

Financial Statements of Gokak Power & Energy Limited

DIRECTORS	:	MUKUNDAN SRINIVASAN – Chairman RAMESH R. PATIL – Wholetime Director PRADIP N. KAPADIA KAIWAN D. KALYANIWALLA CHANDRAKANT G. SHAH
CHIEF FINANCIAL OFFICER	:	VIKRAM V. NAGAR
COMPANY SECRETARY & COMPLIANCE OFFICER	:	RAKESH M. NANWANI
STATUTORY AUDITORS	:	BATLIBOI & PUROHIT, CHARTERED ACCOUNTANTS
BANKERS	:	ICICI BANK LIMITED
HYDRO POWER HOUSE	:	GOKAK FALLS-591 308 (DISTRICT BELAGAVI-KARNATAKA)
D J MADAN POWER HOUSE	:	DUPDHAL TALUKA : GOKAK DIST. BELAGAVI KARNATAKA
REGISTERED OFFICE	:	#1, 2 ND FLOOR, 12 TH CROSS, IDEAL HOMES, NEAR JAYANNA CIRCLE, RAJARAJESHWARI NAGAR, BENGALURU – 560 098
CIN	:	U40103KA2012PLC062107
GSTIN	:	29AAECG7331B1ZU

**BOARDS REPORT**

To,
The Members of
Gokak Power & Energy Limited

Your Directors present their Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2018.

1. Financial Results and State of Company's Affairs

(₹ In Lakhs)

	Particulars	For the Financial Year 01.04.2017 to 31.03.2018	For the Financial Year 01.04.2016 to 31.03.2017
(a)	Gross Revenue	1353.40	1128.98
	Less: Costs	437.72	220.35
(b)	Balance	915.68	908.08
	Less: Interest	938.98	1022.53
(c)	Cash Profit/(Loss)	(23.30)	(114.45)
	Less: Depreciation	354.82	354.64
(d)	Profit/(Loss) after depreciation carried to Balance Sheet	(377.58)	(469.09)
	Less : Deferred Tax	834.54	453.53
	Other Comprehensive (Income) / Expenses	(0.82)	(0.54)
(e)	Net Profit/ (Loss)	(1211.30)	(15.02)

2. Operations

During the year under review, your Company has recorded gross income of ₹ 1353.40 lakhs (previous period ₹ 1128.98 lakhs) and cash loss for the year of ₹ 23.30 lakhs (previous period cash loss ₹ 114.45 lakhs). The Regulatory Authorities have made several changes to the Renewal Energy Certificate mechanism, as applicable to the Company resulted in negative impact of ₹ 218 lakhs, despite higher generation of electricity during the year the results have not been positive. The Company is qualified for the Renewal Energy Certificate, for its 4.5 MW generation. During the period overall flow of water from various sources (Dams, rivers and canal) was better as compared to previous period, as a result of which, generation of electricity has improved.

3. Outlook

As per the forecast by India Meteorological Department, it is hoped that rains will be good in this coming year, also the Company will put all efforts to maximize the power generation through efficient management and proper maintenance.

4. Share Capital

The paid up equity share capital of the Company as on March 31, 2018 was ₹ 49 Crores. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options.

5. Dividend and Transfer to Reserves

In view of the results for the year, no dividend has been recommend for the year. No amount has been transferred to the Reserves during the year.

6. Material changes and commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred, between the end of the financial year of the company to which the financial statements relate and the date of the Report, except the floor price of Renewal Energy Certificate has gone down from ₹ 1500 to ₹ 1000 per certificate, which has resulted in negative impact of ₹ 218 lakhs. This has affected the Company's profitability for the current Financial Year and will also affect the profitability of future Financial Years.

7. Subsidiary Company/Joint venture/Associate

Associate Company – Suryoday One Energy Private Limited (SOEPL)

The Company made investment in the equity share capital of SOEPL on September 7, 2017. SOEPL is engaged in generation, transmission, distribution, trading of Solar power.

During the year under review, SOEPL has recorded net loss of ₹ 0.64 lakhs.

Details of SOEPL are set out in the statement in Form AOC-1, pursuant to section 129 of the Companies Act, 2013 and is attached, herewith, as **Annexure I** to this Report.

The Company does not have any subsidiary or joint venture Companies.

Consequent upon, increase in its paid up share capital by issue of equity shares, SOEPL ceased to be associate Company of GPEL w.e.f April 16, 2018.

8. Deposits

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and Rules framed there under and there is no outstanding deposit.

9. Board of Directors and Key Managerial Personnel

The composition of Board of Directors of the Company is as under:

Sr. No	Name of the Director	Designation	Category
1	Mr. Mukundan Srinivasan (DIN:00276429)	Chairman	Non-Executive Non-Independent
2	Mr. Chandrakant G Shah (DIN: 00002358)	Director	Non-Executive Non-Independent
3	Mr. Kaiwan D Kalyaniwalla (DIN: 00060776)	Director	Non-Executive Independent
4	Mr. Pradip N Kapadia (DIN:00078673)	Director	Non-Executive Independent
5	Mr. Ramesh R Patil (DIN:07568951)	Wholetime Director	Executive Non-Independent

Mr. Chandrakant G. Shah is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommend his re-appointment as Director of the Company.

Key Managerial Personnel of the Company are Mr Ramesh R Patil, Wholetime Director and Mr. Vikram Nagar, Chief Financial Officer. Mr. Rakesh M. Nanwani, who was appointed the Company Secretary with effect from June 1, 2017.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances, which may affect their status as the Independent Directors during the year.

10. Meetings of the Board of Directors and Attendance

The Board met at least once in each quarter. 5 Meetings were held during the financial year ended March 31, 2018 i.e. on May 09, 2017; May 26, 2017; August 11, 2017; November 13, 2017 and February 07, 2018. The number of meetings held and attended during the year are as under:



Sr. No	Name of the Directors	Number of Board Meetings during the Financial year ended March 31, 2018	
		Held	Attended
1.	Mr. Mukundan Srinivasan	5	4
2.	Mr. Chandrakant G. Shah	5	5
3.	Mr. Kaiwan D. Kalyaniwalla	5	5
4.	Mr. Pradip N. Kapadia	5	5
5.	Mr. Ramesh R. Patil	5	5

11. Committees of the Board

a. Audit Committee

The Company has an Audit Committee at the Board level which acts as the link between the Management and the Statutory and Internal Auditors and the Board of Directors. It interacts with statutory and internal auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with necessary assistance and information, so as to enable it to carry out its function effectively.

The composition of Audit Committee of the Company is as under:

Sr. No	Name of the Director	Category
1	Mr. Kaiwan D. Kalyaniwalla - Chairman (DIN: 00060776)	Non-Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non-Executive Non-Independent
3	Mr. Pradip N. Kapadia (DIN:00078673)	Non-Executive Independent

The Chairman of the Audit Committee is an Independent Director. All the Members of the Committee have relevant expertise in accounting and financial Management. The Wholetime Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings.

The Statutory Auditors and Internal Auditors of the Company are also invited to the Audit Committee Meetings. Discussions with the Management and the Statutory Auditors, the audit plan for the financial year and a joint post-audit review of the same are held at regular intervals.

The Company places all the relevant details before the Audit Committee periodically.

The Committee meets at least once in each quarter. 5 Meetings were held during the financial year ended March 31, 2018 i.e. on May 09, 2017; May 26, 2017; August 11, 2017; November 13, 2017 and February 07, 2018.

