.09.2016	18.10.2017
Relationship with Directors	None	None	None
Qualification	<ul style="list-style-type: none"> • B. Tech (Electrical) • M. Tech (Energy & Environment Management) • MBA (University of Houston) 	ICWAI	PGDM, IIM (Calcutta)
Experience	Shri Praveen Kumar Singh has vast experience of working in power sector. Presently, Shri Singh is holding the position of Executive Director, Power Finance Corporation Ltd. and has been associated with PFC for last 24 years. Previously Shri Singh has worked in different capacities with BHEL and CIL.	Shri Alok Singhal has vast experience of around 35 years of working in government companies as BHEL, NHPC, THDC and Power Finance Corporation Limited. He is currently working as a Executive Director in Power Finance Corporation Limited.	Shri Yogesh Juneja has vast experience of 35 years of working in government companies as BHEL, Power Grid Corporation Limited and Power Finance Corporation Limited. He is currently working as a Executive Director in Power Finance Corporation Limited.
Directorships in other companies	<ul style="list-style-type: none"> • Ghogarpalli Integrated Power Co. Limited • Coastal Karnataka Power Limited • Jharkhand Infrapower Limited 	<ul style="list-style-type: none"> • Ghogarpalli integrated Power Co. Limited • Tatiya Andhra Mega Power Limited 	<ul style="list-style-type: none"> • Cheyyur Infra Limited • Coastal Tamil Nadu Power Limited • Bihar Infrapower Limited • Bihar Mega Power Limited • Odisha Infrapower Limited • Chhattisgarh Surguja Power Limited • Orissa Integrated Power Limited • Tatiya Andhra Mega Power Limited • Jharkhand Infrapower Limited
Chairman/Membership of Committees across all public companies	None	None	None
Number of Shares held in the company as on 31st March 2018	100 Equity Shares*	None	None

* Nominee of Power Finance Corporation Limited
For detail regarding number of meetings of the board attended during the year in respect of abovementioned Directors, please refer to the Board's Report.

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

(A Wholly owned subsidiary of Power Finance Corporation Limited)

BOARD'S REPORT 2017-18

To

The Members,

Your Directors have pleasure in presenting the 10th Annual Report on the performance of the Company for the financial year ended on 31st March, 2018 along with Audited Financial Statements and Auditor's Report thereon.

OPERATIONAL ACTIVITIES

Your Company was incorporated on 21st May, 2008 as a Special Purpose Vehicle (SPV) for Orissa first Additional UMPP as a wholly owned subsidiary of PFC Consulting Limited (PFCCL). After transfer of shares to Power Finance Corporation Limited (PFC) on 9th February, 2010 as per the directions of Ministry of Power (MoP), Government of India, your company became a wholly owned subsidiary Company of PFC.

Power from the project would be procured by the twelve States namely Odisha (2000 MW), Uttar Pradesh (480 MW), Bihar (350 MW), Haryana (275 MW), Rajasthan (250 MW), Delhi (120 MW), Punjab (120 MW), Assam (120 MW), Himachal Pradesh (100 MW), Jammu & Kashmir (75 MW), Meghalaya (60 MW) and Nagaland (50 MW).

In a meeting taken by Chief Secretary, Govt. of Odisha in August, 2011 it was decided to set up 1st additional UMPP at the Coastal location using desalination technology.

Chief Secretary, Govt of Odisha in the meeting of Steering Committee for selection of sites for additional two UMPPs held in May 2012 conveyed the recommendation of Govt. of Odisha for locating the UMPP at Bijoypatna in Chandbali Tehsil of Bhadrak District.

Bankhui Coal Block in Talcher Coal Fields with indicative reserve of 800 MT has been allocated to your Company by Ministry of Coal in June 2010. CMPDIL has advised that the online application for drilling in forest area has to be submitted by SIPCL since the coal block has been allocated to them. Accordingly, SIPCL has requested CMPDIL to provide necessary maps and data required for online application.

'In-principle' permission to use sea water was accorded by Commerce & Transport Department, Govt. of Odisha in November 2012.

'No Objection' for the site has been received from DRDO, Ministry of Defence in September 2012.

Further, the officials of MoP, PFC / PFCCL and CEA have been requesting Govt. of Odisha during various meetings across different forums for according 'in-principle' approval for the 2nd Additional UMPP in Odisha. However, the in-principle is still awaited.

FINANCIAL REVIEW

During the year under review, your Company has not started its commercial activities. However, during the year the Company has spent an amount of ₹ 0.59 Crores towards Auditor fees, interest expenses, consultancy charges, legal & professional charges, outsourcing expenses etc. which has been transferred to capital work in progress. The total expenditure incurred by the Company till 31st March, 2018 is ₹6.94 Crores.

DIVIDEND

As the Company has not started its commercial activities your Directors have decided not to recommend any dividend for the financial year 2017-18.

SHARE CAPITAL

The paid-up share capital of the Company is ₹ 5,00,000/- (₹Five Lac only) comprising of 50,000 equity shares of ₹10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

COMMITMENT ADVANCE

Out of the total commitment advance of ₹40.00 Crore to be received from various power procurers, an amount of ₹16.34 Crore has been received till date and the balance amount of ₹23.66 Crore is yet to be received.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

There are no subsidiary/joint venture/associate companies within the meaning of Section 2 (6) and 2 (87) of the Companies Act, 2013.

DIRECTORS

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company:

- Pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company, Shri Yogesh Juneja was appointed as additional Director of the Company w.e.f. 18th October, 2017 in place of Shri Rizwanur Rahman.
- On Superannuation from the services of Power Finance Corporation Limited (PFC), Holding Company, Shri D. Ravi ceased to be Chairman & director of the Company w.e.f. 31st May, 2018.
- Further, Pursuant to the office order issued by Power Finance Corporation Limited (PFC), Holding Company Shri P.K. Singh was appointed as Additional Director designated as Chairman w.e.f. 4th June, 2018 in place of Shri D. Ravi.

