

# SIKKIM HYDRO POWER VENTURES LIMITED

## DIRECTORS' REPORT

To,  
The Shareholders of  
**Sikkim Hydro Power Ventures Limited**

Your Directors have pleasure in submitting their Twelfth Annual Report, together with the Audited Accounts of the Company, for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 (the **Period**).

Pursuant to the notification dated February 16, 2015 of the Ministry of Corporate Affairs (MCA), your Company has adopted the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 in preparing and presenting the Financial statements beginning the financial year under report, the figures for the previous financial year ended on March 31, 2016 and the balances as on October 1, 2014 have been restated accordingly in order to make these comparable.

### 1. FINANCIAL RESULTS:

The Company has loss of Rs.89,630/- for the Period; which has been carried to the Balance Sheet.

### 2. PROJECT STATUS:

The Company is developing a 66 MW Rangit II Hydro Power Project in West Sikkim, which consist a 40m high Concrete Gravity Dam, 4745m long Head Race Tunnel, 65.5m Surge Shaft, 2500m Pressure Shaft and Surface Power House.

The Civil Contractor has already re-mobilised and construction has commenced since July, 2016. The entire land for the project has been acquired by the Government of Sikkim ("GoS"). Resettlement and rehabilitation of the affected persons has been completed except for those whose additional land acquired by GoS later on. All the initial infrastructure works are completed including river diversion works damaged in flash flood and rains are restored to required service conditions. The Company has already achieved the financial closure for the project. Excavation of 65.5m deep Surge Shaft completed, 400m Head Race Tunnel ("HRT"), 220m of Pressure Shaft ("PS") completed and further excavation of HRT, PS and Dam is in progress.

### 3. DIVIDEND/TRANSFER TO RESERVES:

In view of loss during the year, the Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserves.

### 4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

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



Registered Office : Second Floor, Plot No. 360, Block-B, Sector 19, Dwarka, New Delhi- 110075, INDIA  
CIN : U40100DL2005PLC257673

Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954 New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA  
Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201 • E-mail : info@gammoninfra.com  
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## 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

As the Project is under construction, the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the Company. The Company has neither earned nor spent any foreign exchange during the Period.

## 6. PARTICULARS OF EMPLOYEES:

During the Financial Year / Period or any part of it, the Company has not employed any employee in receipt of remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and ability confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. they have 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 affairs of the Company at the end of the financial year and of the loss of the Company for that Period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 8. BOARD OF DIRECTORS:

Mr. Vijay Chiplunkar has joined the Board as an Additional Director w.e.f. 27<sup>th</sup> October, 2016 and hold office upto the date of ensuing Annual General Meeting of the Company. The notice under Section 160 of the Companies Act, 2013, along with the requisite deposit has been received from the member signifying their intention to propose Mr. Vijay Chiplunkar as the candidate to the office of Director of the Company.

Mr. Puneet Dammani resigned from the Directorship of the Company w.e.f. 27<sup>th</sup> October, 2016.

Mr. Hemant Chandel, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.



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## 9. NUMBER OF MEETINGS OF THE BOARD:

Five Board meetings were held during the financial year. These were held on 29<sup>th</sup> April, 2016, 31<sup>st</sup> May, 2016, 20<sup>th</sup> September, 2016, 27<sup>th</sup> October, 2016 and 22<sup>nd</sup> February, 2017.

The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under:

Name of Director (s)	Number of Meetings held	Attended
Mr. Hemant Chandel	5	5
Mr. Puneet Dammani*	4	4
Mr. Kishor Kumar Mohanty	5	3
Mr. Vijay Chiplunkar**	2	2

\* Ceased to be a Director w.e.f. 27<sup>th</sup> October, 2016.

\*\* Appointed as the Additional Director w.e.f. 27<sup>th</sup> October, 2016.

## 10. RISK MANAGEMENT:

The Board has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, logistics related, Government policy related matters that may threaten the existence of the Company.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies act, 2013.

## 12. EXTRACT OF THE ANNUAL RETURN:

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure I in the prescribed Form MGT-9, which forms part of this report.

## 13. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has not made any related party transactions covered under the provisions of Section 188 of the Companies Act, 2013 hence; prescribed Form AOC-2 is not applicable.

## 14. POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

The Board is yet to formulate a formal policy on Directors' appointment, remuneration and other details.

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## 15. BOARD EVALUATION:

No formal annual evaluation was made by the Board of its own performance and that of its committees and individual directors.

## 16. AUDITORS:

M/s. Chaitanya C. Dalal & Co., Chartered Accountants were appointed as the first Statutory Auditors of the Company w.e.f. 6<sup>th</sup> September, 2005. Pursuant to provisions of Section 139(2) of the Companies Act, 2013 ("Act"), the Company shall not re-appoint an audit firm as an auditor for more than two terms of five consecutive years. M/s. Chaitanya C. Dalal & Co., Statutory Auditors completed their two terms of five consecutive years and also one year of transition period provided under the Act. They cannot be re-appointed pursuant to said Section 139(2) of the Act. It is thus proposed to appoint M/s. Modi Manoj & Co., Chartered Accountants as the Statutory Auditors of the Company from the conclusion of twelfth Annual General Meeting until the conclusion of the seventeenth Annual General Meeting of the Company. The Company has received consent and a certificate from M/s. Modi Manoj & Co., Chartered Accountants expressing their willingness and eligibility for appointment as the Statutory Auditors of the Company.

## 17. AUDIT COMMITTEE:

The Audit Committee of the Board oversees and reviews the financial reporting system and disclosures of its financial results. This Committee reviews the adequacy of internal audit procedures, systems and quality of audits, recommends the appointment of statutory auditors and discusses with them the internal control system. The composition of the Audit Committee is as follows:

Mr. Kishor Kumar Mohanty, Chairman  
Mr. Vijay Chiplunkar, Member  
Mr. Hemant Chandel, Member

One meeting of the Audit Committee was held during the financial year. This was held on 31<sup>st</sup> May, 2016.