The number of meetings held and attended during the year are as under:

Sr. No	Name of the Directors	Number of Audit Committee Meetings held during the Financial year ended March 31, 2018	
		Held	Attended
1.	Mr. Kaiwan D. Kalyaniwalla - Chairman	5	5
2.	Mr. Chandrakant G. Shah	5	5
3.	Mr. Pradip N. Kapadia	5	5

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for determining the compensation payable to Directors, Executive Director and the Senior Management Personnel, based on industry practices and performance of individuals.

Brief description of terms of reference:

1. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Formulating the criteria for evaluation of Independent Directors and the Board as a whole.
4. Devising a policy on Board diversity.
5. Approving the remuneration after taking into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
6. Reviewing and determining all elements of remuneration package striking the balance between the interest of the Company and the shareholders
7. All information about the Directors/Managing Director/ Whole time Director/ Key Managerial Personnel i.e background details, past remuneration, recognition or awards, job profile, etc., shall be considered and disclosed to Shareholders, whenever required.

The composition of Nomination and Remuneration Committee of the Company is as under:

Sr. No	Name of the Director	Category
1	Mr. Kaiwan D. Kalyaniwalla - Chairman (DIN: 00060776)	Non-Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non-Executive Non-Independent
3	Mr. Pradip N. Kapadia (DIN:00078673)	Non-Executive Independent

One (1) Meeting was held during the financial year ended March 31, 2018 i.e. on May 09, 2017.

The number of meetings held and attended during the year are as under:

Sr. No	Name of the Directors	Number of Nomination and Remuneration Committee Meetings held during the Financial year ended March 31, 2018	
		Held	Attended
1.	Mr. Kaiwan D. Kalyaniwalla - Chairman	1	1
2.	Mr. Chandrakant G. Shah	1	1
3.	Mr. Pradip N. Kapadia	1	1

12. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Audit and Nomination and Remuneration Committees.

In a separate meeting of Independent Directors, performance of Non- Independent Directors of the Board as a whole and the performance of the Chairman were evaluated.



13. Particulars of Employees

During the financial year 2017 -18, the Company did not have any employee who was in receipt of remuneration in aggregate not less than ₹ 1.02 crores p.a if employed through the financial year and in aggregate not less than ₹ 8.50 lakhs p.m if employed for part of financial year.

14. Auditors and Auditors Report :

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Batliboi & Purohit, Chartered Accountants (ICAI Firm Registration no. 101048W) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of the 6th Annual General Meeting of the Company till the conclusion of the 11th Annual General Meeting of the Company.

The Audit Report of the Statutory Auditors forms part of the Annual Report. The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments

15. Particulars of loans, guarantees or investments under section 186

Particulars of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements, as applicable.

16. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

During the year under review, there were no materially significant related party transactions with the Promoter, Directors, Key Managerial Personnel or the Designated Persons, which may have a potential conflict with the interest of Company at large except sale of power to the holding company, which have been approved by the shareholders.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been disclosed in Form No. AOC-2 as **Annexure II** to this report.

17. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is forming a part of this Annual Report as **Annexure III**

18. Statutory Disclosures :

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future.

19. Obligation of Company under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 :

The Company has adopted a policy as per the provisions of Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace.

During the year under review, no complaints on sexual harassment were received.

20. Conservation of energy, technology absorption and foreign exchange earnings and outgo :

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy :

(i)	the steps taken or impact on conservation of energy	a. Switching off the exhaust fans at night. b. Water leakages in the canal were repaired to stop wastage of water, thereby using the same water for power generation. c. Replacing of old sodium vapour lamp & tube lights by LED lamps in all our power plants.
(ii)	the steps taken by the Company for utilizing alternate sources of energy	The Company has its own Hydro-Generation. The Company is in the process of exploring solar option.
(iii)	the capital investment on energy conservation equipment's	NIL

(b) Technology absorption :

(i)	the efforts made towards technology absorption	NA
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) the details of technology imported	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and future plan of action	NA
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and outgo : NIL**21. Human Resources :**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis.

The employee relations continued to be cordial and productive with several significant changes boosting capacity utilization, efficiency and productivity in the plants.

22. Directors' Responsibility Statement :

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the representations received from the operating management, the Directors hereby confirm :-

- that in the preparation of the annual accounts for the financial year from 01.04.2017 to 31.03.2018 the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- that 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 or loss of the Company for that period;
- that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d. that they have prepared the annual accounts for the financial year from 01.04.2017 to 31.03.2018 on a 'going concern' basis
- e. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Acknowledgements :

Your Directors wish to place on record their sincere appreciation for the assistance given by the Company's Bankers and acknowledge that their support has been a source of considerable strength. The Directors commend the continued commitment and dedication of employees at all levels. The Directors also wish to acknowledge with thanks all other stakeholders for their valuable sustained support and encouragement. Your Directors look forward to receiving similar support and encouragement from all stakeholders in the years ahead.

For and on behalf of the Board of Directors

Place : Mumbai,
Date : May 18, 2018

S Mukundan

Chairman

Registered Office:
#1, 2nd Floor, 12th Cross, Ideal Homes,
Near Jayanna Circle, Rajarajeshwari Nagar,
Bengaluru- 560 098

Form AOC-I

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part A: Subsidiaries : NIL

Part B: Associates and Joint Ventures

₹ in Lakhs

Name of the Associate Company	Suryoday One Energy Private Limited *
Latest audited balance sheet	31-Mar-2018
Share Capital	1.00
Reserves & Surplus	NIL
Total Assets	23199.93
Total Liabilities	23240.44
Investments	NIL
Turnover	NIL
Profit before taxation	(0.86105)
Provision for taxation including Deferred Tax	(0.22172)
Profit after taxation	(0.64)
Proposed Dividend	--
% of shareholding	26 %

*Ceased to be associate Company of GPEL w.e.f April 16, 2018.

For and on behalf of the Board of Directors

Place : Mumbai,
Date : May 18, 2018**S Mukundan**
Chairman



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

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

1.	Details of contracts / arrangements or transactions not at arm's length basis	NIL
2.	Details of material contracts / arrangements or transactions at arm's length basis	01-April-2017 to 31-March-2018
a.	Name of related party and nature of relationship	Gokak Textiles Limited (Holding Company)
b.	Nature of contracts / arrangements /transactions	Agreement for transfer of power between Gokak Power & Energy Limited and Gokak Textiles Limited, Holding Company captive user for consumption.
c.	Duration of contracts / arrangements/ transactions	20 years w.e.f. 27.09.2012
d.	Salient terms of the contracts / arrangements/ transactions including Value, if any	Captive user agrees to pay ₹ 4.01 for every unit of power transferred, subject to conditions laid out in the agreement
e.	Dates of Approval by the Board, if any	22.05.2012
f.	Amount paid as advance, if any	Security Deposit – Rupees One Crore

For and on behalf of the Board of Directors

Place : Mumbai,
Date : May 18, 2018

S Mukundan
Chairman

Form No.MGT-9
EXTRACT OF ANNUAL REPORT
For the financial year ended 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	U40103KA2012PLC062107
2.	Date of Incorporation	27.03.2012
3.	Name of the Company	Gokak Power & Energy Limited
4.	Category	Company Limited by Shares
5.	Sub-Category of the Company	Indian Non-Government Company
6.	Address of the Registered Office	#1, 2 nd Floor, 12 th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Benagluru - 560 098 Ph : +91 80 29744077 ; +91 80 29744078
7.	Whether Listed or not	No
8.	Name, Address and Contact details of the Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name/Description of Main Products/ Services	NIC Code of Product/Service	% to Total Turnover of the Company
1	Hydro Electric Power	35101	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Gokak Textiles Limited #1, 2 nd Floor, 12 th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Benagluru - 560 098	L17116KA2006PLC038839	Holding	51%	2 (46)
2.	Suryoday One Energy Private Limited * SP Centre, 41/44, Minoo Desai Marg, Colaba Mumbai, Mumbai City MH 400005	U40101MH2017PTC291189	Associate	26% *	2 (6)

*Ceased to be associate Company of GPEL w.e.f April 16, 2018.