Pursuant to the provisions of Section 161(1) of the Companies Act 2013, Shri Yogesh Juneja and Shri P.K. Singh will hold office upto the date of ensuing Annual General Meeting. The Board recommends that Shri Yogesh Juneja and Shri P.K. Singh may be appointed as a Director, liable to retire by rotation.

In accordance with the provisions of Section 152(6) of the Companies Act 2013, Shri Alok Singhal, Director shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Your Board places on record deep appreciation for the valuable contribution made by Shri R. Rahman during his tenure as Director of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Shri P.K. Singh : Chairman
2. Shri Alok Singhal : Director
3. Shri Yogesh Juneja : Director

MEETINGS OF BOARD OF DIRECTORS

During the financial year 2017-18, four (4) Board meetings were held. The details of Board meetings and the attendance of each Director in said meetings are given below:

SI. No.	Name& Designation of Directors	Date of Board Meetings & attendance of each Director			
		25.05.2017	04.08.2017	18.10.2017	05.02.2018
1.	Shri D. Ravi Chairman	Yes	Yes	Yes	Yes
2.	Shri Alok Singhal Director	Yes	Yes	Yes	Yes

3.	Shri R. Rahman Director*	Yes	Yes	No	-
4.	Shri Yogesh Juneja Director#	-	-	No	Yes

* Ceased to be a Director w.e.f. 18.10.2017

Appointed as Director w.e.f. 18.10.2017

AUDITOR'S REPORT

M/s. Deepak Gulati & Associates Chartered Accountant were appointed as Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India.

Pursuant to the provisions of Section 134(3) of the Companies Act, 2013 the information to the observations of Statutory Auditor's on the Financial Statements for the Financial Year 2017-18 and the Management Reply on the same are submitted as under:-

S. No.	Observations of the Statutory Auditors	Management's Reply
I.	<u>Basis for qualified opinion</u>	
1.	The Company has taken a commitment advance from the procurer amounting to Rs. 16,34,00,000/- and agreed to pay interest as per rate prescribed. The company has parked such amount as an inter - corporate loan to its holding company i.e. Power Finance corporation Ltd. (PFC) under the head Long term Loans and Advances under assets side in their Balance Sheet. The company is required to charge interest from PFC as per financing agreement dated 15.11.2010. The company has shown such interest payable to the procurer and interest receivable from PFC under the head capital work in progress under fixed assets in their balance sheet. As per Para 11 of AS 16 on borrowing cost, any interest income earned on temporary investment of those borrowing is deducted from the borrowing cost incurred. As per our opinion, we have no objection in deducting the borrowing cost incurred from income earned on temporary investment of these borrowing, our contention is that, the same should be shown in the profit & loss a/c under the	As reported in note 1 to the financial statements, the company has been incorporated with the main objectives of setting up of Ultra Mega Power Projects (UMPP) of 4000 MW capacity. Upto the date of balance sheet, the company is still in initial stage of development and has been solely engaged in the process of setting up of the power project and therefore all the expenses/incidental income (as explained below) are capitalized under CWIP since these are related to the project only. As regards presentation of interest receivable and interest payable, the same has been disclosed in line with para 11 of AS-16, which is reproduced as under: <i>"The financing arrangements for a qualifying asset may result in an enterprise obtaining borrowed funds and incurring associated borrowing costs before some or all of the funds are used for expenditure on the qualifying asset. In such circumstances, the funds are often temporarily invested</i>

	<p>head other income and financial expenses respectively. Therefore, the revenue side of profit & loss a/c are understated by Rs. 62,20,849 /- (Interest receivable from PFC) and expenditure side of profit & loss a/c are understated by Rs. 62, 20, 849/- (Interest payable to procurers). The interest payable to procurer and interest receivable from PFC should be considered as revenue in nature and to be presented in profit & loss a/c. Besides, above, we have no objection with regards to the amount of interest on utilized portion to be debited in the capital work in progress, which is directly attributable to the project.</p>	<p><i>pending their expenditure on the qualifying asset. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred".</i></p> <p>From the above it is clearly evident that the interest income on the temporary investment should be deducted from the borrowing cost incurred and the net borrowing cost is to be capitalized on such qualifying assets. Had it been routed through Statement of Profit & Loss, there will not be any capitalization of expenses and as such will not be as per AS-16. The accounting treatment done by the company is in accordance with AS-16 and accounting practice followed since inception of the company and there is no understatement of income or expenditure.</p>
2.	<p>The Company is incorporated in the year may 2008 with a main object of construction of 4000 mega power plant in the state of Orissa and almost 9 years have been passed from the date of its inception. The Company has not yet to be in position for acquiring of land for construction of such power plant. In our opinion, there is an extended delay in construction of such power project and general routine overhead and administrative expenses should not be charged to project expenses under the head capital work in progress. The cost that are not directly attributable to the construction/acquisition of the fixed assets /project for bringing to its condition are those cost that would not have been avoided if construction/acquisition has not been made. Hence administrative expenses amounting to Rs. 2,63,373 should be charged to profit and loss a/c instead of charging to project expenses under the head capital work in progress.</p>	<p>The company has been solely engaged in the process of setting up of the power project and the company is not doing any other business activity. All the expenditure incurred by the company are therefore essential/incidental to the project only. Further as per MCA circular no. 35/2014 dated 27th August 2014 only those cost which are incurred during the extended delay in commencement of commercial production after the plant is otherwise ready are not to be capitalized and there is no restriction on capitalization of expenses during the construction period. The accounting treatment done by the company is followed by the company since its inception and is therefore correct.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) OF INDIA

C&AG vide their letter dated 28th June, 2018 have decided not to conduct the supplementary audit of the financial statements of Sakhigopal Integrated Power Company Limited for the year ended 31st March, 2018 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. A copy of the letter issued by C&AG in this regard is placed at Annexure - I.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of the Annual Accounts for the financial year 2017-18, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year 2017-18 and of the profit and loss of the company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year, Company has complied with the applicable provisions of the Secretarial Standards.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31st March, 2018 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

PARTICULARS OF EMPLOYEES

The Company has no employees on its roll. Hence, the particulars of employees as prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-II** in Form AOC-2 and the same forms part of this report.

PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions under section 92 (3) of Companies Act 2013, extract of Annual Return is given in **Annexure – III** in the prescribed Form MGT-9, which forms part of this report.

RISK MANAGEMENT

The Company is a Special Purpose Vehicle (SPV), incorporated for specific project and to undertake only preliminary activities viz. to undertake land acquisition process, obtain statutory clearances and approvals and to undertake bidding process and transfer the SPV to the selected bidder. As the Company will be transferred to the successful developer, risk management is necessary only till such transfer takes place. However the management regularly identifies the probable risks associated during this phase and takes adequate steps for the risk management.

In the event, expenditure incurred by PFC in formation of SPV as share capital/other expenses and the other costs incurred on pre development activities is less than the commitment advance received from procurers in proportion to their allocated share of power from the project and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, the said expenses will be adjusted against the commitment advance. The balance amount left after adjustment of expenditure would be returned to procurers.

In the event, expenditure incurred is more than the commitment advance received from procurers and the project is abandoned or cannot be bid out or there is no selected developer after carrying out bidding process, additional amount would be sought from procurers.

Further, in case the developer is successfully selected, then the SPV would be transferred to successful developer after receiving the Acquisition Price, which will include all costs for developmental activities, land cost, success fee etc.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the provisions of Se. 134 (3) (m) read with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption, are not applicable. During the year under review, there is no foreign exchange earnings and outgo.

ACKNOWLEDGEMENT

The Directors put on record their gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers and Power Finance Corporation Limited for their unstinted co-operation.

For and on behalf of the Board of Directors

Sd/-
P.K. Singh)
Chairman
DIN: 03548218

Place: New Delhi

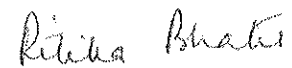
Date: 09.08.2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of Sakhigopal Integrated Power Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the act. This is stated to have been done by them vide their Audit Report dated 17 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Sakhigopal Integrated Power Company Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India



(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated 28 June 2018

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
Sakhigopal Integrated Power Company Limited (SIPCL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:

Power Finance Corporation Limited : Holding Company
PFC Consulting Limited : Subsidiary of the Holding company

(b) Nature of contracts/arrangements/transactions: Fund Arrangement

(c) Duration of the contracts / arrangements/transactions: Ongoing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
N.A

(e) Date(s) of approval by the Board, if any: -

(f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

**Sd/-
(P.K. Singh)
Chairman
DIN:03548218**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

i)	CIN:	U40108DL2008GOI178409																					
ii)	Registration Date [DDMMYY]	21.05.2008																					
iii)	Name of the Company	Sakhigopal Integrated Power Company Limited																					
iv)	Category of the Company [Pl. tick]	1. Public Company <input checked="" type="checkbox"/> 2. Private Company																					
	Sub Category of the Company [Please tick whichever are applicable]	<table border="1"> <tr><td>1. Government Company</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td>-</td></tr> <tr><td>3. One Person Company</td><td>-</td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td>-</td></tr> <tr><td>5. NBFC</td><td>-</td></tr> <tr><td>6. Guarantee Company</td><td>-</td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td>-</td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td>-</td></tr> <tr><td>11. Company Registered under Section 8</td><td>-</td></tr> </table>	1. Government Company	<input checked="" type="checkbox"/>	2. Small Company	-	3. One Person Company	-	4. Subsidiary of Foreign Company	-	5. NBFC	-	6. Guarantee Company	-	7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company	-	9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital	-	11. Company Registered under Section 8
1. Government Company	<input checked="" type="checkbox"/>																						
2. Small Company	-																						
3. One Person Company	-																						
4. Subsidiary of Foreign Company	-																						
5. NBFC	-																						
6. Guarantee Company	-																						
7. Limited by shares	<input checked="" type="checkbox"/>																						
8. Unlimited Company	-																						
9. Company having share capital	<input checked="" type="checkbox"/>																						
10. Company not having share capital	-																						
11. Company Registered under Section 8	-																						
v)	Address of the Registered office and contract details	First Floor 'Urjanidhi' 1 Barakhamba Lane, Connaught Place New Delhi-110001, Ph-01123443906.																					
vi)	Whether shares listed on recognized Stock Exchange(s)	No																					
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA) if any :-	N.A.																					

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl.No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
NIL			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Power Finance Corporation Limited 'Urjanidhi' 1, Barakhamba Lane, Connaught Place, New Delhi -110001	L65910DL1986GOI024862	Holding Company	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual*	0	600	600	1.2	0	600	600	1.2	NIL
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	49400	49400	98.8	0	49400	49400	98.8	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	0	50000	50000	100	0	50000	50000	100	0.00
(2) Foreign									
a)NRIs- Individuals	0	0	0	0	0	0	0	0	0
b)Other-Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
E) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	0	50000	50000	100	0	50000	50000	100	0.00
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	NIL	50000	50000	100	NIL	50000	50000	100	0.00

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

(ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Power Finance Corporation Limited	49400	98.8%	NIL	49400	98.8%	NIL	NIL
2	Shri P.K. Bhargava*	100	0.2%	NIL	0	0.0%	NIL	(0.2)%
3	Shri C. Gangopadhyay	100	0.2%	NIL	100	0.2%	NIL	NIL
4	Smt Nalini Vanjani*	100	0.2%	NIL	100	0.2%	NIL	NIL
5	Shri D. Ravi*	100	0.2%	NIL	100	0.2%	NIL	NIL
6	Shri P.K.Singh*	100	0.2%	NIL	100	0.2%	NIL	NIL
7	Shri Dinesh Vij*	100	0.2%	NIL	100	0.2%	NIL	NIL
8	Shri S. Mulchandani*	0	0.0%	NIL	100	0.2%	NIL	0.2%