Name of Director (s)	Number of Meetings held	Attended
Mr. Kishor Kumar Mohanty	1	1
Mr. Hemant Chandel	1	1
Mr. Puneet Dammani *	1	1
Mr. Vijay Chiplunkar**	-	-

\* Ceased to be a member of the Audit Committee w.e.f. 27<sup>th</sup> October, 2016.

\*\* Appointed as the member of the Audit Committee Director w.e.f. 27<sup>th</sup> October, 2016.

## 18. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business during the year under review.

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## 19. KEY MANAGERIAL PERSONNEL:

The Board would like to inform that necessary steps are being taken for the appointment of relevant key managerial personnel.

## 20. NOMINATION & REMUNERATION COMMITTEE:

The Board is yet to constitute the Nomination & Remuneration Committee.

## 21. AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT:

In the opinion of the Directors, the observation made by the Auditors in their Report are self-explanatory and do not require any clarification by the Directors.

The Secretarial Auditors' have qualified their report by stating:

1. The Company has not appointed any KMP, as envisaged in Section 203 of the Companies Act, 2013.
2. The Board composition is not as per Section 149 of the Companies Act, 2013.
3. The Company has not constituted any - Nomination & Remuneration Committee. The Composition of the Audit Committee is not as per Section 177 of the Companies Act, 2013.

The Board would like to inform that necessary steps are being taken for the appointment of relevant managerial personnel and committees.

The Report of the Secretarial Auditor is given as an Annexure II which forms part of this report.

## 22. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY:

Your Company's internal financial control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.

## 23. DEPOSITS:

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

## 24. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES:

The Company does not have any subsidiary or associate company or joint venture.



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## 25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant / material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.


## 26. CORPORATE SOCIAL RESPONSIBILITY:


CSR related provisions of the Companies act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

## 27. ACKNOWLEDGEMENT:

The Directors wish to express their sincere gratitude to the State Government, the commercial banks and the financial institutions for their continued co-operation and assistance.

For and on behalf of the Board  
of Sikkim Hydro Power Ventures Limited

  
Vijay Chiplunkar  
Director

  
Hemant Chandel  
Director

Place: Mumbai  
Date: 29.08.2017

## ANNEXURE I

### Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40100DL2005PLC257673
ii.	Registration Date	05.09.2005
iii.	Name of the Company	Sikkim Hydro Power Ventures Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company.
v.	Address of the Registered office and contact details	Second Floor, Plot No. 360, Block – B, Sector 19, Dwarka, New Delhi – 110 075. Contact Details: 08527849366
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, 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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Electric power generation by hydroelectric power plants	35101	N.A.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Gammon Infrastructure Projects Limited Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025. Phone no.: (022) 6748 7200	L45203MH2001PLC131728	Holding Company	100.00%	Section 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	3	3	-	-	3	3	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	6,27,35,936	3	6,27,35,939	100	6,27,35,936	3	6,27,35,939	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>-</b>
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Promoter Shareholding (A)=(A)(1)+(A)(2)</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-



(i) Indian (ii) Overseas										
b) Individuals	-	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh										
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh										
c) Others(Specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>6,27,35,936</b>	<b>6</b>	<b>6,27,35,942</b>	<b>100</b>	<b>-</b>	<b>-</b>

*ii. Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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.	Gammon Infrastructure Projects Ltd.	6,27,35,942	100.00	51.00	6,27,35,942	100.00	51.00	-
	<b>Total</b>	<b>6,27,35,942</b>	<b>100.00</b>	<b>51.00</b>	<b>6,27,35,942</b>	<b>100.00</b>	<b>51.00</b>	<b>-</b>

*iii. Change in Promoters' Shareholding (please specify, if there is no change: N.A.)*

Sr. 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	-	-	-	-
-	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 GDR and ADRs):N.A.**

Sr. 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
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

**v. Shareholding of Directors and Key Managerial Personnel- NIL**

Sr. 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
	<b>For Each of the Directors &amp; KMP</b>				
	<b>Directors:</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in 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. 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 (01-April- 2016)				
i) Principal Amount	1,000	--	--	1,000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1,000	--	--	1,000
Change in Indebtedness during the financial year	--	--	--	--
- Addition	--	--	--	--
- Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year (31- Mar-2017)				
i) Principal Amount	1000	--	--	1000
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1000	--	--	1000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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					
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: NIL**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	<b>Independent Directors</b> · Fee for attending board committee meetings · Commission · Others, please specify					
	Total (1)					
	<b>Other Non-Executive Directors</b> · Fee for attending board committee meetings · 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: N.A.**

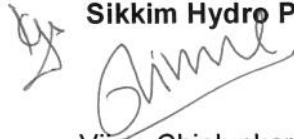
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

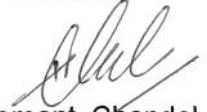
Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					

B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board  
**Sikkim Hydro Power Ventures Limited**



Vijay Chiplunkar  
 Director  
 DIN: 07537765



Hemant Chandel  
 Director  
 DIN: 07473472

Place: Mumbai  
 Date: 29.08.2017

**Veeraraghavan. N**  
Practicing Company Secretary

First Maritime Private Limited  
201, Gheewala Building,  
M. P. Road, Mulund (East),  
Mumbai – 400081  
Mob: 98215 28844  
Email: nvr54@ymail.com

**Form No. MR – 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

(Pursuant to Section 204 (1) of the Companies Act 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel ) Rules , 2014

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017.

