

SIKKIM HYDRO POWER VENTURES LIMITED

DIRECTORS' REPORT

To,
The Shareholders of
Sikkim Hydro Power Ventures Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Financial Statements and the Auditors Report for the financial year ended 31st March, 2019 ("Financial Year").

1. FINANCIAL RESULTS:

During the Financial Year, the Company has showed other income of Rs. 655.94 Lakhs which includes provisions no longer required/written back amounting to Rs. 637.15 Lakhs. The Company has shown a profit of Rs. 574.20 Lakhs for the Financial Year.

2. PROJECT STATUS:

The Company is developing a 66 MW Rangit II Hydro Electric Power Project on River Rimbi, a tributary of River Rangit 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 Concession period for the Project is 35 years from the Commercial Operations Date (COD), which has expired in December 2015. The Company has already achieved the financial closure for the project in January 2014 for the cost of SHPVL Project estimated at Rs 49,644 Lakhs. The Project execution has got delayed due to various issues beyond the control of SHPVL for which it has requested the Government of Sikkim (GoS) for extension of time to achieve COD. The Project has received all clearances and approvals including environmental clearances from the Ministry of Environment and Forest ("MoEF"). Resettlement and Rehabilitation of the affected persons has been completed except for those whose additional land was acquired by the GoS later on. All major contracts for the project have been awarded and the construction of major project components is underway. All the initial infrastructure works are completed including river diversion works damaged in flash flood and rains are restored to required service conditions. Excavation of 65.5m deep Surge Shaft is completed, 624m Head Race Tunnel (HRT), 267m of Pressure Shaft (PS) is also completed and further excavation of HRT, PS and Dam is in progress.

Power Purchase Agreement (PPA) is yet to be signed for the Company's project due to which the construction activity of the project is slowed down. The Company is exploring ways to sign PPA first and then to go for the debt draw down. The Company is exploring the sale the power generated from the project to couple of State Electricity Boards including Haryana on a long term basis. Once the above is achieved, the construction activity at the project site will speed up.

3. DIVIDEND / TRANSFER TO RESERVES:

In view of accumulated losses/retained earnings at the end of the Financial Year, the Directors have not recommended any dividend for the Financial Year. No amount is transferred to any reserves.



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
Website : www.gammoninfra.com

SIKKIM HYDRO POWER VENTURES LIMITED

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.

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 Financial Year.

6. PARTICULARS OF EMPLOYEES:

During the Financial Year 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 profit of the Company for that Financial Year;
- 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. Kishore Kumar Mohanty, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Mr. Manish Mehra was appointed as an additional director w. e. f. 14th May 2019 and resigned w. e. f. 20th May 2019.

Presently, the Board of Directors comprises of Mr. Kishore Kumar Mohanty, Mr. Hemant Chandel and Mr. Vijay Chiplunkar.



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9. NUMBER OF MEETINGS OF THE BOARD:

Five Board meetings were held during the Financial Year. These were held on 12th June 2018, 26th July 2018, 4th September 2018, 28th November 2018 and 25th February 2019.

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. Kishor Kumar Mohanty	5	2
Mr. Vijay Chiplunkar	5	5

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.

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:

In the 12th AGM of the Company convened on 21st September 2017, M/s. Modi Manoj & Co., Chartered Accountants (Firm Registration no.: 030165N), had been appointed as the statutory auditors of the Company until the conclusion of the 17th AGM of the Company.

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Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors is not proposed for ratification at ensuing AGM.

17. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business during the Financial Year.

18. KEY MANAGERIAL PERSONNEL:

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

Mr. Nirav Shah was appointed as Company Secretary of the Company w.e.f. 14th May 2019 and resigned from his office w.e.f. 20th May 2019.

19. 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:

- The Company has not appointed any KMP, as envisaged in Section 203 of the Companies Act, 2013.

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

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

20. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY:

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls with reference to financial statements 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.

21. DEPOSITS:

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

22. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES:

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

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23. 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.

24. 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.

25. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company does not have any amount / shares due to be transferred to Investor Education and Protection Fund.

26. SECRETARIAL STANDARDS:

The Company has complied with all applicable Secretarial Standards.