* NOMINEE OF POWER FINANCE CORPORATION LIMITED

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NO CHANGE IN THE PROMOTERS' SHAREHOLDING			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		As on Date	Increase/D decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning / end of the year	% of Total shares of Company				No. of Shares	% of Total shares of Company
1.	Shri D.Ravi Chairman*	100	0.2%	01.04.2017	NIL	N.A.	100	0.2%
		100	0.2%	31.03.2018				

*Nominee of Power Finance Corporation Limited

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans (`)	Deposits	Total Indebtedness (`)
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	21,07,52,619	-	21,07,52,619
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	-	9,00,78,253	-	9,00,78,253
Total (i+ii+iii)	-	30,08,30,872	-	30,08,30,872
Change in Indebtedness during the financial year				
* Addition	-	122,14,256	-	122,14,256
* Reduction	-	-	-	-
Net Change	-	122,14,256	-	122,14,256
Indebtedness at the end of the financial year				
i) Principal Amount	-	21,22,71,431	-	21,22,71,431
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	10,07,73,697	-	10,07,73,697
Total (i+ii+iii)	-	31,30,45,128	-	31,30,45,128

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY MD/WTD/MANAGER.	
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify Total (1)	NOT APPLICABLE AS COMPANY DOES NOT HAVE ANY INDEPENDENT DIRECTOR								
2	Other Non-Executive Directors									

	Fee for attending board committee meetings	NIL
	Commission	
	Others, please specify	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NOT APPLICABLE AS THE COMPANY DOES NOT HAVE ANY CEO/CS/CFO			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

For and on behalf of the Board of Directors

Sd/-
(P.K. Singh)
Chairman
DIN: 03548218

Place: New Delhi
Date: 09.08.2018



DEEPAK GULATI & ASSOCIATES
Chartered Accountants

Head Office
23, Hanuman Road, Connaught Place
New Delhi- 110001
Telefax: 011 23346616,23367142-43

Branch Office
JCM - 1, DLF Phase - II, Gurgaon - 122002
Telefax: 0124 - 4363743

E-mail: dga@dga.in
Website: www.dga.in

INDEPENDENT AUDITOR'S REPORT

To

The Members

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Sakhigopal Integrated Power Company Limited**, which comprise the balance sheet as at 31st March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's 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 there under.

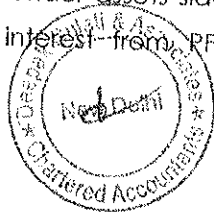
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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

1. The company has taken a commitment advance from the procurer amounting to Rs.16,34,00,000/- and agreed to pay interest as per rate prescribed. The company has parked such amount as an inter - corporate loan to its holding company i.e. Power Finance Corporation Ltd. (PFC) under the head Long term Loans and Advances under assets side in their Balance sheet. The company is required to charge interest from PFC as per financing agreement dated

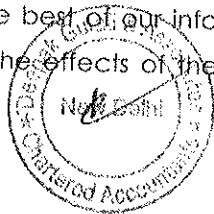


15.11.2010. The company has shown such interest payable to the procurer and interest receivable from PFC under the head capital work in progress under fixed assets in their balance sheet. As per Para 11 of AS 16 on borrowing cost, any interest income earned on temporary investment of those borrowing is deducted from the borrowing cost incurred. As per our opinion, we have no objection in deducting the borrowing cost incurred from income earned on temporary investment of these borrowing, our contention is that, the same should be shown in the profit & loss a/c under the head other income and financial expenses respectively. Therefore, the revenue side of profit & loss a/c are understated by Rs. 62,20,849/- (Interest receivable from PFC) and expenditure side of profit & loss a/c are understated by Rs. 62,20,849/- (Interest payable to procurers). The interest payable to procurer and interest receivable from PFC should be considered as revenue in nature and to be presented in profit & loss a/c. Besides above, we have no objection with regard to the amount of interest on utilized portion to be debited in the Capital Work in progress, which is directly attributable to the project.

2. The company is incorporated in the year May 2008 with a main object of construction of 4000 mega power plant in the state of Orissa and almost 9 years has been passed from the date of its inception. The company has not yet to be in position for acquiring of land for construction of such power plant. In our opinion, there is an extended delay in construction of such power project and general routine overhead and Administrative expenses should not be charged to project expenses under the head capital work in progress. The cost that are not directly attributable to the construction / acquisition of the fixed assets / project for bringing to its working condition are those cost that would not have been avoided if construction / acquisition has not been made. Hence administrative expenses amounting to Rs.2, 63,373/- should be charged to profit & loss a/c instead of charging to project expenses under the head capital work in progress.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified



Opinion paragraph 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, in case of Balance sheet, of the state of affairs of the Company as at 31st March 2018 and its statement of profit and loss of the profit/loss for the year ended 31st March 2018 and its cash flows statement for the year ended on that date and in accordance with Accounting standards and Companies Act, 2013

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with the Companies Act 2013 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (1) 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The Company is a Government Company. Hence, the provision of



Section 164(2) of the Act is not applicable to the Company.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to 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 does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
 - (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 8th November, 2016 to 30th December, 2016.
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 –I &II**.

**For DEEPAK GULATI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN NO. 007545N**


**(MANPREET SINGH KAPOOR)
PARTNER
M.NO.506545**

**Place : New Delhi
Date : 17-05-2018**

Annexure "A" to the Independent Auditor's Report

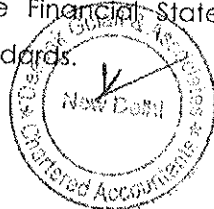
The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

- (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) 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) The company has not given any loans /investments /guarantees /securities during the year 2017-18. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The company has not accepted any deposit under section 73 of Company's Act 2013.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As



explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company has not taken any loans or borrowing from a financial institution, bank, Government or dues to debenture holders.
- (ix) No money has been raised by way of initial public offer or further public offer (including debt instruments) and term loans. Hence provisions of paragraph 3(ix) of the order are not applicable to the company.
- (x) No fraud has been noticed or reported on or by the company during the year.
- (xi) The Company is a Government Company. Hence the provisions of Section 197 of the Companies Act, 2013 is not applicable to the Company.
- (xii) The company is not a Nidhi Company and no need to be complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, the provisions of Section 42 of the Companies Act, 2013 and paragraph 3(xiv) of the CARO, 2016 are not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them which are covered under Section 192 of the Companies Act, 2013.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DEEPAK GULATI & ASSOCIATES
CHARTERED ACCOUNTANTS**

FRN 007545N



**MANPREET SINGH KAPOOR
(PARTNER)
M.NO.506545**

**Place : New Delhi
Date : 17-05-2018**

Annexure - B to the Independent Auditor's Report

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

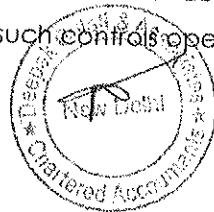
We have audited the internal financial controls over financial reporting of **Sakhigopal Integrated Power Company Ltd.** as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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.