VI) Shareholding 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 i.e 01.04.2017				No. of Shares held at the end of the year i.e 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	A. Promoters									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Non-Institutions									
(a)	Bodies Corporate	24,010,000	0	24,010,000	49.00	24,010,000	0	24,010,000	49.00	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	60	60	0.00	0	60	60	0.00	0.00
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	OCBs/Foreign Cos	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B) (2)	24,010,000	0	24,010,000	49.00	24,010,000	0	24,010,000	49.00	0.00
	Total Public Shareholding (B) = (B)(1)+(B)(2)	24,010,000	60	24,010,060	49.00	24,010,000	60	24,010,060	49.00	0.00
	TOTAL (A)+(B)	48,999,940	60	49,000,000	100.00	24,010,000	60	49,000,000	100.00	0.00

ii) Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% 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	Gokak Textiles Limited	2,49,90,000	51%	-	2,49,90,000	51%	-	-
2.	Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.	2,40,10,000	49%	-	2,40,10,000	49%	-	-
	Total	4,90,00,000	100%	-	4,90,00,000	100%	-	-

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

Sl. No	Particulars	Shareholding at the beginning of the year as on 01.04.2017		Cummulative Shareholding during the year	
		No of Shares	% of total Shares of the Company	No.of Shares	% of total Shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no Promoters' Shareholding between 01.04.2017 to 31.03.2018			
3	At the end of the year				

iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cummulative Shareholding during the year	
		No of Shares	% of total Shares of the Company			No of Shares	% of total shares of the company	No.of Shares	% of total Shares of the company
1	Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.	24,010,000	49.00			-	-	24,010,000	49.00
				31.03.2018	No Change	0	0.00	24,010,000	49.00
2	Shapoor P. Mistry JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				31.03.2018	No Change	0	0.00	10	0.00
3	Mukundan Srinivasan	10	0.00					10	0.00
				31.03.2018	No Change	0	0.00	10	0.00
4	Firoze kavshah Bhatehna JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				31.03.2018	No Change	0	0.00	10	0.00
5	Kamal Kumar Goyal	10	0.00					10	0.00
				31.03.2018	No Change	0	0.00	10	0.00
6	Rahul Adeshwar Jain JT1 Gokak Textiles Ltd	7	0.00					7	0.00
				31.03.2018	No Change	0	0.00	7	0.00
7	K S Ballal JT1 Gokak Textiles Ltd	1	0.00					1	0.00
				31.03.2018	No Change	1	0.00	1	0.00
8	Ramesh R. Patil JT1 Gokak Textiles Ltd	0	0.00	23.09.2017	Transfer	10	0.00	0	0.00
				31.03.2018	No Change	-	-	10	0.00



Sl. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2017		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cummulative Shareholding during the year	
		No of Shares	% of total Shares of the Company			No of Shares	% of total shares of the company	No.of Shares	% of total Shares of the company
9	Vikram V. Nagar JT1 Gokak Textiles Ltd	0	0.00				0.00	0	0.00
				23.09.2017	Transfer	1	0.00	1	0.00
		-		31.03.2018	At the end of the year	-	-	1	0.00
10	Pradeep P. Andhare JT1 Gokak Textiles Ltd	0	0.00				0.00	0	0.00
				23.09.2017	Transfer	1	0.00	1	0.00
		-		31.03.2018	At the end of the year	-	-	1	0.00
11	Sachin Kulkarni JT1 Gokak Textiles Ltd *	10	0.00				0.00	0	0.00
				23.09.2017	Transfer	10	0.00	0	0.00
		-		31.03.2018	At the end of the year	-	-	0	0.00
12	Mohan Ketkar JT1 Gokak Textiles Ltd #	1	0.00				0.00	0	0.00
				23.09.2017	Transfer	1	0.00	0	0.00
		-		31.03.2018	At the end of the year	-	-	0	0.00
13	Ramananda Pai JT1 Gokak Textiles Ltd @	1	0.00				0.00	0	0.00
				23.09.2017	Transfer	1	0.00	0	0.00
		-		31.03.2018	At the end of the year	-	-	0	0.00

* Ceased to be Shareholder as on March 31st, 2018

Ceased to be Shareholder as on March 31st, 2018

@ Ceased to be Shareholder as on March 31st, 2018

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cummulative Shareholding during the year	
		No of Shares	% of total Shares of the Company			No of Shares	% of total shares of the company	No.of Shares	% of total Shares of the company
1	Ramesh R. Patil - JT 1 Gokak Textiles Limited	0	0.00		At the end of the year			0	0.00
				-	Increase	10	0.00	10	0.00
				31.03.2018	At the end of the year	-	-	10	0.00
2	Mukundan Srinivasan - JT 1 Gokak Textiles Limited	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
				31.03.2018	At the end of the year	-	-	10	0.00
3	Vikram Nagar - JT 1 Gokak Textiles Limited	0	0.00					0	0.00
				-	Increase	1	0.00	1	0.00
				31.03.2018	At the end of the year	-	-	1	0.00
4	Kaiwan D. Kalyaniwalla	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
5	Pradip N. Kapadia	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
6	Chandrakant G. Shah	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00
7	Rakesh M. Nanwani	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2018	At the end of the year	-	-	0	0.00

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	6182.00	2779.22	100	9061.22
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	28.66	-	-	28.66
Total (i+ii+iii)	6210.66	2779.22	100	9089.88
Change in Indebtedness during the financial year				
• Addition	-	489.89	-	489.89
• Reduction	864.60	-	-	864.60
Net Change	864.60	489.89	-	(374.71)
Indebtedness at the end of the financial year				
i. Principal Amount	5321.75	3269.11	100	8690.86
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	24.31	-	-	24.31
Total (i+ii+iii)	5346.06	3269.11	100	8715.17

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars of Remuneration	Fees for attending Meetings	Commission Board/ Committee	Others please specify	Total
1.	Mr. S. Mukundan	80,000	-	-	80,000
2.	Mr. C. G. Shah	1,60,000	-	-	1,60,000
3.	Mr. Pradip N. Kapadia	1,70,000	-	-	1,70,000
4.	Mr. Kaiwan D. Kalyaniwala	1,70,000	-	-	1,70,000
	Total	5,80,000	-	-	5,80,000

Note : None of the Key Managerial Personnel are receiving any remuneration from the Company.