27. COST AUDIT:

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

28. 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 *NS*


Vijay Chiplunkar
Director
DIN: 07537765


Hemant Chandel
Director
DIN: 07473472

Place: Mumbai

Date: 26th August 2019

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ANNEXURE I**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019
[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	
A. Promoter									
1) Indian									
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	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	6,27,35,936	6	6,27,35,942	100	6,27,35,936	6	6,27,35,942	100	-
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Promoter Shareholding (A)=(A)(1)+(A)(2)	6,27,35,936	6	6,27,35,942	100	6,27,35,936	6	6,27,35,942	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-

[Handwritten signatures]

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

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 shareholding 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	-
Total		6,27,35,942	100.00	51.00	6,27,35,942	100.00	51.00	-

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:	-	-	-	-
	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
For Each of the Top 10 Shareholders					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-

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At the End of the year	-	-	-	-
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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
For Each of the Directors & KMP			
Directors:			
At the beginning of the year	-	-	-
Date wise Increase / Decrease in Shareholding during the year:	-	-	-
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-2018)				
i) Principal Amount	--	1120.48	--	1120.48
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	1120.48	--	1120.48
Change in Indebtedness during the financial year				
- Addition	--	--	--	--
- Reduction	--	280.00	--	280.00
Net Change	--	(280.00)	--	(280.00)
Indebtedness at the end of the financial year (31-Mar-2019)				
i) Principal Amount	--	840.48	--	840.48
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	840.48	--	840.48

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
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify				
	Total (1)				
	<u>Other Non-Executive Directors</u> · 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.

Sr. 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)
A. Company					
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 *ms*

Vijay
 Vijay Chiplunkar
 Director
 DIN: 07537765

Hemant
 Hemant Chandel
 Director
 DIN: 07473472

Place: Mumbai
 Date: 26th August 2019

Veeraraghavan.N
Practising Company Secretary

First Maritime Private Limited
201, Gheewala Building
M.P. Road, Mulund – East
Mumbai 400081
Mob: 9821528844
Email : nvr54@ymail.com

Form No. MR – 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019**

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

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 (CIN : U40100DL2005PLC257673) 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 and its officers, 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 31st March 2019 complied with the statutory provisions listed hereunder (wherever applicable) 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 31st March 2019 , 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). The 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"):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (h) SEBI (Share Based Employee Benefits) Regulations, 2014.
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015

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

- (j) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (k) 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:

The Company has not appointed any KMP, as envisaged in Section 203 of the Act.




I further report that:

The Board of Directors of the Company is 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.



Veeeraraghavan N.
ACS No: 6911
CP NO : 4334



Place : Mumbai
Date: 27th May, 2019

Independent Auditors' Report

To the Members of **Sikkim Hydro Power Ventures Limited**

Report on the Indian Accounting Standards ('Ind AS') Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Sikkim Hydro Power Ventures Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2019, its profit including other comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 26 to the standalone financial statements which more fully describe that uncertainty faced by the company in signing PPA and various factors affecting the progress of the project resulted in stoppage of work. However, management is confident that current situation is temporary and does not have any going concern issue. Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Company does not have any key audit Matters except which is considered in Emphasis of Matter.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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

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

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and



- 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 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 that were required to be transferred to the Investor Education and Protection Fund by the Company;
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Modi Manoj & Co.

Chartered Accountants

Firm Registration Number: 030165N

Manoj Modi



(Manoj Modi)

Proprietor

Membership Number: 524225

Place: Mumbai

Date: 27 May 2019

Annexure- A to the Independent Auditors' Report

The Annexure A referred to in our Report of even date to the Members of **Sikkim Hydro Power Ventures Limited** ("the Company") on the financial statements for the year ended 31 March 2019.

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

We have audited the internal financial controls over financial reporting of Sikkim Hydro Power Ventures Limited ('the Company') as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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



**Annexure- A to the Independent Auditors' Report on the Ind AS Financial Statements
(continued)**

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 Ind AS 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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 ICAI.

For Modi Manoj & Co.
Chartered Accountants
Firm Registration Number: 030165N

Manoj Modi



(Manoj Modi)
Proprietor
Membership Number: 524225
Place: Mumbai
Date: 27 May 2019

Annexure- B to the Independent Auditors' Report on the Ind AS Financial Statements

The Annexure-B referred to in the Independent Auditors' Report of even date to the Members of **Sikkim Hydro Power Ventures Limited** ('the Company') on the financial statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of, immovable properties (assets covered under License agreement) as disclosed in the Note 3 to the Ind AS financial statements, the title deeds and lease agreements are held in the name of the Company.
- ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- iii. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- vii. (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) According to the information and explanations given to us, there are no dues of Sales tax, Service tax/GST and Value added tax which have not been deposited with the appropriate authorities on account of any dispute.