To  
The Members,  
Sikkim Hydro Power Ventures Limited  
(CIN: U40100DL2005PLC257673 )

I. have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sikkim Hydro Power Ventures Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>ST</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017, according to the provisions of:

- (i). The Companies Act, 2013 ( the Act ) and the rules made thereunder:
- (ii). The Securities Contracts (Regulation) Act, 1956 ( SCRA ) and the rules made thereunder.
- (iii). The Depositories Act 1996 and the Regulations and bye-laws framed thereunder:
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ( SEBI Act ):

The Company being a unlisted public company, the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ( SEBI Act ) as not applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. --- The Company being an unlisted public company, the listing agreements are not applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company has not appointed any KMP, as envisaged in Section 203 of the Act.*
2. *The Board composition is not as per Section 149 of the Act.*
3. *The Company has not constituted any - Nomination & Remuneration Committee. The Composition of the Audit Committee is not as per Section 177 of the Act.*



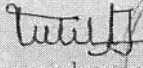
I further report that:

The Board of Directors of the Company is not duly constituted

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views (if any) are captured and recorded as part of the minutes.

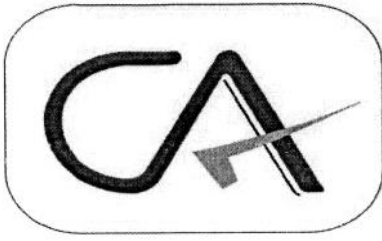
I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and insure compliance with applicable laws, rules, regulations and guidelines.

  
Veeraraghavan  
ACS NO: 6911  
CP NO: 4334



Place: Mumbai  
Date: 29<sup>th</sup> August 2017





**Chaitanya C. Dalal & Co.**  
**CHARTERED ACCOUNTANTS**

111, Maker Chambers-III, 11<sup>th</sup> Floor, 223,  
Nariman Point, Mumbai 400021, India  
Off: (022)-22873338, 22040533  
e.mail: [ccd2@rediffmail.com](mailto:ccd2@rediffmail.com) Web: [caccd.com](http://caccd.com)

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Sikkim Hydro Power Ventures Limited

**Report on the Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **Sikkim Hydro Power Ventures Limited**, which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements & for Internal Financial Controls over Financial Reporting**

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

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

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating



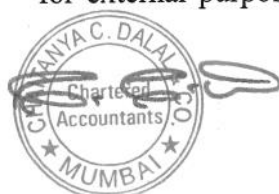
effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. 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 the Ind AS financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
7. An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and 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 risks 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.
8. 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 and the Ind AS financial statements.

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

9. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

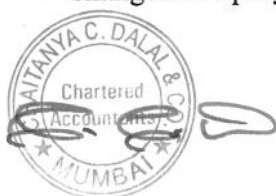
10. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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**

11. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. 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 purposes of our audit;
  - B) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - C) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;





**Chaitanya C Dalal & Co**  
Chartered Accountants

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- D) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- E) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- F) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017.
- G) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 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 derivative contracts for which there were any material foreseeable losses.
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - IV. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

**For Chaitanya C. Dalal & Co.**  
**Chartered Accountants**  
**FRN: 101632W**



**Chaitanya C. Dalal**  
**Partner**  
**Membership No. 35809**

Place: Mumbai  
Date: 17<sup>th</sup> June 2017

**Annexure "A" to the Independent Auditor's Report**

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has proper title in case of the immoveable property it owns and is found to be in order.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) (a) As verified from the records and books of accounts, the company has not granted any interest free inter corporate deposit or loan during the year to the parties covered in the register maintained under section 189 of the Companies Act 2013.
- (b) The outstanding balance of total interest free inter corporate deposits granted to the parties covered u/s 189 of the Companies Act 2013 as on 31<sup>st</sup> March 2017 is Rs. 12,50,00,000/-. Deposits granted are receivable on demand.
- (iv) As verified from the records and books of accounts, the company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits. Hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Service Tax, and Value Added Tax as on 31<sup>st</sup> March 2017 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud on the Company by its officers has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year and hence the limits and approvals mandated by the provisions of section 197 are deemed to have been complied with.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and there are no details of related party transactions that are required to be disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.




**Chaitanya C Dalal & Co**  
Chartered Accountants

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(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934

**For Chaitanya C. Dalal & Co**  
**Chartered Accountants**  
**FRN: 101632W**

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "CHAITANYA C. DALAL & Co", "Chartered Accountants", and "MUMBAI" with two stars on either side of the word "MUMBAI".

**Chaitanya C. Dalal & Co.**  
**Partner**  
**M No. 35809**

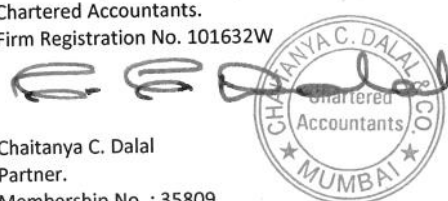
Place: Mumbai  
Date: 17<sup>th</sup> June 2017

**SIKKIM HYDRO POWER VENTURES LIMITED**  
**CIN: U40100DL2005PLC257673**  
**BALANCE SHEET AS AT MARCH 31, 2017**  
(All amounts are in lacs unless otherwise stated)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.10.2014
<b>Assets</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	1,887.56	1,890.52	1,898.93
(b) Capital Work in Progress	4	8,523.40	8,016.91	7,575.32
(c) Financial Assets	5			
(i) Loans	5.1	-	-	-
(d) Other Non-current assets	7	104.60	104.60	104.60
<b>Total Non - Current Assets (A)</b>		<b>10,515.56</b>	<b>10,012.03</b>	<b>9,578.84</b>
<b>(2) Current Assets</b>				
(a) Inventories				
(b) Financial Assets				
(i) Cash and cash equivalents	8	17.34	13.46	466.91
(ii) Loans	5.1	1,215.51	2,187.92	2,000.00
(iii) Others	6	10.00	10.00	10.00
(c) Other current assets	7	4.55	8.61	8.72
<b>Total Current Assets (B)</b>		<b>1,247.40</b>	<b>2,219.99</b>	<b>2,485.63</b>
<b>Total Assets (A+B)</b>		<b>11,762.96</b>	<b>12,232.02</b>	<b>12,064.47</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	9	6,273.59	6,273.59	6,273.59
(b) Other Equity	10	3,989.43	4,324.64	3,679.98
<b>Total Equity (A)</b>		<b>10,263.03</b>	<b>10,598.23</b>	<b>9,953.57</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	11	-	0.01	0.01
(b) Provisions	14	4.25	7.05	5.37
<b>Total Non-Current Liabilities (B)</b>		<b>4.25</b>	<b>7.06</b>	<b>5.38</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(ii) Trade payables	12	1,419.83	1,600.02	-
(iii) Other financial liabilities	13	75.85	23.22	2,098.22
(b) Provisions	14	-	3.35	7.15
(c) Current Tax Liabilities (Net)	15	-	0.14	0.14
<b>Total Current Liabilities (C)</b>		<b>1,495.68</b>	<b>1,626.72</b>	<b>2,105.52</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>11,762.96</b>	<b>12,232.02</b>	<b>12,064.47</b>