VII. PENALTIES / PUNISHMENTS/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding / Fees imposed	Authority [RD/ NCLT/ COURT]	Appeals made if any
A.	Company Penalty Punishment Compounding		None and Not Applicable		
B.	Directors Penalty Punishment Compounding		None and Not Applicable		
C.	Other Officers in Default Penalty Punishment Compounding		None and Not Applicable		

INDEPENDENT AUDITOR'S REPORT

To the Members of GOKAK POWER & ENERGY LTD

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of Gokak Power & Energy Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of Changes in Equity for the year ended and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

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 state of affairs, profit or loss (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

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

An Audit involves performing procedures to obtain Audit Evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March, 2018, and its loss (financial performance including other including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial Statements of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the Financial statements dated 09 May 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of the Written Representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 B"; 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 any pending litigations that would impact its financial position in its Ind AS financial statements.
 - ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or Indian Accounting Standards.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

FOR BATLIBOI & PUROHIT

Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta

Partner
Membership No: 111749

Place : Mumbai
Date : 18 May, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended 31 March 2018, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, certain fixed assets have been verified by the Company as per the program and we were informed that no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii. The management has conducted physical verification of inventory of stores and spares at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnership covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.
- iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan and investments made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Income Tax, Sales Tax, Service Tax, Goods and service tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid / provided any managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act. Accordingly, the paragraph 3(xi) of the Order is not applicable
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, the provision of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR BATLIBOI & PUROHIT

Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta

Partner
Membership No: 111749

Place : Mumbai
Date : 18 May, 2018

Annexure - B to the Auditors' Report

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

We have audited the Internal Financial Controls over financial reporting of Gokak Power & Energy Limited ("the Company") as of 31 March 2018 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 Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the 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.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR BATLIBOI & PUROHIT

Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta

Partner
Membership No: 111749

Place : Mumbai
Date : 18 May, 2018



**GOKAK POWER & ENERGY LIMITED
BALANCE SHEET AS AT 31 ST MARCH, 2018**

(₹ in lakhs)

Particulars	Note No.	As at 31 st March 2018	As at 31st March 2017
Assets			
1 Non-current assets			
a) Property, Plant and Equipment	3	10,516.59	10,859.18
b) Capital work-in-progress		10.09	14.26
		10,526.68	10,873.44
c) Financial Assets:			
i) Investments			
a) Investments in Associates	4	0.26	-
d) Tax assets			
i) Deferred tax assets (net)	14	-	834.54
ii) Income tax assets (net)	-	20.29	13.53
		20.29	848.07
e) Other non-current assets	8A	17.07	19.46
Total Non-current assets		10,564.30	11,740.97
2 Current assets			
a) Inventories	6	14.00	14.40
b) Financial Assets:			
i) Trade receivables	5	114.30	86.44
ii) Cash and cash equivalents	7A	59.30	35.88
iii) Bank balances other than (ii) above	7B	861.40	956.17
		1,049.00	1,092.89
c) Current tax assets (net)			
d) Other current assets	8B	98.74	459.99
Total Current assets		1,147.74	1,552.88
Total Assets		11,712.04	13,293.85
Equity and Liabilities			
Equity			
a) Equity share capital	9	4,900.00	4,900.00
b) Other equity	10	(1,957.15)	(745.85)
Equity attributable to owners of the Company		2,942.85	4,154.15
Total Equity		2,942.85	4,154.15
Liabilities			
1 Non-current liabilities			
a) Financial liabilities:			
i) Borrowings	11	4,298.75	5,321.75
ii) Other financial liabilities	12A	100.00	100.00
		4,398.75	5,421.75
b) Provisions	13A	2.35	16.63
Total Non-current liabilities		4,401.10	5,438.38

(₹ in lakhs)

Particulars	Note No.	As at 31 st March 2018	As at 31st March 2017
2 Current liabilities			
a) Financial liabilities:			
i) Borrowings	16	3,269.11	2,779.23
ii) Trade payables	17	9.88	12.64
iii) Other financial liabilities	12B	1,083.85	900.82
		4,362.84	3,692.69
b) Provisions	13B	2.77	0.67
c) Other current liabilities	15	2.48	7.96
Total current liabilities		4,368.09	3,701.32
Total Liabilities		8,769.19	9,139.70
Total Equity and Liabilities		11,712.04	13,293.85

See accompanying notes forming part of the financial statements 1 to 36

The notes are an integral part of the these financial statements

As per our report of even date

For GOKAK POWER & ENERGY LIMITED

For BATLIBOI & PUROHIT

Chartered Accountants
Firm Reg No. 101048W

Mukundan Srinivasan
(DIN: 00276429)

Chairman

Kaushal Mehta

Partner
Membership No. 111749

Vikram V. Nagar

Chief Financial Officer
Membership No. M25783

Ramesh R. Patil
(DIN: 07568951)

Whole-time Director

Place : Mumbai
Date : 18th May 2018

Kaiwan D. Kalyaniwalla
(DIN: 00060776)

Rakesh M. Nanwani
Company Secretary
Membership No. A45718

Pradip N. Kapadia
(DIN: 00078673)

Director

Chandrakant G. Shah
(DIN: 00002358)

Place : Mumbai
Date : 18th May 2018



GOKAK POWER & ENERGY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH, 2018

(₹ in Lakhs)

Particulars		Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
I	Revenue from operations	18	1,292.21	1,053.91
II	Other income	19	54.19	75.07
III	Other Non Operating Income	19	7.01	-
IV	Total Income		1,353.40	1,128.98
V	Expenses:			
	Employee benefits expense	20	59.30	58.29
	Finance costs	21	938.98	1,022.53
	Depreciation and amortisation expense	22	354.28	354.64
	Other expenses	23	378.42	159.04
	Total expenses		1,730.98	1,594.49
VI	Profit / (Loss) before exceptional items and tax		(377.58)	(465.51)
VII	Profit / (loss) before tax		(377.58)	(465.51)
VIII	Tax expense:			
	(a) Deferred tax		834.54	(453.53)
			834.54	(453.53)
IX	Profit /(loss) for the year		(1,212.12)	(11.99)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit plans	24	0.82	0.54
	Other Comprehensive Income, net of tax		0.82	0.54
XI	Total Comprehensive Income / (loss) for the year		(1,211.30)	(11.44)
XII	Earning per equity share			
	Basic and diluted earnings per equity share (refer Note No. 25)		₹ (2.47)	₹ (0.02)

See accompanying notes forming part of the financial statements 1 to 36

The notes are an integral part of the these financial statements

As per our report of even date

For GOKAK POWER & ENERGY LIMITED

For BATLIBOI & PUROHIT

Chartered Accountants
Firm Reg No. 101048W

Mukundan Srinivasan
(DIN: 00276429)

Chairman

Kaushal Mehta

Partner
Membership No. 111749

Vikram V. Nagar
Chief Financial Officer
Membership No. M25783

Ramesh R. Patil
(DIN: 07568951)

Whole-time Director

Place : Mumbai
Date : 18th May 2018

Kaiwan D. Kalyaniwalla
(DIN: 00060776)

Pradip N. Kapadia
(DIN: 00078673)

Director

Rakesh M. Nanwani
Company Secretary
Membership No. A45718

Chandrakant G. Shah
(DIN: 00002358)

Place : Mumbai
Date : 18th May 2018

GOKAK POWER & ENERGY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	Year ended 31st March, 2018	Year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit \ (Loss) before tax for the year	(377.58)	(468.54)
Adjustments for:		-
Depreciation expenses	354.28	354.64
Finance Cost	938.98	1,022.53
Balances written off	(3.63)	-
acturail gain/loss on defined benefit obligations	0.82	-
Interest Income	(54.19)	(75.07)
Cash Generated from operations before working capital changes	858.69	833.56
Adjustments for:		
(Increase)/decrease in trade receivables	(27.86)	(73.99)
(Increase)/decrease in inventories	0.40	3.42
(Increase)/decrease in Other Assets	363.64	288.77
(Increase)/decrease in trade payables	0.87	12.64
Increase / (Decrease) in Provision	(12.18)	(5.67)
Increase / (Decrease) in other Liabilities	181.90	(1,177.88)
Cash generated from operations	1,365.45	(119.15)
Taxes paid (net of refunds)	(6.76)	-
Net cash generated from operating activities - [A]	1,358.69	(119.15)
B. Cash Flow from Investing Activities :		
Investment in Associate Companies	(0.26)	-
Purchase of tangible assets	(11.69)	8.08
Net Movement in Bank Balance other than Cash and Cash equipments	94.77	(60.44)
Net Movement in borrowings	(1,476.45)	
Change in CWIP	4.17	-
Interest received	54.19	75.07
Net cash flow from/ (used in) investing activities [B]	141.18	83.16
C. Cash Flow from Financing Activities :		
Finance Cost	(943.33)	(1,022.53)
Net movement in borrowings	(533.12)	625.65
Net cash flow from/ (used in) financing activities [C]	(1,476.45)	(396.88)
Net increase/ (decrease) in cash and cash equivalents [D]= [A]+[B]+[C]	23.42	(493.30)
Cash and cash equivalents as at beginning [E]	35.88	529.18
Cash and cash equivalents as at closing [D]+[E]	59.30	35.88



PARTICULARS		Year ended 31st March, 2018	Year ended 31st March, 2017
D	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Cash on Hand	0.02	0.39
	Balances with banks:		
	- In current accounts	59.28	35.48
		59.30	35.88

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS-7), "Cash Flow Statements".
- Change in Borrowings are shown net of receipts and payments.
- Previous year figures have been rearranged/regrouped wherever necessary.