As informed to us, the Company does not have any dues on account of duty of Customs and duty of Excise.

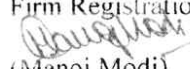


- viii. The Company has not taken any loan which is repayable on demand from financial institutions and the company has not taken any loan, borrowings from banks and government or has not issued any debentures.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments) and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 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 the Nidhi Rules, 2014 are not applicable. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (IAS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with its directors or persons connected with him as contemplated under the provisions of Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order is not applicable to the Company.

For Modi Manoj & Co.

Chartered Accountants

Firm Registration Number: 030165N


(Manoj Modi)

Proprietor

Membership Number: 524225

Place: Mumbai

Date: 27 May 2019



SIKKIM HYDRO POWER VENTURES LIMITED
CIN: U40100DL2005PLC257673
BALANCE SHEET AS AT MARCH 31, 2019
(All amounts are in lacs unless otherwise stated)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018
Assets			
Non-current assets			
(a) Property, Plant and Equipment	3	1,885.11	1,884.63
(b) Capital Work in Progress	4	8,936.86	8,940.55
(c) Financial Assets	5		
(i) Others	5.2	-	-
(d) Other Non-current assets	6	104.60	104.60
Total Non - Current Assets (A)		10,926.57	10,929.77
Current Assets			
(a) Inventories	5		
(b) Financial Assets	5.1	1.75	12.09
(i) Cash and cash equivalents	5.2	13.17	15.74
(ii) Others	6	-	-
(c) Other current assets			
Total Current Assets (B)		14.92	27.83
Total Assets (A+B)		10,941.49	10,957.60
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	7	6,273.59	6,273.59
(b) Other Equity	8	2,620.22	2,145.89
Total Equity (A)		8,893.81	8,419.49
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(b) Provisions	9	4.63	4.47
Total Non-Current Liabilities (B)		4.63	4.47
Current Liabilities			
(a) Financial Liabilities	10		
(i) Borrowings	10.1	840.48	1,120.48
(ii) Trade payables			
Total outstanding dues of Micro & Small Enterprise			
Total outstanding dues of creditors other than Micro & Small Enterprise	10.2	1,082.56	1,171.41
(iii) Other financial liabilities	10.3	119.84	239.19
(b) Provisions	9	0.11	0.11
(c) Current Tax Liabilities (Net)		-	-
(d) Other Current Liabilities	11	0.06	2.46
Total Current Liabilities (C)		2,043.05	2,533.65
TOTAL EQUITY AND LIABILITIES (A+B+C)		10,941.49	10,957.60

As per our report of even date

For Modi Manoj & Co.
Chartered Accountants.
Firm Registration No. 030165N

Manoj Modi
Proprietor
Membership No. : 524225



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 : May 27, 2019

SIKKIM HYDRO POWER VENTURES LIMITED
CIN: U40100DL2005PLC257673
Statement of Profit and Loss for the year ended March 31, 2019
(All amounts are in lacs unless otherwise stated)

Particulars	Note Ref	March 31, 2019	March 31, 2018
I Revenue from Operations (Gross):			
a) Revenue from Operations		-	-
Revenue from Operations		-	-
II Other Income:	12	655.94	-
III Total Revenue (I + II)		655.94	-
IV Expenses:			
Construction expenses	13	10.84	
Employee Cost	14	47.66	-
Depreciation and amortisation expense	3	0.54	-
Administrative Expenses	15	22.70	1,000.59
Total Expenses		81.74	1,000.59
V Profit Before Tax (III-IV)		574.20	(1,000.59)
VI Tax Expense			
1. Current Tax		-	-
VII Profit for the period (V-VI)		574.20	(1,000.59)
Other comprehensive income			
Re-measurement gains/ (losses) on defined benefit plans		0.13	-
Total comprehensive income		574.33	(0.90)
VIII Earnings per Equity Share:			
Basic & Diluted	16	0.92	(1.59)
Par Value			

For Modi Manoj & Co.
Chartered Accountants.