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, 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.



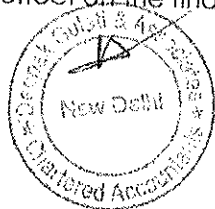
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 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 31 March 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 DEEPAK GULATI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN-007545N



MANPREET SINGH KAPOOR
(PARTNER)
M.NO 506545

Place : New Delhi
Date : 17-05-2018



DEEPAK GULATI & ASSOCIATES
Chartered Accountants

Head Office
23, Hanuman Road, Connaught Place
New Delhi- 110001
Telefax: 011 23346616,23367142-43

Branch Office
JCM - 1, DLF Phase - II, Gurgaon - 122002
Telefax: 0124 - 4363743

E-mail: dga@dga.in
Website: www.dga.in

**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF SAKHIGOPAL
INTEGRATED POWER COMPANY LIMITED**

**DIRECTIONS ISSUED BY THE COMPTROLLER AUDITOR GENERAL OF INDIA UNDER
SECTION 143(5) OF THE COMPANIES ACT,2013**

The Annexure referred to in our report to the members of Sakhigopal Integrated Power Company Limited for the year ended 31st March 2018 :

1	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title / lease deeds are not available.	The Company does not have any freehold and leasehold land, Hence this clause is not applicable.
2	Whether there are any cases of wavier / write off debts / loans / interest etc. If yes, the reasons thereof and amount involved.	There are no such cases of waiver / write off debts / loans / interest etc. Hence this clause is not applicable
3	Whether proper records are maintained for inventories lying with third parties and assets received are gift / grant(s) from the government or other authorities.	There is no inventory in the company and no assets received from government or other authorities, hence 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 Deepak Gulati and Associates
Chartered Accountants

FRN 007545N

Mandeet Singh Kapoor
(Partner)

M. No. 506543

Place: New Delhi
Date: 17.05.2018



DEEPAK GULATI & ASSOCIATES
Chartered Accountants

Head Office
23, Hanuman Road, Connaught Place
New Delhi- 110001
Telefax: 011 23346616,23367142-43

Branch Office
JCM - 1, DLF Phase - II, Gurgaon - 122002
Telefax: 0124 - 4363743

E-mail: dga@dga.in
Website: www.dga.in

Annexure -II

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **M/S Sakhigopal Integrated Power Company Limited** for the year ended 31st March 2018 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 **DEEPAK GULATI & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 007545N


MANPREET SINGH KAPOOR
(PARTNER)
M.No.506545

PLACE : NEW DELHI
DATE : 17-05-2018

Certificate No. : DGA / 3073 / 17-05-2018

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

CIN:U40108DL2008GOI178409

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

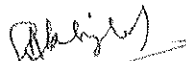
Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES				
(1) Shareholders Funds				
	(a) Share capital	3	5,00,000	5,00,000
	(b) Reserves and surplus	4	(35,172)	(35,172)
			4,64,828	4,64,828
(2) Non-current Liabilities				
	(a) Long-term borrowings	5	21,22,71,431	21,07,52,619
	(b) Other long-term liabilities	6	10,07,73,697	9,00,78,253
			31,30,45,128	30,08,30,872
(3) Current Liabilities				
	(a) Other current liabilities	7	12,40,008	12,94,883
	(b) Short term provisions		-	-
			12,40,008	12,94,883
TOTAL			31,47,49,964	30,25,90,583
II. ASSETS				
(1) Non-current Assets				
	(a) Fixed assets			
	(i) Capital work-in-progress	8	6,93,85,472	6,34,59,121
	(b) Long-term loans and advances	9	16,34,00,000	16,34,00,000
	(c) Other non-current assets	10	8,17,38,933	7,57,16,688
			31,45,24,405	30,25,75,809
(2) Current Assets				
	(a) Cash and cash equivalents	11	26,264	14,083
	(b) Short-term loans and advances	12	1,99,295	691
			2,25,559	14,774
TOTAL			31,47,49,964	30,25,90,583

Corporate Information	1
Significant accounting policies	2
Expenditure During Construction Period	13
Other Notes to financial statements	14-35

For and on behalf of Board of Directors



Yogesh Juneja
Director
DIN:02913155



Alok Singhal
Director
DIN:00795955



Dhanabalan Ravi
Chairman
DIN:00038452

As per our report of even date
For & on behalf of

Deepak Gulati & Associates
(Chartered Accountants)

Firm Reg. No. 007545N



Manpreet Singh Kapoor
(Partner)

Membership No. : 506545

Place : New Delhi

Date : 17.05.2018

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GO178409
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018


		(Amount in ₹)		
	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I.	Revenue from operations		-	-
II.	Other income Interest on Income Tax Refund		-	-
III.	Total Revenue (I+II)		-	-
IV.	Expenses Finance Cost		-	-
	Total Expenses		-	-
V.	Profit before exceptional and extraordinary items and tax (III-IV)		-	-
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		-	-
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII-VIII)		-	-
X.	Tax expense: (1) Current tax (2) Deferred tax		-	-
XI.	Profit for the year from continuing operations (IX-X)		-	-
XII.	Profit from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit from discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit for the year after tax (XI +XIV)		-	-
XVI.	Earnings per equity share:(Par value Rs. 10each)			
	(1) Basic	27	-	-
	(2) Diluted	27	-	-