As per our report of even date

For Chaitanya C. Dalal & Co  
Chartered Accountants.  
Firm Registration No. 101632W



Chaitanya C. Dalal  
Partner.  
Membership No. : 35809

Place : Mumbai  
Date : June 17, 2017

For and behalf of the Board of Directors of  
Sikkim Hydro Power Ventures Limited

  
Hemant Chandel  
Director  
DIN: 07473472

  
Vijay Chiplunkar  
Director  
DIN: 07537765



**SIKKIM HYDRO POWER VENTURES LIMITED**  
**CIN: U40100DL2005PLC257673**  
**Statement of Profit and Loss for the year ended March 31, 2017**  
**(All amounts are in lacs unless otherwise stated)**

Particulars	Note Ref	March 31, 2017	March 31, 2016
<b>I Revenue from Operations ( Gross):</b>			
a) Revenue from Operations		-	-
<b>Revenue from Operations</b>		-	-
<b>II Other Income:</b>		-	-
<b>III Total Revenue ( I + II )</b>		-	-
<b>IV Expenses:</b>			
Employee Cost		-	-
Finance Charges		-	-
Depreciation and amortisation expense		-	-
Administrative Expenses	16	0.9	0.7
<b>Total Expenses</b>		<b>0.90</b>	<b>0.71</b>
<b>V Profit Before Tax (III-IV)</b>		<b>(0.90)</b>	<b>(0.71)</b>
<b>VI Tax Expense</b>		-	-
1. Current Tax		-	-
<b>VII Profit for the period ( V-VI)</b>		<b>(0.90)</b>	<b>(0.71)</b>
<b>Other comprehensive income</b>			
Re-measurement gains/ (losses) on defined benefit plans		-	0.23
<b>Total comprehensive income</b>		<b>(0.90)</b>	<b>(0.48)</b>
<b>VIII Earnings per Equity Share:</b>			
Basic & Diluted	17	(0.00)	(0.00)
Par Value			

For Chaitanya C. Dalal & Co  
Chartered Accountants.  
Firm Registration No. 101632W




Chaitanya C. Dalal  
Partner.  
Membership No. : 35809

Place : Mumbai  
Date : June 17, 2017



For and behalf of the Board of Directors of  
Sikkim Hydro Power Ventures Limited

  
Hemant Chandel  
Director  
DIN: 07473472


Place : Mumbai  
Date : June 17, 2017

  
Vijay Chiplunkar  
Director  
DIN: 07537765

**SIKKIM HYDRO POWER VENTURES LIMITED**  
**CIN: U40100DL2005PLC257673**  
**Cash flow statement for year ended 31/3/17**

Particulars	(Amount in Rs. In lakhs) 2016-17	(Amount in Rs. In lakhs) 2015-16
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax As Per Profit & Loss Account	(0.90)	(0.71)
Adjusted For : Non Cash & Non operating Expenses		
Depreciation on assets	2.96	7.76
Re-measurement gains/ (losses) on defined benefit plans	(0.23)	0.23
<b>Operating Profit Before Working Capital Changes</b>		
<b>Adjusted For :</b>		
(Increase)/decrease in loans/other financing & non financial assets	4.06	0.11
(increase)/decrease in financial liabilities and provisions	(133.70)	(477.11)
Income tax paid	(0.14)	-
	<b>(129.78)</b>	<b>(477.00)</b>
<b>Net Cash Flow From Operating Activities ( A)</b>	<b>(127.95)</b>	<b>(469.73)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment		(0.83)
CWIP	(506.49)	(441.60)
Intercorporate deposit given	972.40	(187.92)
<b>Net Cash Used in Investing Activities ( B)</b>	<b>465.92</b>	<b>(630.35)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	(0.01)	-
Proceeds from Inter-corporate loan	(334.09)	646.62
Interest Paid/ Capitalised		
	(334.10)	646.62
<b>Net Cash Used in Financing Activities ( C)</b>	<b>(334.10)</b>	<b>646.62</b>
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3.87</b>	<b>(453.45)</b>
Cash & Cash Equivalents at the beginning of the year	13.46	466.91
Cash & Cash Equivalents at the end of the year	17.34	13.46
<b>Components of Cash and Cash Equivalents</b>		
Balances with scheduled banks in current account	17.28	13.29
Cash on hand	0.06	0.17
<b>Total Components of Cash and Cash Equivalents</b>	<b>17.34</b>	<b>13.46</b>

For Chaitanya C. Dalal & Co  
Chartered Accountants.  
Firm Registration No. 101632W

  
**Chaitanya C. Dalal**  
Partner.  
Membership No. : 35809



Place : Mumbai  
Date : June 17, 2017

For and behalf of the Board of Directors of  
**Sikkim Hydro Power Ventures Limited**

  
**Hemant Chandel**  
Director  
DIN: 07473472

  
**Vijay Chiplunkar**  
Director  
DIN: 07537765

Place : Mumbai  
Date : June 17, 2017

**SIKKIM HYDRO POWER VENTURES LIMITED**  
**CIN: U40100DL2005PLC257673**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**1 Corporate Information**

Sikkim Hydro Power Ventures Limited (SHPVL) was incorporated under the Companies Act, 1956, on September 5, 2005, as a 100% subsidiary of Gammon Infrastructure Projects Limited for the purpose of acting as the Special Purpose Vehicle for developing the Rangit II Hydroelectric project at Sikkim on Build, Own, Operate and Transfer (BOOT). The project involves the development of 66MW hydroelectric power project on the river Rimbi, a tributary of river Rangit.