Firm Registration No. 030165N



Manoj Modi
Proprietor
Membership No. : 524225



Place : Mumbai
Date : May 27, 2019

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 : May 27, 2019



SIKKIM HYDRO POWER VENTURES LIMITED
Notes to financial statements for the year ended March 31, 2019
(All amounts are in lacs unless otherwise stated)

Statement of Changes in Equity

A Equity

Particulars	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	6,27,35,942	6,273.59	6,27,35,942	6,273.59
Changes in equity share capital during the year - issued during the reporting period	-	-	-	-
Balance at the end of the reporting period	6,27,35,942	6,273.59	6,27,35,942	6,273.59

B Other Equity

Particulars	Retained Earnings	Capital contribution	Total
Balance as on March 31, 2017	(60.78)	4,050.21	3,989.43
Profit for the year	(1,000.59)		(1,000.59)
Fair value adjustment on interest free ICD received from holding company during the year	-	(841.25)	(841.25)
Remeasurement of defined benefit plans	(1.93)		(1.93)
Prior period items	0.23		0.23
Balance as on March 31, 2018	(1,063.07)	3,208.96	2,145.89
Profit for the year	574.20		574.20
Fair value adjustment on interest free ICD received from holding company during the year	-	-	-
Remeasurement of defined benefit plans	0.13		0.13
Repayment during the year	-	(100.00)	(100.00)
Balance as on March 31, 2019	(488.74)	3,108.96	2,620.22

For Modi Manoj & Co.
Chartered Accountants.
Firm Registration No. 030165N

Manoj Modi
Manoj Modi
Proprietor
Membership No. : 524225



Place : Mumbai
Date : May 27, 2019

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

Hemant Chandel
Hemant Chandel
Director
DIN: 07473472

Place : Mumbai
Date : May 27, 2019

Vijay Chiplunkar
Vijay Chiplunkar
Director
DIN: 07537765



SIKKIM HYDRO POWER VENTURES LIMITED
CIN: U40100DL2005PLC257673
Cash flow statement for year ended 31 March 2019
(All amounts are in lacs unless otherwise stated)

Particulars	2018-19	2017-18
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax As Per Profit & Loss Account	574.20	(1,000.59)
Adjusted For : Non Cash & Non operating Expenses		
Impairment of doubtful assets	-	1,000.00
Interest Income	(1.07)	-
Provision no longer required w/back	(637.15)	-
Depreciation on assets	0.54	2.93
Re-measurement gains/ (losses) on defined benefit plans	0.13	(1.70)
Operating Profit Before Working Capital Changes		
Adjusted For :		
Increase/(decrease) in trade payables and other financial liability	(208.20)	(106.42)
Movement in provisions	0.16	0.33
Changes in other liabilities	(2.40)	(10.68)
Movement in financial assets	637.12	0.67
Movement in other assets	-	0.81
	363.33	(114.63)
Income tax paid	-	-
Net Cash Flow From Operating Activities (A)	363.33	(114.63)
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of PPE	(1.02)	-
CWIP	1.64	(416.86)
Intercompany deposit given	-	-
Net Cash Used in Investing Activities (B)	0.62	(416.86)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds and Repayment from Short term borrowings	(280.00)	1,120.48
Inter Corporate deposit in the nature of Quasi Equity (Shown under Capital Cont	(100.00)	(841.25)
Proceeds from Inter-company loan	-	250.00
Interest Received	3.67	(2.67)
Interest Paid/ Capitalised	2.04	(0.28)
	(374.28)	526.28
Net Cash Used in Financing Activities (C)	(10.32)	(5.23)
Net Change in Cash & Cash Equivalents (A+B+C)	(10.32)	(5.23)
Cash & Cash Equivalents at the beginning of the year	12.09	17.34
Cash & Cash Equivalents at the end of the year	1.75	12.09
Components of Cash and Cash Equivalents		
Balances with scheduled banks in current account	1.75	12.06
Cash on hand	0.00	0.03
Total Components of Cash and Cash Equivalents	1.75	12.09

For Modi Manoj & Co.
Chartered Accountants.

Firm Registration No. 030165N

Manoj Modi
Proprietor
Membership No. : 524225



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 : May 27, 2019

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, 2019

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.