Corporate Information	1
Significant accounting policies	2
Expenditure During Construction Period	13
Other Notes to financial statements	14-35

For and on behalf of Board of Directors



Yogesh Juneja
Director
DIN:02913155



Alok Singhal
Director
DIN:00795955



Dhanabalan Ravi
Chairman
DIN:00038452

As per our report of even date

For & on behalf of
Deepak Gupta & Associates
(Chartered Accountants)
Firm Reg. No: 007548



Manpreet Singh Kapoor
(Partner)

Membership No. : 506545
Place : New Delhi
Date : 17/05/2018

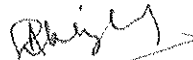
SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GOI178409
CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2018

		(Amount in ₹)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Profit before tax	-	-
	Operating profit before working capital changes	-	-
	Adjustment For Increase/Decrease in:		
	Other non-current assets	(60,22,245)	(69,08,510)
	Short-term loans and advances	(1,98,604)	(561)
	Other Current Liabilities	(54,875)	(1,22,186)
	Other Long Term Liabilities	1,06,95,444	1,12,01,130
	Cash Inflow/Outflow from Operations before tax	44,19,720	41,69,873
	Less: Tax Paid	-	-
	Net cash flow from operating activities	44,19,720	41,69,873
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Capital work-in-progress	(59,26,351)	(59,73,267)
	Net cash used in investing activities	(59,26,351)	(59,73,267)
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Proceeds from Long-term borrowings	15,18,812	15,43,859
	Net cash flow from financing activities	15,18,812	15,43,859
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	12,181	(2,59,535)
	Add: Cash and cash equivalents at beginning of the year	14,083	2,73,618
	Cash and cash equivalents at end of the year	26,264	14,083
	Balance with bank	26,264	14,083

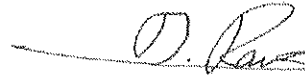
For and on behalf of Board of Directors



Yogesh Juneja
Director
DIN:02913155



Alok Singhal
Director
DIN:00795955



Dhanabalan Ravi
Chairman
DIN:00038452

As per our report of even date
For & on Behalf of
Deepak Gulati & Associates
Chartered Accountants
Firm Reg. No: 007545N


Manpreet Singh Kapoor
(Partner)

Membership No. : 506545
Place : New Delhi
Date : 17/05/2018

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
GIN:U40108DL2008GOI178409
Notes to the Financial Statements for the Year ended March 31,2018

1 Corporate Information

The Company was incorporated on 21/05/2008 under the Companies Act, 1956 and Certificate for Commencement of Business was issued on April 17, 2009. The company is a wholly owned subsidiary of Power Finance Corporation (PFC), a Govt. of India undertaking. The Company is a special purpose vehicle incorporated for the purpose of establishing ultra mega power project of 4000 MW in the state of Odisha.

2 Significant Accounting Policies

a. Basis of Preparation

The financial statements have been prepared in accordance with historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and Accounting Standards specified under Sec 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known and/or materialized.

c. 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 /PFCCCL will be accounted for in the year of transfer of the company to the successful bidder (as and when due).

d. Capital work-in-progress

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

e. Loans

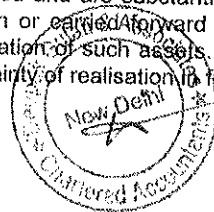
Expenditure incurred by the company for the Project is financed by the Holding Company/Procurers and is grouped under Unsecured Long term borrowings. Interest is charged on funds deployed by them.

f. Loans and Advances

Surplus funds parked by the company with the Holding company (PFC) is grouped under long term loans and advances and interest is claimed on such funds from Holding company.

g. Taxes on Income

Provision for taxation includes provision for Income Tax and Deferred Tax. Current Income tax has been provided at the rates in force in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted and are substantively enacted as on the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

CIN:U40108DL2008GOI178409

Notes to the Financial Statements for the Year ended March 31,2018

h. Borrowing Cost

Borrowing cost is charged to the statement of profit & loss except for interest on borrowings for capital assets is capitalized till the date of commercial use of the assets.

i. Preliminary Expenses

Preliminary expenses are written off in the year in which such expenditure is incurred.

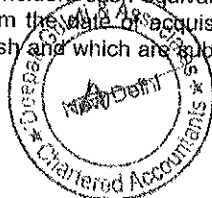
j. Contingent Liability

Contingent liabilities are not provided for and are disclosed by way of notes. A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed in the notes.

k. Cash Flow Statement

Cash flow Statement is prepared in accordance with the indirect method prescribed in Revised Accounting Standard-3 on Cash Flow Statement.

- l. Cash** comprises cash on hand, demand deposits with banks, imprest with postal authorities and cheques /drafts/pay orders in hand. 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.



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GOI178409
Notes to the Financial Statements for the Year ended March 31,2018

NOTE NO. 3 - SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Authorised : 50,000 Equity shares of ₹10/- each . (Previous year 50,000 Equity shares of ₹10/- each)	5,00,000	5,00,000
Issued, subscribed and fully paid up : 50,000 Equity shares of ₹10/- each . (Previous year 50,000 Equity shares of ₹10/- each)	5,00,000	5,00,000
Total Issued, subscribed and fully paid up share capital	5,00,000	5,00,000

a. Reconciliation of the shares outstanding as at the beginning and as at the end of the reporting year

Equity Shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Balance as at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	50,000	5,00,000	50,000	5,00,000

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

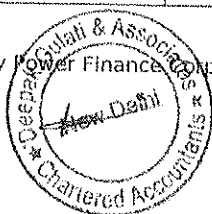
Out of 50,000 equity shares issued by the company, shares held by its Holding Company are as below:

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Power Finance Corporation Limited, the Holding Company * 50,000 (Previous Year 50,000) equity shares of ₹10 each fully paid	5,00,000	5,00,000

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of Rs 10 each fully paid Power Finance Corporation Limited, the Holding Company *	50,000	100%	50,000	100%
	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 to the Financial Statements for the Year ended March 31,2018