**2 Basis of Preparation**

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the eighteen months period ended March 31, 2016 the Company prepared its financial statements in accordance with accounting standards, Companies (Accounting Standards) Rule 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The financial statements for the year ended March 31, 2017 are the first period for which the Company has prepared in accordance with Ind AS. The previous period comparatives for the eighteen months period ended March 31, 2016 which were earlier prepared as per previous GAAP have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore October 1, 2014 for which the Opening Balance Sheet is prepared.

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except otherwise stated.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2.1 Summary of significant accounting policies**

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

**a. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

**b. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

**An asset is current when :**

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
  - It is held primarily for the purpose of trading or
  - It is expected to be realised within twelve months after the reporting period, or
  - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

**A liability is current when :**

- It is expected to be settled in normal operating cycle or
  - It is held primarily for the purpose of trading or
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



**c. Property, Plant and Equipment (PPE)**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Companies Act 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**d. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**e. Impairment Loss**

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

**g. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

**h. Provisions and Contingent Liabilities**

**Provisions**

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

**Contingent liabilities**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**i. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.



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

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The current and non-current bifurcation is done as per Actuarial report.

#### **Termination Benefits**

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

#### **j. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

#### **k. Financial instruments**

##### **Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### **A Non-derivative financial instruments**

###### **Subsequent measurement**

###### **i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

###### **iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

###### **iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



**m. Taxes**

**Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

**o. Earning per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p. Segment reporting**

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

**Segment Composition:**

The Company has been incorporated as a Special Purpose Vehicle to set up a 66 MW Hydro based power project under Public Private Partnership scheme.

Further, the Company's operations are within a single geographical segment which is India.

**q. Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.



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Statement of Changes in Equity

**A Equity**

Particulars	March 31, 2017		March 31, 2016	
	Number	Amount	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	62,735,942	6,273.59	62,735,942	6,273.59
Changes in equity share capital during the year - issued during the reporting period	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>62,735,942</b>	<b>6,273.59</b>	<b>62,735,942</b>	<b>6,273.59</b>

**B Other Equity**

Particulars	Retained Earnings	Other Comprehensive Income	Capital contribution	Total
Balance as on October 1, 2014 as per previous GAAP	(57.70)	-	-	(57.70)
<b>Ind AS adjustment on account of :</b>				
Fair value adjustment on interest free ICD received from holding company	-	-	3,737.67	3,737.67
<b>Balance as on October 1, 2014</b>	<b>(57.70)</b>	<b>-</b>	<b>3,737.67</b>	<b>3,679.98</b>
Profit for the year	(0.71)	-	-	(0.71)
Adjustment of additional depreciation	(1.48)	-	-	(1.48)
Fair value adjustment on interest free ICD received from holding company during the 18 months	-	-	646.62	646.62
Remeasurement of defined benefit plans	-	0.23	-	0.23
<b>Balance as on March 31, 2016</b>	<b>(59.88)</b>	<b>0.23</b>	<b>4,384.30</b>	<b>4,324.64</b>
Profit for the year	(0.90)	-	-	(0.90)
Fair value adjustment on interest free ICD received from holding company during the year	-	-	(334.09)	(334.09)
Remeasurement of defined benefit plans	-	(0.23)	-	(0.23)
<b>Balance as on March 31, 2017</b>	<b>(60.78)</b>	<b>-</b>	<b>4,050.21</b>	<b>3,989.43</b>



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3	Tangible asset Particulars	Leasehold Land	Office Equipments	Motor Cars	Furniture and Fixtures	Computers	Total
	<b>Cost or valuation</b>						
	As at October 1, 2014	1,883.59	4.68	15.13	4.39	3.45	1,911.23
	Additions	-	0.83	-	-	-	0.83
	Sales/Disposals/Adjustments	-	-	-	-	-	-
	As at March 31, 2016	<u>1,883.59</u>	<u>5.51</u>	<u>15.13</u>	<u>4.39</u>	<u>3.45</u>	<u>1,912.06</u>
	Additions	-	-	-	-	-	-
	Sales/Disposals/Adjustments	-	-	-	-	-	-
	As at March 31, 2017	<u>1,883.59</u>	<u>5.51</u>	<u>15.13</u>	<u>4.39</u>	<u>3.45</u>	<u>1,912.06</u>
	<b>Depreciation</b>						
	As at October 1, 2014	-	0.82	7.78	1.49	2.22	12.30
	Charge for the period	-	2.96	4.05	1.00	1.23	9.24
	Sales/disposals/adjustments	-	-	-	-	-	-
	As at March 31, 2016	-	<u>3.77</u>	<u>11.83</u>	<u>2.49</u>	<u>3.45</u>	<u>21.54</u>
	Charge for the period	-	0.63	1.66	0.66	-	2.96
	Sales/disposals/adjustments	-	-	-	-	-	-
	As at March 31, 2017	-	<u>4.00</u>	<u>13.00</u>	<u>3.00</u>	<u>3.00</u>	<u>24.50</u>
	<b>Net Block</b>						
	As at October 1, 2014	<u>1,883.59</u>	<u>3.86</u>	<u>7.35</u>	<u>2.90</u>	<u>1.23</u>	<u>1,898.93</u>
	As at March 31, 2016	<u>1,883.59</u>	<u>1.74</u>	<u>3.30</u>	<u>1.90</u>	<u>-</u>	<u>1,890.52</u>
	As at March 31, 2017	<u>1,883.59</u>	<u>1.51</u>	<u>2.13</u>	<u>1.39</u>	<u>0.45</u>	<u>1,887.56</u>
4	<b>Capital Work in progress</b>				As at March 31, 2017	As at March 31, 2016	As at September 30, 2014
	Project expenses				3,952.41	3,540.31	3,513.16
	Establishment expenses				1,933.02	1,871.66	1,726.38
	Personnel costs				811.45	760.85	588.65
	Financial costs				1,766.50	1,759.45	1,732.32
	Depreciation				25.53	22.57	14.81
	Total				<u>8,488.92</u>	<u>7,954.83</u>	<u>7,575.32</u>
	IND AS Impact				34.49	62.08	-
	<b>Total intangible asset under development</b>				<u>8,523.40</u>	<u>8,016.91</u>	<u>7,575.32</u>