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 recognises 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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3	Tangible asset Particulars	Leasehold	Office	Motor	Furniture	Computers	Total
		Land	Equipments	Cars	and Fixtures		
	Cost or valuation	1,883.59	5.51	15.13	4.39	3.45	1,912.06
	As at March 31, 2017	-	-	-	-	-	-
	Additions	-	-	-	-	-	-
	Sales/Disposals/Adjustments	-	-	-	-	-	-
	As at March 31, 2018	1,883.59	5.51	15.13	4.39	3.45	1,912.06
	Additions	-	1.02	-	-	-	1.02
	Sales/Disposals/Adjustments	-	-	-	-	-	-
	As at March 31, 2019	1,883.59	6.53	15.13	4.39	3.45	1,913.08
	Depreciation	-	4.41	13.49	3.16	3.45	24.50
	As at March 31, 2017	-	-	-	-	-	-
	Charge for the period	-	0.63	1.63	0.66	-	2.93
	Sales/disposals/adjustments	-	-	-	-	-	-
	As at March 31, 2018	-	5.04	15.13	3.82	3.45	27.43
	Charge for the period	-	0.33	-	0.21	-	0.54
	Sales/disposals/adjustments	-	-	-	-	-	-
	As at March 31, 2019	-	5.37	15.13	4.03	3.45	27.97
	Net Block	1,883.59	0.47	-	0.57	-	1,884.63
	As at March 31, 2018	1,883.59	1.16	-	0.36	-	1,885.11
	As at March 31, 2019	1,883.59	1.16	-	0.36	-	1,885.11
4	Capital Work in progress					As at	As at
	Particulars					March 31, 2019	March 31, 2018
	Project expenses					4,259.16	4,260.42
	Establishment expenses					1,983.36	1,983.74
	Personnel costs					866.66	866.66
	Financial costs					1,764.74	1,766.78
	Depreciation					28.46	28.46
	Total					8,902.38	8,906.06
	IND AS Impact					34.49	34.49
	Total intangible asset under development					8,936.86	8,940.55



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5 Other assets

Particulars	As at	As at	As at	As at
	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Non- Current		Current	
Advance given to contractor - CPL*	104.60	104.60	-	-
Total	104.60	104.60	-	-

* For Advance given to contractor-CPL refer note No. 10.2

6 Financial Assets

6.1 Cash and Cash Equivalents

Particulars	As at	As at
	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Current	
Cash and cash equivalents		
Cash on hand	0.00	0.03
Balances with banks		
-on current account	1.75	12.06
Total	1.75	12.09

6.2 Loans & Advances

Particulars	As at	As at	As at	As at
	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Non- Current		Current	
Inter corporate deposit given				
ICD - GREIPL				
Unsecured, Considered good				
Unsecured, Considered doubtful			400.00	1,000.00
ICD - Lodha Developers Pvt Ltd			(400.00)	(1,000.00)
ICD - Lodha Developers Pvt Ltd				
Total	-	-	-	-

6.3 Other financial assets

Particulars	As at	As at	As at	As at
	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Non- Current		Current	
Fixed deposits with statutory authorities			10.21	10.18
Interest accrued receivable			0.07	2.67
Dues from Related Parties				
Tidong Hydro Power Ltd			1.79	1.79
Youngthang Power Ventures Ltd			1.10	1.10
Total	-	-	13.17	15.74



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7 Equity Share Capital

a)	Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
	Authorised shares : 75,000,000 (March 31, 2017 : 75,000,000) equity shares of Rs. 10/- each	7,500	7,500
	Issued, subscribed shares and Paid-up shares: 62,735,942 (March 31, 2017: 62,735,942) equity shares of Rs. 10/- each	6,274	6,274

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, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
At the beginning of the period	6,27,35,942	6,274	6,27,35,942	6,274
Issued during the year	-	-	-	-
Outstanding at the end of the period	6,27,35,942	6,274	6,27,35,942	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	As at			
	March 31, 2019 Number	March 31, 2019 Amount	March 31, 2018 Number	March 31, 2018 Amount
Gammon Infrastructure Projects Limited (GIPL)	6,27,35,942	6,274	6,27,35,942	6,274
Total	6,27,35,942	6,274	6,27,35,942	6,274

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

Particulars	As at			
	March 31, 2019 Number	% of holding	March 31, 2018 Number	% of holding
Gammon Infrastructure Projects Limited (GIPL) - Holding Company	6,27,35,942	100%	6,27,35,942	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.