As per our report of even date

For GOKAK POWER & ENERGY LIMITED

For BATLIBOI & PUROHITChartered Accountants
Firm Reg No. 101048W**Mukundan Srinivasan**
(DIN: 00276429)*Chairman***Kaushal Mehta***Partner*
Membership No. 111749**Vikram V. Nagar**
Chief Financial Officer
Membership No. M25783**Ramesh R. Patil**
(DIN: 07568951)*Whole-time Director*Place : Mumbai
Date : 18th May 2018**Kaiwan D. Kalyaniwalla**
(DIN: 00060776)**Rakesh M. Nanwani**
Company Secretary
Membership No. A45718**Pradip N. Kapadia**
(DIN: 00078673)*Director***Chandrakant G. Shah**
(DIN: 00002358)Place : Mumbai
Date : 18th May 2018

GOKAK POWER & ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 ST MARCH, 2018

₹ In Lakhs

Statement of changes in equity for the year ended 31st March, 2018		
a. Equity share capital		Amount
Balance as at 1st April, 2016		4,900
Changes in equity share capital during the year		-
Balance as at 31st March, 2017		4,900
Changes in equity share capital during the year		-
Balance as at 31st March, 2018		4,900

Statement of changes in equity for the year ended 31st March, 2018 – continued

₹ in Lakhs

b. Other equity	Reserves and surplus	
	Retained earnings	Total
Balance at April 1, 2016	(731.38)	(731.38)
Profit for the year	(15.01)	(15.01)
Other comprehensive income for the year, net of income tax	0.54	0.54
Total comprehensive income for the year	(14.47)	(14.47)
Balance at March 31, 2017	(745.85)	(745.85)
Profit for the year	(1,212.12)	(1,212.12)
Other comprehensive income for the year, net of income tax	0.82	0.82
Total comprehensive income for the year	(1,211.30)	(1,211.30)
Balance at March 31, 2018	(1,957.15)	(1,957.15)

As per our report of even date

For GOKAK POWER & ENERGY LIMITED

For BATLIBOI & PUROHIT
Chartered Accountants
 Firm Reg No. 101048W

Mukundan Srinivasan
 (DIN: 00276429)

Chairman

Kaushal Mehta
Partner
 Membership No. 111749

Vikram V. Nagar
Chief Financial Officer
 Membership No. M25783

Ramesh R. Patil
 (DIN: 07568951)

Whole-time Director

Place : Mumbai
 Date : 18th May 2018

Kaiwan D. Kalyaniwalla
 (DIN: 00060776)

Rakesh M. Nanwani
Company Secretary
 Membership No. A45718

Pradip N. Kapadia
 (DIN: 00078673)

Director

Chandrakant G. Shah
 (DIN: 00002358)

Place : Mumbai
 Date : 18th May 2018



GOKAK POWER & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018

1 Corporate Information

Gokak Power & Energy Limited is public company incorporated on 17th January 2012 under the provisions of Companies Act, 1956. The company is in the business of generation/producing hydro power. The Company has 10.8 MW of Hydro power plant. Its registered office is at #1, 2nd Floor, 12th Cross, Ideal Homes, Near Jayanna Circle ,Rajarajeshwari Nagar, Bangalore 560098, Karnataka.

2 Basis of preparation

(a) Statement of Compliance -

The financial statements have been prepared in accordance with Indian Accounting standards (IND AS) notified under section 133 of the Companies Act 2013, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Details of the Company's accounting policies are included in below Note 3.

(b) Functional and presentation currency:-

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(d) Use of Estimates :

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation of uncertainties

Information about assumptions and estimations of uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 14 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 27 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(b) - useful life of property, plant and equipment
- Notes 3(d) - Financial Instruments

(e) Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes: Note 32 - financial instruments.

3 Significant accounting policies**(a) Property, plant and equipment:**

Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any other directly attributable costs of bringing the assets to its working condition for its intended use. Adjustments arising from the exchange rates variances relating to liabilities attributable to fixed assets are expensed out.

(b) Depreciation /Amortisation:

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

Sr. No.	Particulars	Useful Life In years
1	Building & Structures	30
2	Plant & Machinery	40
3	Furniture & Fixtures	10
4	Office Equipments	5

(c) Borrowing cost :

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Financial instruments**i. Recognition and initial measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

ii. Classification and subsequent measurement

Financial assets

(a) 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.

(b) 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.

(c) 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.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. 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.

iii. De-recognition

(a) Financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

(b) Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Off setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(e) Revenue recognition :

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Income from Power Generation: Revenue from Generation, Transmission and Distribution of power is recognised on an accrual basis and net of taxes and duties.

Revenue from renewable energy certificates is recognised on an accrual basis.

(f) Provisions and Contingent Liability

A provision is recognised when enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Reimbursement against a provision is recognised as a separate asset based on virtual certainty. Contingent Assets are not recognised.

(g) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company off sets, the current tax assets and liabilities (on year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

(h) Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with IND AS 33, on Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(i) Impairment

(a) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

(b) Non -financial assets

Intangible assets and property, plant and equipment

(a) Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(j) Inventories :

Inventories are valued at lower of cost and net realisable value. Stores, Spares and loose Tools cost is determined on weighted average method.

(k) Investments in Associate :

Investment in Equity shares of Suryoday One Energy Pvt. Ltd, which is an associate company, is recognised at cost.

(l) Employee Benefits :

(a) Short - term obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

(b) Other long term Employee benefit obligation

Long-term compensated absence of permanent employees is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

Defined Contribution Plans:

Employee benefits in the form of Provident Fund and Superannuation are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined Benefit Plan

Retirements benefits in the form of Gratuity for eligible employees is considered as defined benefit obligations and are provided on the basis of actuarial valuation, using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(m) Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(n) Cash and Cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank balance, deposits held at call with financial institutions.