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5 Financial Assets  
5.1 Loans & Advances

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)
	Non- Current			Current		
Inter corporate deposit given						
ICD - GREIPL				215.51	187.92	-
ICD - Lodha Developers Pvt Ltd				1,000.00	2,000.00	2,000.00
<b>Total</b>				<b>1,215.51</b>	<b>2,187.92</b>	<b>2,000.00</b>

6 Other financial assets

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)
	Non- Current			Current		
Fixed deposits with statutory authorities				10.00	10.00	10.00
<b>Total</b>				<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

7 Other assets

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)
	Non- Current			Current		
Advance given to contractor - CPL	104.60	104.60	104.60	-	-	-
Interest accrued receivable	-	-	-	0.84	0.84	2.96
Staff Advance	-	-	-	0.45	4.38	2.88
Prepaid expense	-	-	-	0.36	-	-
<b>Dues from Related Parties</b>					0.49	-
Gammon India Ltd, Ultimate Holding Company	-	-	-	-	0.49	-
Tidong Hydro Power Ltd	-	-	-	1.79	1.79	1.77
Youngthang Power Ventures Ltd	-	-	-	1.10	1.10	1.10
Pravara Renewable Energy Limited	-	-	-	-	-	0.01
<b>Total</b>	<b>104.60</b>	<b>104.60</b>	<b>104.60</b>	<b>4.55</b>	<b>8.61</b>	<b>8.72</b>

8 Cash and Cash Equivalents

Particulars	As at	As at	As at
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)
	Current		
Cash and cash equivalents			
Cash on hand	0.06	0.17	2.33
Balances with banks			
- on current account	17.28	13.29	464.58
<b>Total</b>	<b>17.34</b>	<b>13.46</b>	<b>466.91</b>

Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes and other denomination notes as defined in the Ministry of Corporate Affairs notification G.S. R. 308( E ) dated March 30, 2017 on the details of Specified Bank Notes held and transacted during the period from November 8, 2016 to December 30, 2016 the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs * (in Rs.)	Other (in Rs.)	Total (in Rs.)
Closing cash in hand as on 8th November, 2016	0.20	0.01	0.21
(+) Permitted receipts	-	0.70	0.70
(-) Permitted payments	-	0.66	0.66
(-) Amount deposited in Banks	0.20	-	0.20
<b>Closing cash in hand as on 30th December, 2016</b>	<b>-</b>	<b>0.05</b>	<b>0.05</b>

\* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407 ( E ), dated November 8, 2016.

9 Equity Share Capital

Particulars	As at	As at	As at
	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)	October 1, 2014 (Rs.)
<b>Authorised shares :</b>			
75,000,000 (March 31, 2016 : 75,000,000; October 1, 2014 : 75,000,000) equity shares of Rs. 10/- each	7,500	7,500	7,500
<b>Issued, subscribed shares and Paid-up shares:</b>			
62,735,942 (March 31, 2016: 62,735,942 , October 1, 2014 : 62,735,942) equity shares of Rs. 10/- each	6,274	6,274	6,274



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b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2017		As at March 31, 2016		As at October 1, 2014	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the period	62,735,942	6,274	62,735,942	6,274	62,735,942	6,274
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the period	62,735,942	6,274	62,735,942	6,274	62,735,942	6,274

c) Shares held by holding / ultimate holding company and /or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

Particulars	March 31, 2017		As at March 31, 2016		October 1, 2014	
	Number	Amount	Number	Amount	Number	Amount
Gammon Infrastructure Projects Limited (GIPL)	62,735,942	6,274	62,735,942	6,274	62,735,942	6,274
<b>Total</b>	<b>62,735,942</b>	<b>6,274</b>	<b>62,735,942</b>	<b>6,274</b>	<b>62,735,942</b>	<b>6,274</b>

d) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2017		As at March 31, 2016		October 1, 2014	
	Number	% of holding	Number	% of holding	Number	% of holding
Gammon Infrastructure Projects Limited (GIPL) - Holding Company	62,735,942	100%	62,735,942	100%	62,735,942	100%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

10 Other Equity

Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)
Retained earnings	(60.78)	(59.88)	(57.70)
Capital contribution	4,050.21	4,384.30	3,737.67
Other comprehensive income - Remeasurement gains/(Losses) on defined benefit plans	-	0.23	-
<b>Total</b>	<b>3,989.43</b>	<b>4,324.64</b>	<b>3,679.98</b>

Nature and purpose of other Equity:

a) Capital contribution

Company is the wholly owned subsidiary of the Gammon Infrastructure Projects Limited (GIPL). Company had received interest free inter-corporate deposit (ICD) to finance its capital expenditure. In accordance with Ind AS, said ICD has been remeasured to fair value and difference between fair value and actual amount received has been considered as Capital Contribution from holding Company.

b) Defined benefit obligation

In accordance with Ind AS 19, remeasurement i.e. actuarial gain and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income.