8 Other Equity

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Retained earnings	(488.74)	(1,063.07)
Capital contribution	3,108.96	3,208.96
Total	2,620.22	2,145.89



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ii) **Actuarial assumptions**

Particulars	As on March 31, 2019 (Rs.)	As on March 31, 2018 (Rs.)
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	7.50%	7.50%
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, 2019

	Discount Rate	Salary Growth Rate
Change in assumption		
March 31, 2019	1%	1%
March 31, 2018	1%	1%
Increase in assumption		
March 31, 2019	-6.96%	8.01%
March 31, 2018	-8.45%	8.29%
Decrease in assumption		
March 31, 2019	7.90%	-7.18%
March 31, 2018	8.17%	-8.74%

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

Particulars	As on March 31, 2019 (Rs.)	As on March 31, 2018 (Rs.)
Within next 12 months	-	-
Between 2-5 years	-	-
Between 5 - 10 years	-	-
Total expected payments	-	-

v) **Experience adjustment**

Particulars	As on March 31, 2019 (Rs.)	As on March 31, 2018 (Rs.)
Experience adjustment on Plan Liability	-	-



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10 Financial Liabilities

10.1 Short term Borrowings

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Loans repayable on demand - from other parties	840.48	1,120.48
Total	840.48	1,120.48

10.2 Trade Payables

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
	Current	
Trade Payables*		
- Micro, Small and Medium Enterprises	1,082.56	1,171.41
- Other		
Total	1,082.56	1,171.41

* Trade payable includes Rs 1077.81 Lacs (PY 1168.38 lacs) payable to EPC contractor. The amount is subject to confirmation.

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.

10.3 Other Financial Liabilities

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
	Current	
Inter corporate deposit given by ICD - GREIPL	34.49	34.49
Dues to Related parties towards capital expenditure Gammon Infrastructure Projects Limited	38.92	133.75
Patna Highway Projects Limited	17.65	17.65
Other liabilities	28.78	53.30
Total	119.84	239.19

11 Other Current Liabilities

Particulars	As at March 31, 2019 (Rs.)	As at March 31, 2018 (Rs.)
Duties and Taxes payable	0.06	2.46
Total	0.06	2.46



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12	Other Income		For year ended March 31, 2019 (Rs.)	For year ended March 31, 2018 (Rs.)
	Particulars			
	Provision no longer required w/back		637.15	-
	Interest income		1.07	-
	Scrap Sale		17.71	-
	Total		655.94	-
13	Project Expense		9.58	
	Subcontract expense		1.26	
	Maintenance expense		10.84	
	Total		10.84	
14	Personnel cost			
	Particulars		For year ended March 31, 2019 (Rs.)	For year ended March 31, 2018 (Rs.)
	Salaries Wages & Bonus		47.79	-
	Total		47.79	-
15	Other Expenses			
	Particulars		For year ended March 31, 2019 (Rs.)	For year ended March 31, 2018 (Rs.)
	Professional fees		6.70	
	Legal Fees		2.30	
	Rent		2.31	
	Travelling expenses		4.89	
	Power and fuel		0.15	
	Sundry Expenses		2.74	
	Communication expenses		0.68	
	Insurance expenses		1.34	
	Impairment of doubtful assets		-	1,000.00
	ROC fees		1.21	0.09
	Remuneration to Auditors For Statutory Audit		0.38	0.50
	For Tax Audit		-	-
	Total		22.70	1,000.59



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16 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	For year ended	For year ended
	March 31, 2019	March 31, 2013
	(Rs.)	(Rs.)
Net Profit / (Loss) as per Statement of Profit and Loss	574.20	(1,000.59)
Outstanding equity shares at period end	6,27,35,942	6,27,35,942
Weighted average Number of Shares outstanding during the period - Basic	6,27,35,942	6,27,35,942
Weighted average Number of Shares outstanding during the period - Diluted	6,27,35,942	6,27,35,942
Earnings per Share - Basic (Rs.)	0.92	(1.59)

17 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.