(o) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(p) Recent accounting pronouncements

Standards issued but not yet effective:

- Ind AS 115 – Revenue from Contracts with customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified the Ind AS 115, Revenue from Contract with Customers. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This standard will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect on adoption of Ind AS 115 will not be material.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect of this amendment will not be material

3. Property, plant and equipment

(₹ in lakhs)

Particulars	Building and structures	Plant and machinery	Furniture, Fixtures & Office Equipments	Data processing equipments	Total
Cost or Deemed cost					
Balance at April 1, 2016	6,777.64	4,628.97	0.83	-	11,407.44
Additions	-	-	0.01	-	0.01
Balance at April 1, 2017	6,777.64	4,628.97	0.84	-	11,407.45
Additions	-	11.69	-	-	11.69
Balance at 31 st March, 2018	6,777.64	4,640.67	0.84	-	11,419.15
Accumulated depreciation and impairment					
Balance at April 1, 2016	127.66	65.92	0.06	-	193.64
Depreciation expense	236.89	117.62	0.13	-	354.64
Others					
Balance at April 1, 2017	364.55	183.53	0.19	-	548.28
Depreciation expense	236.55	117.61	0.12	-	354.28
Balance at 31 st March, 2018	601.10	301.14	0.31	-	902.55
Carrying Amount	-	-	-	-	-
Balance at April 1, 2016	6,649.98	4,563.06	0.78	-	11,213.82
Balance at April 1, 2017	6,413.09	4,445.44	0.65	-	10,859.18
Balance at 31 st March, 2018	6,176.54	4,339.52	0.53	-	10,516.59

4. Non Current Investments

Break-up of investments in associates (at cost)

(₹ in lakhs)

Particulars	As at 31 st March 2018		As at 31st March 2017	
	Qty	Amount	Qty	Amount
In Associate companies				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. In unquoted 2600 equity shares of ₹ 10 each fully paid up of Suryoday One Energy Pvt. Ltd.	2,600	0.26	-	-
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	2600	0.26	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

5. Trade receivables (₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Trade receivables		
a) Secured, considered good	20.07	74.97
b) Related Parties	94.23	11.47
Total	114.30	86.44

6. Inventories (₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Inventories (lower of cost and net realisable value)		
Stores and spares	14.00	14.40
Total	14.00	14.40

7. Cash and Cash equivalents (₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
(7A) Balances with Banks		
(i) In current accounts	59.28	35.48
(ii) Cash on hand	0.02	0.39
Cash and cash equivalents	59.30	35.88
(7B) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited with ICICI under lien.	861.40	956.17
Total	861.40	956.17

8. Other assets (₹ in lakhs)

8A. Non Current		
Particulars	As at 31 st March 2018	As at 31st March 2017
Advance other than Capital Assets :		
a) Prepaid expenses	17.07	19.46
Total	17.07	19.46

8B. Current (₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Advances other than Capital Advances :		
a) Advances to Employees	0.64	0.54
b) Advances for supply of goods and services -Unsecured considered good	2.88	3.33
c) REC Receivable	95.01	455.90
d) Security Deposits	0.22	0.22
Total	98.74	459.99



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

9. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Authorised Share capital : 5,00,00,000 fully paid equity shares of ₹ 10 each	5,000.00	5,000.00
Issued, subscribed and paid-up share capital: 4,90,00,000 fully paid equity shares of ₹ 10 each (as at March 31, 2016: 4,900.00)	4,900.00	4,900.00
	4,900.00	4,900.00

9.1 Fully paid equity shares

(₹ in lakhs)

Particulars	Number of shares	Share capital (₹ in Lakhs)
Balance as at 1st April, 2016	4,90,00,000	4,900.00
Movements	-	-
Balance as at 1st April, 2017	4,90,00,000	4,900.00
Movements	-	-
Balance as at 31st March, 2018	4,90,00,000	4,900.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

9.2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the period : Gokak Textiles Limited - Holding Company	2,49,90,000	2,49,90,000
Total	2,49,90,000	2,49,90,000

9.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares Shapoorji Pallonji Infrastructure Capital Company Private limited.	2,40,10,000	49%	2,40,10,000	49%
Total	2,40,10,000	49%	2,40,10,000	49%

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

10. Other Equity

Particulars	As at 31st March 2018	As at 31st March 2017
Surplus/ Deficit in retained earnings		
Balance at beginning of the year	(745.85)	(730.84)
Profit / (loss) during the year	(1,211.30)	(15.01)
Balance at end of the year	(1,957.15)	(745.85)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

11. Non-current Borrowings

(₹ in lakhs)

Particulars	Non Current maturities		Current maturities	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Secured – at amortised cost				
(a) Term loans				
From banks				
i) ICICI Bank Ltd	4,298.75	5,321.75	1,023.00	860.25
ICICI BANK LIMITED - First ranking mortgage/hypothecation/assignment/security interest /charge/pledge on all the moveable, immovable both present and future, all rights, titles, permits, approvals and interests of the company in, to and in respect of all the assets of the company, all clearances in relation to the project as well as in the project documents, all contractor guarantees, performance bonds and any letter of credit provided to the company, all insurance contracts, all bank accounts in relation to the project and pledge of equity shares representing 30% of the shares.	-			
Total Non-current borrowings	4,298.75	5,321.75	1,023.00	860.25

12. Other financial liabilities

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
12A. Non Current		
Other than advances :		
Security deposits	100.00	100.00
Total	100.00	100.00

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
12B. Current		
a) Current maturities of long-term borrowings	1,023.00	860.25
b) Interest accrued but not due on borrowings	24.31	28.66
c) Others :-		
- Other Payables Salary & Others	36.54	11.91
Total	1,083.85	900.82



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

13. Provisions

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
13a. Non current		
a) Employee benefits		
Compensated absences	2.35	2.93
Gratuity	-	13.70
Total	2.35	16.63

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
13b. Current		
a) Employee benefits		
Compensated absences	0.47	0.30
Gratuity	2.30	0.38
Total	2.77	0.67

14. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Deferred tax assets	1,178.64	3,313.21
Deferred tax liabilities	1,178.64	2,478.67
Total	0.00	834.54

Current Year (2017-2018)

Particulars	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from equity to profit or loss	Liabilities associated with assets classified as held for sale	Closing balance
Deferred tax (liabilities)/assets in relation to:						
a) Property, plant and equipment	(2,478.66)	1,300.02				(1,178.64)
b) Other liabilities & Provisions	12.98	(11.65)				1.33
Total (A) ...	(2,465.68)	1,288.37				(1,177.31)
a) MAT Credit	51.03	(51.03)				-
b) Others	3,249.20	(2,071.89)				1,177.31
Total (B) ...	3,300.23	(2,122.92)				1,177.31
Total (A+B) ...	834.55	(834.55)				-

Previous Year (2016-2017)

Particulars	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Reclassified from equity to profit or loss	Liabilities associated with assets classified as held for sale	Closing balance
Deferred tax (liabilities)/assets in relation to:						
a) Property, plant and equipment	(1,091.24)	(1,387.43)				(2,478.67)
b) Other liabilities & Provisions	7.10	5.88				12.98
Total (A) ...	(1,084.14)	(1,381.55)				(2,465.69)
a) MAT Credit	51.03	-				51.03
b) Others	1,414.12	1,835.08				3,249.20
Total (B) ...	1,465.15	1,835.08				3,300.23
Total (A+B) ...	381.01	453.53				834.54

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

15. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
a) Statutory remittances	2.48	7.96
Total	2.48	7.96

16. Current Borrowings

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Unsecured - at amortised cost		
a) Loans from related parties		
loans from Holding Company	382.56	353.06
loans from Related party	2,886.54	2,426.16
Total	3,269.11	2,779.22

17. Trade

Current payables

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Trade payables		
Others	9.88	12.64
Total	9.88	12.64

Note - There are no dues outstanding to Micro, Small and Medium enterprises as per MSMED Act 2006.