11 Financial Liabilities

Long term Borrowings

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at October 1, 2014 (Rs.)	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)	As at October 1, 2014 (Rs.)
		Non-current			Current Maturities	
Indian rupee loans from banks (secured)	-	0.01	0.01	-	-	-
<b>Total</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>



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12 Trade Payables

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Non-Current			Current		
Trade Payables						
- Micro, Small and Medium Enterprises	1,420	1,600	-			
- Other						
<b>Total</b>	<b>1,420</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

13 Other Financial Liabilities

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	October 1, 2014
	(Rs.)	(Rs.)	(Rs.)
	Current		
Duties and Taxes payable	13.15	0.52	3.98
Dues to Related parties towards capital expenditure			
Gammon Infrastructure Projects Limited	26.98	15.56	3.91
Patna Highway Projects Limited	17.65	-	-
Other liabilities	18.07	7.13	2,090.33
<b>Total</b>	<b>75.85</b>	<b>23.22</b>	<b>2,098.22</b>

14 Provisions

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	October 1, 2014	March 31, 2017	March 31, 2016	October 1, 2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	Non-Current			Current		
Provision for Employee benefits:-						
Provision for leave encashment	2.44	4.38	2.83	-	0.89	5.62
Provision for gratuity	1.81	2.67	2.55	-	2.46	1.54
<b>Total</b>	<b>4.25</b>	<b>7.05</b>	<b>5.37</b>	<b>-</b>	<b>3.35</b>	<b>7.15</b>

a) Information about individual provisions and significant estimates

b) Disclosure in accordance with Ind AS - 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits. Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	(Rs.)	(Rs.)
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	3.16	3.71
Current Service Cost	0.43	0.90
Interest Cost	0.25	0.47
Actuarial (Gain) /Loss	(2.03)	(1.93)
Past employees Service	-	-
Benefits paid	-	-
<b>Defined Benefit obligation at the year end</b>	<b>1.81</b>	<b>3.16</b>



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(b) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	1.81	3.16
	1.81	3.16
Liability recognized in Balance Sheet		
(c) Expenses recognized during the year ( Under the head "		
Employees Benefit Expenses )		
Current Service Cost	0.43	0.90
Interest Cost	0.25	0.47
Expected Rate of return on Plan Assets	-	-
Past employees Service	-	-
Actuarial (Gain)/Loss	(2.03)	(1.93)
Net Cost	(1.35)	(0.55)

ii) Actuarial assumptions			
Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	
Mortality Table (LIC)			Indian Assured Lives 2006-08
Discount rate (per annum)	7.25%	7.75%	
Expected rate of return on Plan assets (per annum)	NA	NA	
Rate of escalation in salary (per annum)	5%	5%	
Withdrawal rate:			
- upto age of 34	3%	3%	
- upto age of 35-44	2%	2%	
- upto age 45 & above	1%	1%	
Retirement age	60 years	60 years	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.  
There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded there is no asset liability matching strategy devised for the plan

iii) Sensitivity analysis  
A quantitative Sensitivity analysis for significant assumption as on March 31, 2017

	Discount Rate	Salary Growth Rate
<b>Change in assumption</b>		
March 31, 2017	1%	1%
March 31, 2016	1%	1%
<b>Increase in assumption</b>		
March 31, 2017	(11.67)%	14.19%
March 31, 2016	(16.57)%	23.87%
<b>Decrease in assumption</b>		
March 31, 2017	14.11%	(11.92)%
March 31, 2016	23.67%	(16.94)%

iv) The following payments are expected contributions to defined benefits plan in future years

Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)
Within next 12 months	-	-
Between 2-5 years	-	-
Between 5 - 10 years	-	-
<b>Total expected payments</b>	-	-

v) Experience adjustment

Particulars	March 31, 2017 (Rs.)	March 31, 2016 (Rs.)
Experience adjustment on Plan Liability	-	-

15 Current Tax Liabilities (Net)

Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)
			Current
Provision for Taxes (Net)	-	0.14	0.14
<b>Total</b>	-	0.14	0.14



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16 Other Expenses

Particulars	12 months period ended March 31, 2017 (Rs.)	18 months period ended March 31, 2016 (Rs.)
ROC fees	0.15	0.20
Remuneration to Auditors For Statutory Audit For Tax Audit	0.75	0.51
<b>Total</b>	<b>0.90</b>	<b>0.71</b>

17 Earnings Per Share ('EPS') :

Net Profit / (Loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	12 months period ended March 31, 2017 (Rs.)	18 months period ended March 31, 2016 (Rs.)
Net Profit / (Loss) as per Statement of Profit and Loss	(0.90)	(0.71)
Outstanding equity shares at period end	62,735,942	62,735,942
Weighted average Number of Shares outstanding during the period - Basic	62,735,942	62,735,942
Weighted average Number of Shares outstanding during the period - Diluted	62,735,942	62,735,942
Earnings per Share - Basic (Rs.)	(0.0014)	(0.0011)

18 Significant accounting judgments, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgments**

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

19 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and October 1, 2014 is as follows:

Particulars	Carrying value			Fair value		
	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)
<b>Financial assets</b>						
Amortized cost:						
Loans and advances	1,215.51	2,187.92	2,000.00	1,215.51	2,187.92	2,000.00
Cash and bank balances	17.34	13.46	466.91	17.34	13.46	466.91
Others	10.00	10.00	10.00	10.00	10.00	10.00
Fair Value through P&L	-	-	-	-	-	-
Fair Value through OCI	-	-	-	-	-	-
	<b>1,242.85</b>	<b>2,211.38</b>	<b>2,476.91</b>	<b>1,242.85</b>	<b>2,211.38</b>	<b>2,476.91</b>
<b>Financial liabilities</b>						
Amortized cost						
Long term borrowings	-	0.01	0.01	-	0.01	0.01
Trade payable	1,419.83	1,600.02	-	1,419.83	1,600.02	-
Others	75.85	23.22	2,098.22	75.85	23.22	2,098.22
Fair Value through OCI	-	-	-	-	-	-
	<b>1,495.68</b>	<b>1,623.24</b>	<b>2,098.23</b>	<b>1,495.68</b>	<b>1,623.24</b>	<b>2,098.23</b>

The management assessed that fair value of cash, short-term deposits, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



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**20 Commitments**

Particulars	As on	As on	As on
	March 31, 2017	March 31, 2016	October 1, 2014
EPC contracts	39,159.97	39,694.28	40,185.10
<b>Total</b>	<b>39,159.97</b>	<b>39,694.28</b>	<b>40,185.10</b>

**21 Contingent liabilities**

There are no contingent liabilities as at March 31, 2017, March 31, 2016 and October 1, 2014.