NOTE NO. 4 - RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Surplus/ (Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(35,172)	(35,172)
Profit for the year	-	-
Balance as at the end of the year	(35,172)	(35,172)
TOTAL	(35,172)	(35,172)

NOTE NO. 5 - LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Other loans and advances (Unsecured)		
Commitment advance		
Ajmer Vidyut Vitran Nigam Limited	90,00,000	90,00,000
Bihar State Electricity Board	3,50,00,000	3,50,00,000
BSES Rajdhani Power Limited	49,00,000	49,00,000
BSES Yamuna Power Limited	29,00,000	29,00,000
Dakshin Haryana Bijli Vitran Nigam Ltd	1,37,50,000	1,37,50,000
HP State Electricity Board	1,00,00,000	1,00,00,000
Jaipur Vidyut Vitran Nigam Limited	90,00,000	90,00,000
Jodhpur Vidyut Vitran Nigam Limited	70,00,000	70,00,000
Meghalaya Energy Corporation Ltd	60,00,000	60,00,000
North Delhi Power Limited	34,00,000	34,00,000
U P Power Corporation Limited	4,80,00,000	4,80,00,000
Uttar Haryana Bijali Nigam Limited	1,37,50,000	1,37,50,000
New Delhi Municipal Corporation	7,00,000	7,00,000
Loans and advances from related parties (Power Finance Corporation Ltd)	4,88,71,431	4,73,52,619
TOTAL	21,22,71,431	21,07,52,619

Terms of repayment for Unsecured borrowings

Other loans and advances



Repayable within 15 days from the date of transfer of the Company to its successful bidder.

SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
 CIN:U40108DL2008GOI178409
 Notes to the Financial Statements for the Year ended March 31,2018

NOTE NO. 6 - OTHER LONG-TERM LIABILITIES

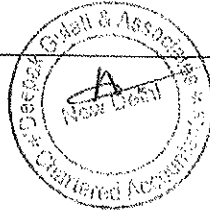
(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Others</u>		
Interest Accrued but not due on long-term borrowings	10,07,73,697	9,00,78,253
TOTAL	10,07,73,697	9,00,78,253

NOTE NO. 7 - OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Other payables</u>		
Statutory dues (Tax deducted at Source)	11,92,758	12,48,945
Expenses Payable	47,250	45,938
TOTAL	12,40,008	12,94,883



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED

CIN:U40108DL2008GOI178409

Notes to the Financial Statements for the Year ended March 31,2018

NOTE NO. 8 - CAPITAL WORK-IN-PROGRESS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Capital work-in-progress	6,34,59,121	5,74,85,854
Add: Transferred from expenditure During Construction Period (Note-13)	59,26,351	59,73,267
TOTAL	6,93,85,472	6,34,59,121

NOTE NO. 9 - LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured , considered good Loans and advances to related parties (Power Finance Corporation Ltd)	16,34,00,000	16,34,00,000
TOTAL	16,34,00,000	16,34,00,000

NOTE NO. 10 - OTHER NON-CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Others Interest receivable from related party but not due (Power Finance Corporation Ltd, Holding Company)	8,17,38,933	7,57,16,688
TOTAL	8,17,38,933	7,57,16,688

NOTE NO. 11 - CASH AND CASH EQUIVALENTS

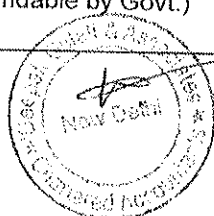
(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks In current account	26,264	14,083
TOTAL	26,264	14,083

NOTE NO. 12 - SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

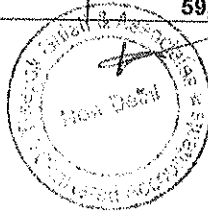
Particulars	As at March 31, 2018	As at March 31, 2017
Others Tax deducted at source (Refundable by Govt.)	1,99,295	691
TOTAL	1,99,295	691



SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GOI178409
Notes to the Financial Statements for the Year ended March 31,2018

NOTE NO. 13 - EXPENDITURE DURING CONSTRUCTION PERIOD

Particulars	(Amount in ₹)		
	Year ended March 31, 2018		Year ended March 31, 2017
Expenses			
Payment to the auditor:			
-As auditor	51,625		50,532
Legal & Professional Charges	59,510		83,157
Consultancy Charges	90,923		1,60,295
Outsourcing Expenses	27,832		90,481
Interest on utilised portion	56,62,978	55,36,349	
Interest on un-utilised portion	62,20,849	69,09,201	
Less: Income from Interest on un-utilised portion (Gross)	62,20,849	56,62,978	55,36,349
Other Administrative Expenses		33,483	52,293
Misc Exp		-	160
Total	59,26,351		59,73,267



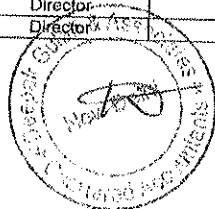
SAKHIGOPAL INTEGRATED POWER COMPANY LIMITED
CIN:U40108DL2008GO1178409