18. Revenue from operations

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
a) Income from Sale of Power	1,093.72	1,053.91
Total (a)	1,093.72	1,053.91
b) Other operating revenues		
i) Sale of RECs	198.49	-
Total (b)	198.49	-
Total (a+b)	1,292.21	1,053.91

19. Other Income

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
a) Interest on deposits with bank		
i) Bank deposits	54.19	66.76
ii) Income Tax refund	-	8.32
Total (a)	54.19	75.07
b) Other Non-Operating Income (Net of expenses directly attributable to such income)		
i) Credit balances / excess provision written back	3.63	-
ii) Miscellaneous income	3.38	-
Total (b)	7.01	-
Total (a+b)	61.20	75.07



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

20. Employee benefits expense

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
i) Salaries and Wages	50.32	49.91
ii) Contribution to provident and other funds	7.09	6.31
iii) Staff Welfare Expenses	1.90	2.07
Total	59.31	58.29

21. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
(a) Interest costs measured at amortised costs		
i) Interest on Security Deposits	12.00	-
ii) Interest on bank Term Loans	626.78	729.47
iv) Interest on Inter Corporate Deposits	300.19	293.05
Total	938.97	1,022.52

22. Depreciation and amortisation expense

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
i) Depreciation of property, plant and equipment	354.28	354.64
Total depreciation and amortisation	354.28	354.64

23. Other expenses

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
a) Consumption of stores and spare parts	17.39	16.31
b) Power and fuel	0.54	1.35
c) Freight and Handling	0.08	0.03
d) Directors Sitting fees	6.79	3.22
e) Repairs to :		
i) Buildings	0.65	6.59
ii) Plant and machinery	13.39	7.58
iii) Others	11.71	10.55
f) Insurance	23.73	28.40
g) Rates and taxes	1.61	1.89
h) Administrative Expenses	0.73	-
i) Printing & Stationery	0.03	0.06
j) Legal and professional charges	19.86	18.56
k) Travelling and conveyance	0.93	1.16
l) Water Royalty Charges	60.41	61.10
m) Revaluation Loss on REC	218.22	-
n) Miscellaneous expenses	-	0.17
Total (a to n)	376.04	156.97
o) To Statutory auditors		
i) For audit fee	1.44	2.07
ii) For tax audit fee	0.94	-
Total (o)	2.38	2.07
Total (a to o)	378.42	159.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

24. Other comprehensive income

(₹ in lakhs)

Particulars	Year Ended 31 st March 2018	Year Ended 31 st March 2017
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligation	0.82	0.54
Total	0.82	0.54

25. Earnings per share :

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows. (₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31st March 2017
Profit for the year attributable to owners of the Company (A)	(1,212.12)	(11.99)
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in Lakhs) (B)	490.00	490.00
Basic & Diluted Earnings per share (A/B)	(2.47)	(0.02)

26. Lease Transactions :

Company do not have any operating & financial Lease. Hence there is no future minimum lease payment.

27. Employee benefits obligations :

Defined-contribution plans:

The Company has recognised the following amounts in the statement of profit and loss in note 20, "Contributions to provident and other funds": (₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Provident fund	5.73	6.31
Superannuation fund	0.16	-
Total contribution	5.89	6.31

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
a)	Change in Present Value of Obligation		
	Present value of the obligation at the beginning of the year	18.13	19.38
	Current Service Cost	0.99	0.96
	Interest Cost	1.39	1.57
	Actuarial (Gain) / Loss on Obligation due to experience	(0.36)	0.84
	Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	(0.27)	(1.33)
	Benefits Paid	-	(3.29)
	Present value of the obligation at the end of the year	19.88	18.13
b)	Change in Plan Assets		
	Fair value of Plan Assets at the beginning of the year	4.06	-
	Interest Income	0.31	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
	Return on plan assets excluding interest income	0.20	0.06
	Contributions by Employer	13.01	4.00
	Fair value of Plan Assets at the end of the year	17.58	4.06
c)	Amounts Recognised in the Balance Sheet		
	Present value of Obligation at the end of the year	(19.88)	(18.13)
	Fair value of Plan Assets at the end of the year	17.58	4.06
	Funded Status	(2.30)	14.07
	Net asset at the end of the year	(2.30)	14.07
d)	Amounts Recognised in the Statement of Profit & Loss		
	Current Service Cost	0.99	0.96
	Finance cost / (income)	1.08	1.57
	Net impact on the loss before tax	2.07	2.53
e)	Amounts Recognised in Other Comprehensive Income		
	Actuarial (gains) / losses for the period	(0.62)	(0.49)
	Return on plan asset excluding interest income	(0.20)	(0.06)
	Net (income) / expenses for the period recognised in other comprehensive income	(0.82)	(0.55)
f)	Actual return on Plan Assets		
	Interest Income	0.31	-
	Actuarial Gain / (Loss) on Plan Assets	-	-
	Actual return on Plan Assets	0.31	-
g)	Actuarial Assumptions		
	i) Discount Rate	7.87%	7.66%
	ii) Expected Rate of Return on Plan Assets	7.87%	7.66%
	iii) Salary Escalation Rate	4.00%	4.00%
	iv) Attrition Rate	1.00%	2.00%
	v) Mortality	Indian Assured Lives Mortality(2006-08) Ultimate	Indian Assured Lives Mortality(2006-08) Ultimate

Maturity Analysis of the benefit payments : from the fund	As at 31st March, 2018	As at 31st March, 2017
Projected Benefits payable in future years from the date of reporting		
1 St Following Year	7.04	0.38
2 nd Following Year	0.30	4.61
3 rd Following Year	0.31	2.60
4 th Following Year	4.57	0.30
5 th Following Year	0.25	3.95
Sum of years 6 th to 10 th	3.12	3.00
Sum of years 11 th and above	26.47	26.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

Maturity Analysis of the benefit payments : from the fund	As at 31st March, 2018	As at 31st March, 2017
Projected Benefit obligation On Current Assumptions	19.88	18.13
Delta effect of +1% Change in rate of Discounting	(1.15)	(0.64)
Delta effect of -1% Change in rate of Discounting	1.36	0.70
Delta effect of +1% Change in rate of Salary increase	1.40	0.72
Delta effect of -1% Change in rate of Salary increase	(1.20)	(0.67)
Delta effect of +1% Change in rate of Employee Turnover	0.53	0.27
Delta effect of -1% Change in rate of Employee Turnover	(60.00)	(0.29)

Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Above disclosures have been made on the basis of certificate received from actuary.

The assumptions with regards to salary escalation and attrition rates are the expectations of the entity based on the salary escalation that the entity will provide in future and the expected attrition rate in the future. Historical trends of these assumptions may or may not be suitable to be extrapolated for the future projections, as it is the entity's prerogative to decide on the expected future trends and thereby the assumptions given by the entity are accepted.

The assumptions with regards to discount rate has been considered as per the requirement of the standard. Since no separate analysis of the mortality rate of the entity was undertaken, we have considered the latest mortality table available.

The results are particularly sensitive to some assumptions, such as discount rate, level of salary inflation, level of employee turnover and mortality. Such as decrease in the assumed discount rate or an increase in salary inflation will lead to increase in reported liability.