**22 Disclosure in accordance with Ind AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company's operations constitutes a single business segment namely “Infrastructure Development” as per INDAS 108. Further, the Company's operations are within single geographical segment which is India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

**23 Disclosure in accordance with Ind AS - 24 “Related Party Disclosures”, of the Companies ( Indian Accounting Standards) Rules, 2015**

**a) Name of the related parties and related party relationships**

1. Gammon India Limited-Ultimate Holding Company
2. Gammon Infrastructure Projects Limited-Holding Company
3. Sidhi Singrauli Roads Projects Limited-Fellow Subsidiary
4. Patna Highway Projects Limited-Fellow Subsidiary
5. Tidong Hydro Power limited-Fellow Subsidiary
6. Youngthang Power Ventures Limited-Fellow Subsidiary

**Related party transactions**

Transactions	Ultimate Holding Company	Holding Company	Fellow subsidiaries
Capital Contribution received from Gammon Infrastructure Projects Limited		665.91	
Capital Contribution received refunded to Gammon Infrastructure Projects Limited		-646.62	
Expenses incurred on behalf of the Company by: Gammon Infrastructure Projects Limited		1,000.00	
Patna Highway Project Limited		-	17.65
Intercorporate Deposits given to Gammon Renewable Energy Infrastructure Projects Limited			-
Intercorporate Deposits given to Gammon Renewable Energy Infrastructure Projects Limited			(1,100)
Payment for expense incurred on behalf of Company to : Gammon Infrastructure Projects Limited		22.88	
Deposit for Directorship Gammon Infrastructure Projects Limited		2.00	
Refund of Deposit for Directorship Gammon Infrastructure Projects Limited		-	
Outstanding balance receivable from Tidong Hydro Power Limited			1.79
Youngthang Power Ventures Limited			-1.79
Outstanding balance payable to Gammon Infrastructure Projects Limited		26.98	
Patna Highway Project Ltd		-15.56	
		17.65	
		-	

(Previous period's figure in brackets)

**24 Derivative Instruments and Unhedged Foreign Currency Exposure**

There are no derivative instruments outstanding as on March 31, 2017 and as on March 31, 2016. The Company has no foreign currency exposure towards liability outstanding as on March 31, 2017 and as on March 31, 2016.

**25 Financial risk management objectives and policies**

The Company is into construction of Hydro Power Project in the state of Sikkim on design, build, finance, operate and transfer basis. The nature of the business is capital intensive and the Company is exposed to tariff value risks. BOT projects which the Company undertakes are capital intensive and have gestation periods ranging between 3 to 5 years; coupled with longer ownership periods of 15 to 35 years. Given the nature of the segments in which the company operates, it is critical to have a robust, effective and agile Risk Management Framework to ensure that the Company's operational objectives are met and continues to deliver sustainable business performance. Over the years, several initiatives have been taken by the Company to strengthen its risk management process. Therefore Company's operation and financial stability is affected by various factor such as availability and pricing of raw materials, demand and tariff of power, interest rate etc.

The Company's senior management is supported by an appropriate financial and operation risk governance framework for the Company which provides assurance to the Company's senior management that the Company's financial risk and operation risk activities are governed by appropriate policies and procedures and that financial and operation risks are identified, measured and managed in accordance with the Company's policies and risk objectives.



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a) **Business / Market Risk**

Business/ Market risk is the risk that the fair value of future cash flows of asset will fluctuate because of changes in market prices. One of the first and foremost business risk is the achievement of the tariff value projections made at the time of the bid. The concession agreement provides some safeguards in this regard but many of them are unforeseen and exposes the Company to risk.

26 **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	As on March 31, 2017 (Rs.)	As on March 31, 2016 (Rs.)	As on October 1, 2014 (Rs.)
Long term borrowings including ICD	-	0.01	0.01
Less: cash and cash equivalents	17.34	13.46	466.91
Net debt	(17.34)	(13.45)	(466.90)
Equity including reserve	10,263.03	10,598.23	9,953.57
Capital and net debt	10,245.69	10,584.78	9,486.67
Gearing ratio	-0.17%	-0.13%	-4.92%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

27 **First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards (Companies Accounting Standard Rule, 2006) notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017 together with the comparative period data as at and for the eighteen months period ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at October 1, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at October 1, 2014 and the financial statements as at and for the year ended March 31, 2016.

29 **Standards issued but not yet effective**

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

i) **Amendment to Ind AS 7:**

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

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

ii) **Amendment to Ind AS 102:**

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

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

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

30 **Comparative periods**

Previous period was for eighteen months from October 1, 2014 to March 31, 2016 and therefore are not strictly comparable to the figures for the current period of twelve months from April 1, 2016 to March 31, 2017.

As per our report of even date

For Chaitanya C. Dalal & Co  
Chartered Accountants.  
Firm Registration No. 101632W

  
Chaitanya C. Dalal  
Partner.  
Membership No. : 35809

Place : Mumbai  
Date : June 17, 2017



For and behalf of the Board of Directors of  
Sikkim Hydro Power Ventures Limited

  
Hemant Chandel  
Director  
DIN: 07473472

  
Vijay Chiplunkar  
Director  
DIN: 07537765

Place : Mumbai  
Date : June 17, 2017