Notes to the Financial Statements for the Year ended March 31, 2018

- 14 Pursuant to decision of Ministry of Power, Government of India, the Company is to receive Commitment Advance of Rs 40,00,00,000/- from the Power Procuring Utilities (Procurers), 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 Procurers and successful bidder. The sum of Rs 16,34,00,000/- (Previous year Rs 16,34,00,000/-) is received from procurers and Rs 23,66,00,000 is yet to be received from the State of Assam (Rs 1,20,00,000/-), Delhi (Rs 1,00,000/-), Jammu & Kashmir (Rs 75,00,000/-), Nagaland (Rs 50,00,000/-), Orissa (Rs 20,00,00,000/-) and Punjab (Rs 1,20,00,000/-). The commitment advance received has been shown in the Balance Sheet as Long-term Borrowings. 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 procurers within 15 days from the date of transfer of the company by the Holding Company to its successful bidder.
- 15 Pursuant to the Financing Agreement with PFC Ltd. total commitment advance of Rs 16,34,00,000/- received from procurers 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.
- 16 The Company agreed to pay 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 bifurcating into fund utilized for the project and funds unutilized at rates as per the policy of the holding company. 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 short term deposit rate of PFC Ltd.". Interest on unutilized portion of funds is receivable from PFC Ltd. and the same is payable to Procurers. Total interest expense amounting to Rs 1,18,63,816/- (Previous Year Rs 1,24,45,550/-) has been accounted in the books of account for the year which includes interest of Rs 62,20,859/- (Previous year Rs 69,09,201/-) on unutilized portion and Rs 56,62,957/- (Previous year Rs 55,38,349/-) on utilized portion. Interest on utilized portion has been capitalized. The amount of interest on utilized portion of commitment advance will be recoverable from the successful bidder. Interest payable has been shown under Other Long-term liabilities.
- 17 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 Rs 50,00,00,000/- 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.
- 18 The Company has agreed to pay a sum of Rs 50,00,00,000/- 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.
- 19 All the work for the Company are executed by PFC Consulting Ltd (PFCCCL). The Manpower Charges of Nil (Previous Year - Nil) for cost of PFCCCL employees charged by PFCCCL on cost to company basis/rate, as determined by PFCCCL in proportion to actual man days spent by the employees for the Company as per invoice raised by PFCCCL and includes Nil /- (Previous year Nil) charged for Sh. Yogesh Juneja (Director), Nil (Previous year Nil) charged for Sh. S. Mulchandani (Director) Nil (Previous Year Nil) and charged for Sh. R. Rahman (Director). PFC Ltd. is complying with statutory provisions related to deduction of tax at source applicable to expenses allocated by it.
- 20 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 Service tax/GST etc. as applicable to these expenses.
- 21 The Key Management Personnel of the Company are employee of the PFC Ltd (Holding Company) and PFC Consulting Ltd (A wholly owned subsidiary of PFC Ltd) and deployed on Part Time basis.

The details of such Key Management Personnel during the year ended 31 March, 2018 are as follows:

S.No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri D. Ravi	Chairman	28.12.2016	Continuing
2	Shri Yogesh Juneja	Director	18.10.2017	Continuing
3	Shri Rizwanur Rahman	Director	06.11.2012	18.10.2017
4	Shri Alok Singhal	Director	16.09.2016	Continuing



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Notes to the Financial Statements for the Year ended March 31, 2018

22 Disclosure as per AS18 – Related Party Disclosure :-

There are no transactions during the year with any related party (other than transactions between state controlled enterprises), as such as per Para 9 of Accounting Standard 18, the disclosures are not required.

- 23 i) Estimated amount of contracts remaining to be executed on Project (Capital work-in-progress) and not provided for Rs Nil (Previous Year Rs Nil)
ii) Contingent liabilities of the company and claims against the company not acknowledged as debts by the company as certified by the management for the year is Rs Nil (Previous year Rs Nil).
- 24 Applying the principles laid down under Accounting Standard-22 on Taxes on Income, as prescribed under the Companies Act 2013, deferred tax asset has emerged on account of carried forward losses, however in absence of reasonable and virtual certainty of future taxable profits the same has not been recognized in the accounts.
- 25 Expenditure during Construction Period (Note-13) containing all expenses required to be capitalized has been prepared and the same has been included in Capital work-in-progress.

26 Auditors Remuneration (including Service Tax/GST)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
		(Amount in Rs)	
1	Audit Fees	51,625	50,313

27 Earning Per Share

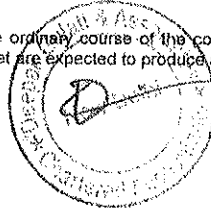
In terms of Accounting Standard 20 on "Earnings per Share" as prescribed under the Companies Act 2013, Earning per share (Basic & Diluted) is worked out as follows: -

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Nominal Value of share Rs	10	10
2	Net Profit after tax used as numerator	-	-
3	Weighted average number of Equity shares used as denominator	50,000	50,000
4	Earning per share Rs (Basic)	-	-
5	Earning per share Rs (Diluted)	-	-

- 28 The Company owes no dues to small-scale units at year-end and hence provision of interest does not arise. Further based on information available with the management, there are no dues payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006" as follows:

Particulars	Amount outstanding as on	
	31.03.2018	31.03.2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
- Principal amount due	-	-
- Interest due on above	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

- 29 Since there are no employees in the company, the obligation as per Accounting Standard-15 (Revised) do not arises.
- 30 The company has sent letters to various parties included under the head Long Term Borrowings (Commitment advance) for confirmation of their balances as per the books of accounts of the company. However no confirmation has been received.
- 31 In the opinion of the Board, on realization in the ordinary course of the company's business the Other non-current assets and Short-term loans and advances as stated in the balance sheet are expected to produce at least the amount at which they are stated.



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Notes to the Financial Statements for the Year ended March 31, 2018

- 32 Other Disclosures.
- Expenditure in foreign currency –RsNil (Previous Year RsNil)
 - Income in foreign exchange – RsNil (Previous Year RsNil)
- 33 The Company is not in operation, however, the company has adopted period of 12 months for classification of the assets and liabilities as current and non-current.
- 34 Figures have been rounded off to the nearest Rupee unless otherwise stated.
- 35 Corresponding figures for the previous year have been regrouped/rearranged wherever necessary to conform to Current year's classification.

For and on behalf of Board of Directors



Yogesh Juneja
Director
DIN:02913155

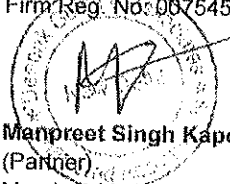


Alok Singhal
Director
DIN:00795955



Dhanabalan Ravi
Chairman
DIN:00038452

As per our report of even date
For & on behalf of
Deepak Gulati & Associates
(Chartered Accountants)
Firm Reg. No. 007545N



Manpreet Singh Kapoor
(Partner)
Membership No. : 508545
Place : New Delhi
Date : 17/05/2018