18 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	Carrying value		Fair value	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Financial assets				
Amortized cost:				
Loans and advances	-	-	-	-
Cash and bank balances	1.75	12.09	1.75	12.09
Others	13.17	15.74	13.17	15.74
Fair Value through P&L	-	-	-	-
Fair Value through OCI	-	-	-	-
	14.93	27.83	14.93	27.83
Financial liabilities				
Amortized cost				
Short Term Borrowings	840.48	1,120.48	840.48	1,120.48
Trade payable	1,082.56	1,171.41	1,082.56	1,171.41
Others	119.84	239.19	119.84	239.19
Fair Value through OCI	-	-	-	-
	2,042.88	2,531.07	2,042.88	2,531.07

The management assessed that fair value of cash, short-term deposits, trade payables, bank 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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19 Commitments

Particulars	As on	
	March 31, 2019	March 31, 2018
EPC contracts	38,685.78	38,686.80
Total	38,685.78	38,686.80

20 Contingent liabilities

There are no contingent liabilities as at March 31, 2019 and March 31, 2018

21 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.

22 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		101.25 (761.32)	
Capital Contribution received refunded to Gammon Infrastructure Projects Limited		201.25 (1,602.57)	
Expenses incurred on behalf of the Company by: Gammon Infrastructure Projects Limited		97.52 (166.04)	
Payment for expense incurred on behalf of Company to : Gammon Infrastructure Projects Limited		192.36 (59.27)	
Deposit for Directorship Gammon Infrastructure Projects Limited		- (1.00)	
Refund of Deposit for Directorship Gammon Infrastructure Projects Limited		- (1.00)	
Outstanding balance receivable from Tidong Hydro Power Limited			1.79 (1.79)
Youngthang Power Ventures Limited			1.10 (1.10)
Outstanding balance payable to Gammon Infrastructure Projects Limited		38.92 (133.75)	
Gammon Renewable Energy Infrastructure Projects Ltd			34.48 (34.48)
Patna Highway Project Ltd			17.65 (17.65)

(Previous period's figure in brackets)

23 Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as on March 31, 2019 and as on March 31, 2018. The Company has no foreign currency exposure towards liability outstanding as on March 31, 2019 and as on March 31, 2018



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All the figures are in lacs unless otherwise stated

24 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.

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.

25 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, 2019 (Rs.)	As on March 31, 2018 (Rs.)
Long term borrowings including ICD	-	-
Less: cash and cash equivalents	1.75	12.09
Net debt	(1.75)	(12.09)
Equity including reserve	8,893.81	8,419.49
Capital and net debt	8,892.05	8,407.40
Gearing ratio	-0.02%	-0.14%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

26 Going Concern

The Company has incorporated a SPV for developing Rangit II Hydroelectric Power Project in Sikkim on BOOT basis. The project involves the development of a 66 MW run-of-the-river Hydroelectric Power Project on Rimbi River, a tributary of River Rangit. Concession period for the project is 35 years from the date of COD. The project cost is estimated to be Rs 496 Crores. Though the project has received all major clearances and approvals including environmental clearances from MoEF and all major contracts for the project have been awarded, Power purchase agreement is yet to be signed. Over a period of time, the scenario in power sector changed substantially and in absence of financial closure, funding of the Project has been a major issue leading to stoppage of work. EPC contractor for the Project, M/s Coastal Projects Limited are also facing liquidity problems and in absence of disbursement of funds by the SPV, they are unable to execute the EPC work as per schedule. The Proposed Hydro power Policy is eagerly awaited which will hopefully bring more opportunity in this sector. The company is hopeful that power purchase agreement would be signed under the new policy which will also enable the financial closure to be done. Policy initiatives taken by Government to address key concern facing the power sector will enable the sector to keep pace with the growing demand. The Management has been in discussions with the Haryana Government and NHPC to explore the possibility of signing a Power Purchase Agreement (PPA) or a possible buyout of the Project. The management is of the view that the present situation in power business is temporary and does not foresee any need for impairment.

27 Previous period figures are regrouped / reclassified wherever required.

As per our report of even date

For Modi Manoj & Co.
Chartered Accountants.
Firm Registration No. 030165N



Manoj Modi
Proprietor
Membership No.: 524225

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

Hemant Chandel
Hemant Chandel
Director
DIN: 07473472

Vijay Chiplunkar
Vijay Chiplunkar
Director
DIN: 07537765



Place : Mumbai
Date : May 27, 2019