28. Related Party Disclosures :

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Holding Company	Gokak Textiles Limited
Ultimate Holding Company	Shapoorji Pallonji & Company Private Limited
Associate Companies	Suryoday One Energy Private Limited
Fellow Subsidiaries	Shapoorji Pallonji Infrastructure Capital Company Private Limited Shapoorji Pallonji Energy (Gujarat) Private Limited
Key Management Personnel and their relatives ("KMP")	Mr. Ramesh R. Patil - Whole Time Director Mr. Vikram V. Nagar - Chief Financial Officer Mr. Rakesh M. Nanwani - Company Secretary Mr. Mukundan Srinivasan - Chairman Mr. Kaiwan D. Kalyaniwalla - Director Mr. Pradip N. Kapadia - Director Mr. Chandrakant G. Shah - Director.
Trusts	Gokak Falls Education & Medical Trust



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

(b) transactions/ balances with above mentioned related parties (mentioned in note 28 above)

Nature of Transactions	Holding Company	Ultimate Holding Company	Associate Companies	Fellow Subsidiary	Key Managerial Personnel	Trust	Total
Sales (including Electricity Tax)	863.00	-	-	-	-	-	863.00
Previous Year (including Electricity Tax)	502.74	-	-	-	-	-	502.74
Interest Accrued	12.00	260.08	-	40.11	-	-	312.19
Previous Year	67.78	184.53	-	40.74	-	-	293.04
Services received	-	2.62	-	-	-	-	2.62
Previous Year	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	6.79	-	6.79
Previous Year	-	-	-	-	3.22	-	3.22
Borrowings	-	245.00	-	-	-	-	245.00
Previous Year	-	1,158.00	-	-	-	-	1,158.00
Refund Received	2.73	-	-	-	-	-	2.73
Previous Year	-	-	-	-	-	-	-
Reimbursement of Expenditure	0.97	-	-	-	-	-	0.97
Previous Year	1.14	-	-	-	-	0.76	1.90
Deposit Payable	100.00	-	-	-	-	-	100.00
Previous Year	100.00	-	-	-	-	-	100.00
Receivables	94.23	-	-	-	-	-	94.23
Previous Year	11.46	-	-	-	-	-	11.46
Payables	-	2,841.63	-	427.48	-	-	3,269.11
Previous Year	-	2,337.85	-	441.37	-	0.03	2,779.25
Investments in Equity Shares of Associate Company	-	-	0.26	-	-	-	0.26
Previous Year	-	-	-	-	-	-	-

(c) Details of Related Party Transactions (mentioned in note 28 above)

Nature Of Transaction	Year ended March 31, 2018	Year ended March 31, 2017	Nature Of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Electricity			Deposit Payable		
Gokak Textiles limited	863.00	502.74	Gokak Power & Energy Limited	100.00	100.00
Services Received			Receivables		
Shapoorji Pallonji & Company Private Limited	2.62	-	Gokak Textiles Limited	94.23	11.46
Interest accrued			Payables		
Gokak Textiles Limited	12.00	67.78	Gokak Falls Education & Medical Trust	-	0.03
Shapoorji Pallonji & Company Private Limited	260.08	184.53	Shapoorji Pallonji & Company Private Limited	2,841.63	2,337.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

Nature Of Transaction	Year ended March 31, 2018	Year ended March 31, 2017	Nature Of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Shapoorji Pallonji Infrastructure Capital Company Private Limited	32.78	31.56	Shapoorji Pallonji Infrastructure Capital Company Private Limited	382.57	353.06
Shapoorji Pallonji Energy (Gujarat) Private Limited	7.34	9.18	Shapoorji Pallonji Energy (Gujarat) Private Limited	44.91	88.31
Loans Taken					
Shapoorji Pallonji & Company Private Limited	245.00	1,158.00			
Refund received					
Gokak Textiles Limited	2.73	-			
Reimbursement of Expenditure					
Gokak Textiles Limited	0.97	1.14			
Gokak Falls Education & Medical Trust	-	0.76			
Investments in Equity Shares of Associate Company					
Suryoday One Energy Private Limited	0.26	-			

29 Capital Management :

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans. The funding requirements are met through short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below :

Particulars	March 31, 2018	March 31, 2017
Total Equity	2,942.85	4,154.15
Short Term Borrowings	3,269.11	2,779.23
Long Term Borrowings	4,298.75	5,321.75
Current Maturities of Long Term Borrowings	1,023.00	860.25
Total Debt	8,590.86	8,961.23
Cash & Cash equivalents	59.30	35.88
Bank balances other than above	861.40	956.17
Total Cash and Cash Equivalents	920.71	992.04
Net Debt	4,401.04	5,189.96
Debt Equity ratio	1.50	1.25
Debt Equity Ratio = Net debt / Total Equity		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued****30 Financial risk management objectives :**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial assets include trade receivables, cash and cash equivalents that comes directly from its operations and financial liabilities comprises of borrowings, trade and other payables, and financial guarantee contracts. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks.

(a) Market Risk :

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price. Market risk is attributable to all market risk sensitive financial instruments, loans and borrowings.

The finance department undertakes management of cash resources, borrowing mechanism and ensuring compliance with market risk limits.

Currency risk

The company is not exposed to currency risk, since there are not transaction in foreign currency.

Interest Risk and Sensitivity Analysis :

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The company manages its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to interest rate risks.

(b) Liquidity Risk :

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company do not have credit lines as at the end of the reporting period.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables shows principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Lakhs

Maturities of Financial Liabilities	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (Long term and Short term)	8,590.86	2,325.00	1,973.75	-
Trade Payables	9.88	-	-	-
Other Financial Liabilities (Including current maturities of long term borrowings)	1,083.85	-	-	-
Total	9,684.59	2,325.00	1,973.75	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2018 - Continued

₹ in Lakhs

Maturities of Financial Liabilities	March 31, 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (Long term and Short term)	2,779.22	2,139.00	2,511.00	671.75
Trade Payables	12.64	-	-	-
Other Financial Liabilities (Including current maturities of long term borrowings)	900.82	-	-	-
Total	3,692.68	2,139.00	2,511.00	671.75

(c) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

Particulars	March 31, 2018	March 31, 2017
Trade receivables	114.30	86.44
Other financial assets	115.81	479.45
Total	230.11	565.89

The above receivables are pertaining to only two customers i.e. the holding company and a State government, hence the company's credit risk is significantly low.

31 Movement in financial liabilities included under financing activities in statement of cash flows :

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

Particulars	As on 1st April 2017	Cash in flow/ (out flow)	As on 31st March 2018
Short Term Borrowings	2,779.23	489.88	3,269.11
Long Term Borrowings	5,321.75	(1,023.00)	4,298.75
Current maturities of long term borrowings	860.25	162.75	1,023.00

**32 Financial Instrument - Fair Value & Risk management:**

Categories of Financial Instruments:	March 31, 2018			March 31, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
i) Financial Assets						
Trade Receivables			114.30			86.44
Cash & Bank Balances			59.30			35.88
Bank balances other than above			861.40			956.17
Other Financial Assets			95.01			455.90
	-	-	1,130.01	-	-	1,534.37
ii) Financial liabilities						
Borrowings			4,298.75			5,321.75
Trade Payables			9.88			12.64
Other Financial Liabilities			1,083.85			900.82
		-	5,392.48	-	-	6,235.21

33 Segment reporting :-

The Chief Operating Decision maker of the Company examines Company's performance as one operating segment only namely - Power Out of the total revenue, 85% of the revenue pertains to only two customers i.e. the holding company and a State government.

34 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

35 Company has appointed Batliboi & Purohit Chartered accountants, in its 6th Annual General meeting in place of retiring Statutory Auditor Murugesh & Co., Chartered Accountants.

36 Approval of Financial Statements :- The financial statements were approved for issue by the board of directors on 18th May 2018.

The notes are an integral part of the these financial statements

As per our report of even date

For GOKAK POWER & ENERGY LIMITED

For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No. 101048W

Mukundan Srinivasan
(DIN: 00276429)

Chairman

Kaushal Mehta
Partner
Membership No. 111749

Vikram V. Nagar
Chief Financial Officer
Membership No. M25783

Ramesh R. Patil
(DIN: 07568951)

Whole-time Director

Place : Mumbai
Date : 18th May 2018

Rakesh M. Nanwani
Company Secretary
Membership No. A45718

Kaiwan D. Kalyaniwalla
(DIN: 00060776)

Pradip N. Kapadia
(DIN: 00078673)

Director

Chandrakant G. Shah
(DIN: 00002358)

Place : Mumbai
Date : 18th May 2018